

ARTICLES OF ASSOCIATION

OF

Dalian Wanda Commercial Properties Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of China)

(Applicable after the issue of H Shares)

**(Passed at the seventh extraordinary general meeting of the Company in 2014 held on
13 August 2014)**

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Note: in the margins of the provisions of these Articles of Association:

1. **The “Company Law”** refers to the *Company Law of the PRC* and its amendments issued from time to time;
2. **The “Securities Law”** refers to the *Securities Law of the PRC* and its amendments issued from time to time;
3. **The “Special Provisions”** refers to the *Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies* (Order of the State Council [1994] No.160);
4. **The “Mandatory Provisions”** refers to the *Mandatory Provisions for Articles of Association of Companies to be Listed Overseas* (Zheng Wei Fa [1994] No. 21) jointly issued by the former Securities Commission of the State Council and the former State Commission for Restructuring the Economic System;
5. **The “Guidelines for Articles of Association”** refers to the *Guidelines for Articles of Association of Listed Companies* (amended in 2014) (Zheng Jian Gong Si Zi [2014] No. 19) issued by the China Securities Regulatory Commission;
6. **The “Letter of Opinions on Supplements”** refers to the *Letter of Opinions on Supplements and Amendments to these Articles of Association of Companies Listed in Hong Kong* (Zheng Jian Hai Han [1995] No.1) jointly issued by the Overseas Listing Division of the China Securities Regulatory Commission and the Production System Department of the former State Commission for Restructuring the Economic System;
7. **The “Opinions on Reform”** refers to the *Opinions on Further Standardising Operations and Intensifying Reforms of Companies Listed Overseas* (Guo Jing Mao Qi Gai [1999] No. 230) issued by the former State Economic and Trade Commission and the China Securities Regulatory Commission;
8. **The “Practice Guidelines for Secretary to the Board”** refers to the *Practice Guidelines for Secretary to the Board of Directors of Companies Listed Overseas* (Zheng Jian Fa Xing Zi [1999] No.39) issued by the China Securities Regulatory Commission;
9. **the “Listing Rules”** refers to the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* and the amendments approved by it from time to time;
10. **the “Opinions of Hong Kong Exchanges and Clearing”** refers to the regular opinions of the Hong Kong Exchanges and Clearing Limited.

Chapter 1 General

Article 1

To safeguard the legitimate rights and interests of Dalian Wanda Commercial Properties Co., Ltd. (the “**Company**”) and its shareholders and creditors, and to regulate organization and acts of the Company, these Articles of Association are formulated pursuant to the *Company Law of PRC* (the “**Company Law**”), the *Securities Law of PRC*, the *Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies* (the “**Special Provisions**”), the *Mandatory Provisions for Articles of Association of Companies to be Listed Overseas*, the *Guidelines for Articles of Association of Listed Companies*, the *Letter of Opinions on Supplements and Amendments to these Articles of Association of Companies Listed in Hong Kong*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “**Listing Rules**”), and other relevant provisions.

Article 1 of the Guidelines for Articles of Association

Paragraph 1 (a) of Part D of Appendix 13 to the Main Board Listing Rules (all references to the Mandatory Provisions and the Letter of Opinions on Supplements below are deemed references simultaneously to Paragraph 1 (a) of Part D of Appendix 13 to the Main Board Listing Rules unless otherwise indicated

Article 2

The Company is a joint stock limited company duly incorporated in accordance with the Company Law and other relevant laws, administrative regulations or normative documents of the People’s Republic of China (the “**PRC**”).

Article 1 of the Mandatory Provisions

Article 2 of the Guidelines for Articles of Association

With all shareholders of the original Dalian Wanda Commercial Properties Co., Ltd. as the promoters, through the overall conversion of the audited book net assets of the original Dalian Wanda Commercial Properties Co., Ltd. as at 31 August 2009, and conducting overall alteration, the Company was established and registered at Dalian Administration for Industry and Commerce on 10 December 2009, with the Enterprise Legal Person Business License (registration number 210200000021891) granted.

There are 50 promoters in the Company, including 8 non-natural person shareholders, i.e. Dalian Wanda Group Co., Ltd. (大連萬達集團股份有限公司), China Construction Bank International Capital (Tianjin) Co., Ltd. (建銀國際資本管理(天津)有限公司), Beijing Dazhong Taiping Investment Co., Ltd. (北京大中太平投資有限公司), Oceanwide Investment Co., Ltd. (泛海投資股份有限公司), Huakong (Tianjin) Industry Investment Fund (Limited Partnership) (華控(天津)產業投資基金(有限合夥)), Giant Investment Co., Ltd. (巨人投資有限公司), Beijing Wugufeng Investment Consulting Co., Ltd. (北京五穀豐投資諮詢有限公司) and Beijing Qinchuan Dadi Investment Co., Ltd. (北京秦川大地投資有限公司), respectively; 42 natural person shareholders, i.e. WANG Jianlin, HUANG Yu (黃于),

DONG Xuelin (董學林), YANG Xin (楊欣), SUN Xishuang (孫喜雙), WANG Wei (王偉), HE Zhiping (何志平), LI Zhuosheng (李涿生), LIN Ning (林寧), ZHANG Dazhong (張大中), JIN Yi (金怡), DING Yaosong (丁么松), DING Mingshan (丁明山), DAI Chengshu (戴成書), DING Benxi (丁本錫), LI Yaohan (李耀漢), CHEN Ping (陳平), YIN Hai (尹海), ZHANG Cheng (張誠), LENG Chuanjin (冷傳金), HUANG Ping (黃平), NING Qifeng (寧奇峰), WANG Shuhua (王淑華), GAO Qian (高茜), DING Yao (丁遙), QI Jie (齊界), ZHANG Lin (張霖), XIAO Guangrui (肖廣瑞), YE Ning (葉寧), QU Dejun (曲德君), QU Xiaodong (曲曉東), QIAN Dongren (錢東人), NIE Zhuo (聶茁), LU Qin (陸勤), HUANG Dawei (黃大衛), SHI Xueqing (石雪清), YANG Jianping (楊建平), FU Jinghui (付景輝), LIU Xiaobin (劉曉彬), HUANG Dongsheng (黃東生), GAO Xiaofan (高小帆), LIU Chaohui (劉朝暉), respectively.

Article 3

The registered Chinese name of the Company is 大連萬達商業地產股份有限公司.

Article 2 of the Mandatory Provisions

The English name of the Company is Dalian Wanda Commercial Properties Co., Ltd.

Article 4 of the Guidelines for Articles of Association

Article 4

Address of the Company: No. 539, Changjiang Road, Xigang District, Dalian.

Article 3 of the Mandatory Provisions

Postal code: 116001

Telephone number: 010-85853888

Article 5 of the Guidelines for Articles of Association

Fax number: 010-85853222

Article 5

The chairman of the board of directors (the “Board”) is the Company’s legal representative.

Article 4 of the Mandatory Provisions

Article 6

Article 8 of the Guidelines for Articles of Association

The Company is a perpetual joint stock limited company.

Article 5 of the Mandatory Provisions

Article 7

Article 7 of the Guidelines for Articles of Association

All the Company’s assets are divided into equal shares. Each shareholder is responsible to the Company up to his subscribed shares. The Company is responsible for its debts up to its total assets.

Article 9 of the Guidelines for Articles of Association

Article 8

Approved through a resolution at the general meeting and by relevant authorities of the state, these Articles of Association take effect on the day when the overseas-listed foreign shares issued by the Company are listed and commence dealings on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), and supersede the previous articles of association of the Company which has been filed with the original competent administration for industry and commerce.

Article 6 of the Mandatory Provisions

Article 9

From the effective date of these Articles of Association, these Articles of Association shall become a legally binding document which regulates the Company’s organization and acts, the rights and obligations between the Company and shareholders, and amongst the shareholders.

Article 6 and Article 7 of the Mandatory Provisions

These Articles of Association shall be legally binding on the Company, its shareholders, directors, supervisors, senior management , with such personnel being entitled to claim for right on matters relating to the Company, and undertake corresponding obligations in accordance with these Articles of Association.

Article 10 of the Guidelines for Articles of Association

According to these Articles of Association, one shareholder can sue the other shareholders, and the shareholders can sue the Company’s directors, supervisors and senior management. The shareholders can sue the Company. The Company can sue the shareholders, directors, supervisors and senior management.

For the purposes of the preceding paragraph, the term “sue” shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.

Article 10

The Company may invest in other enterprises. However, it shall not become a capital contributor that shall bear joint liabilities for the debts of the enterprises invested, unless otherwise provided for by law.

Article 15 of the Company Law

Article 8 of the Mandatory Provisions

Chapter 2 Operational Objectives and Scope

Article 11

The operational objectives of the Company are: to continue to improve the Company's core competitiveness through its innovative and unique business model, complete industrial chain, rich business resource and strong management operation ability to create maximum value for shareholders while achieving its vision of "international Wanda, a century enterprise"; to actively undertake social responsibilities and do a good corporate citizen.

Article 9 of the Mandatory Provisions

Article 12 of the Guidelines for Articles of Association

Article 12

As registered in accordance with the laws, the scope of business of the Company covers: the development and sales of real estate; the investment and management of commercial service facilities (including office buildings, apartments, shopping centers and hotels); rental housing; the import and export of cargoes and technologies as well as general domestic trade (the items which are prohibited by laws and regulations are not allowed to be operated and the items which are restricted by laws and regulations shall be operated subject to the required approvals); property management; house engineering design and urban planning and design.

Article 10 of the Mandatory Provisions

Article 13 of the Guidelines for Articles of Association

The aforesaid scope of business shall be based on the items approved by the competent administration for industry and commerce.

Chapter 3 Shares, Registered Capital and Transfer of Shares

Article 13

The Company shall have ordinary shares at all times. It may have other classes of shares as needed, upon approval by the authorities that are authorized by the State Council.

Article 11 of the Mandatory Provisions

Paragraph 9 of Appendix 3 to the Main Board Listing Rules

Article 14

The Company's shares shall be in the form of share certificates.

Article 14 of the Guidelines for Articles of Association

All the shares issued by the Company shall have a par value which shall be RMB1 for each share.

Article 12 of the Mandatory Provisions

The RMB mentioned in the preceding paragraph refers to the lawful currency of the PRC.

Article 16 of the Guidelines for Articles of Association

Article 15

Company shares shall be issued based on the principles of openness, fairness and justice. Shares of the same class shall carry equal rights.

Article 15 of the Guidelines for Articles of Association

For the same class of shares of the same issuance, each share shall be issued at the same conditions and price. Any entity or individual shall pay the same price for any such shares subscribed.

Paragraph 9 of Appendix 3 to the Main Board Listing Rules

Article 16

The Company may issue shares to investors inside the PRC and investors outside the PRC upon approval of the securities regulatory authorities under the State Council.

Article 13 of the Mandatory Provisions

For the purpose of the preceding paragraph, the term “investors outside the PRC” shall refer to investors from foreign countries or Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company. The term “investors inside the PRC” shall refer to investors inside the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.

Article 17

The shares issued by the Company to investors inside the PRC for subscription in Renminbi shall be referred to as “domestic shares”. The shares issued by the Company to investors outside the PRC for subscription in foreign currency shall be referred to as “foreign shares”. The foreign shares that are listed overseas shall be referred to as “overseas-listed foreign shares”. A holder of domestic shares and a holder of overseas-listed foreign shares are both holders of ordinary shares and shall have the same rights and obligations.

Article 14 of the Mandatory Provisions

Paragraph 9 of Appendix 3 to the Main Board Listing Rules

Rule 19A.01(3)(b) of the Main Board Listing Rules

The term “foreign currency” in the preceding paragraph shall refer to the lawful currency freely convertible in other countries or regions (other than RMB), which is recognized by state foreign exchange authority and acceptable to pay for the shares.

The overseas-listed foreign shares issued by the Company and listed in Hong Kong (the “**H shares**”) shall refer to shares with a par value denominated in RMB, which are approved by the Hong Kong Stock Exchange for listing and will be subscribed for and traded in Hong Kong dollars.

Subject to the approval of the securities regulatory authorities of the State Council, shareholders of the Company may list and transact the unlisted shares they are holding on overseas stock exchange. These shares, which are listed and traded on an overseas stock exchange, shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities markets. Their listing and trading on the stock exchange outside the PRC do not require a voting at any class shareholder meeting.

Article 18

With the approval of the authorities authorized by the State Council, 3,600,000,000 ordinary shares were issued to the promoters of the Company upon its establishment, and the below sets out the promoters and the number of shares subscribed by them:

Article 15 of
the Mandatory
Provisions

Article 18 of
the Guidelines
for Articles of
Association

No.	Name of promoters	Number of shares subscribed upon the establishment of the Company	Percentage to total share capital of the Company upon its establishment
1.	Dalian Wanda Group Co., Ltd. (大連萬達集團股份有限公司)	2,093,840,000	58.162%
2.	WANG Jianlin (王健林)	265,860,000	7.381%
3.	China Construction Bank International Capital (Tianjin) Co., Ltd. (建銀國際資本管理(天津)有限公司)	216,000,000	6.000%
4.	SUN Xishuang (孫喜雙)	126,000,000	3.500%
5.	HUANG Yu (黃于)	110,900,000	3.081%
6.	LIN Ning (林寧)	104,000,000	2.889%
7.	DONG Xuelin (董學林)	97,200,000	2.700%
8.	YANG Xin (楊欣)	81,000,000	2.250%
9.	Beijing Dazhong Taiping Investment Co., Ltd. (北京大中太平投資有限公司)	36,000,000	1.000%
10.	Oceanwide Investment Co., Ltd. (泛海投資股份有限公司)	36,000,000	1.000%
11.	Huakong (Tianjin) Industry Investment Fund (Limited Partnership) (華控(天津)產業投資基金(有限合夥))	36,000,000	1.000%
12.	Giant Investment Co., Ltd. (巨人投資有限公司)	36,000,000	1.000%

No.	Name of promoters	Number of shares subscribed upon the establishment of the Company	Percentage to total share capital of the Company upon its establishment
13.	ZHANG Dazhong (張大中)	36,000,000	1.000%
14.	Beijing Wugufeng Investment Consulting Co., Ltd. (北京五穀豐投資諮詢有限公司)	32,400,000	0.900%
15.	JIN Yi (金怡)	32,400,000	0.900%
16.	Beijing Qinchuan Dadi Investment Co., Ltd. (北京秦川大地投資有限公司)	30,000,000	0.833%
17.	DING Yaosong (丁么松)	30,000,000	0.833%
18.	DING Benxi (丁本錫)	24,000,000	0.667%
19.	DING Mingshan (丁明山)	20,600,000	0.572%
20.	DAI Chengshu (戴成書)	20,000,000	0.556%
21.	LI Zhuosheng (李涿生)	18,000,000	0.500%
22.	HE Zhiping (何志平)	16,200,000	0.450%
23.	CHEN Ping (陳平)	12,000,000	0.333%
24.	LENG Chuanjin (冷傳金)	12,000,000	0.333%
25.	LI Yaohan (李耀漢)	12,000,000	0.333%
26.	YIN Hai (尹海)	12,000,000	0.333%
27.	ZHANG Cheng (張誠)	12,000,000	0.333%
28.	WANG Wei (王偉)	8,000,000	0.222%
29.	DING Yao (丁遙)	2,000,000	0.056%
30.	GAO Qian (高茜)	2,000,000	0.056%
31.	HUANG Ping (黃平)	2,000,000	0.056%
32.	NING Qifeng (寧奇峰)	2,000,000	0.056%
33.	QI Jie (齊界)	2,000,000	0.056%
34.	QU Dejun (曲德君)	2,000,000	0.056%
35.	QU Xiaodong (曲曉東)	2,000,000	0.056%
36.	WANG Shuhua (王淑華)	2,000,000	0.056%
37.	XIAO Guangrui (肖廣瑞)	2,000,000	0.056%
38.	YE Ning (葉寧)	2,000,000	0.056%
39.	ZHANG Lin (張霖)	2,000,000	0.056%
40.	LU Qin (陸勤)	1,200,000	0.033%

No. Name of promoters	Number of shares subscribed upon the establishment of the Company	Percentage to total share capital of the Company upon its establishment
41. NIE Zhuo (聶茁)	1,200,000	0.033%
42. QIAN Dongren (錢東人)	1,200,000	0.033%
43. FU Jinghui (付景輝)	1,000,000	0.028%
44. GAO Xiaofan (高小帆)	1,000,000	0.028%
45. HUANG Dawei (黃大衛)	1,000,000	0.028%
46. HUANG Dongsheng (黃東生)	1,000,000	0.028%
47. LIU Chaohui (劉朝暉)	1,000,000	0.028%
48. LIU Xiaobin (劉曉彬)	1,000,000	0.028%
49. SHI Xueqing (石雪清)	1,000,000	0.028%
50. YANG Jianping (楊建平)	1,000,000	0.028%
Total:	<u>3,600,000,000</u>	<u>100.00%</u>

Article 19

Upon the establishment of the Company, as approved by China Securities Regulatory Commission (the “CSRC”) and the Hong Kong Stock Exchange, the Company may issue no more than 690,000,000 H shares (including any H shares which may be issued pursuant to the exercise of the Over-allotment Option).

Article 16 of
the Mandatory
Provisions

Article 19 of
the Guidelines
for Articles of
Association

Upon completion of the aforesaid issue of H shares, the Company’s shareholding structure is as follows (assuming the Over-allotment Option is not exercised): 4,474,800,000 ordinary shares, comprising 3,874,800,000 domestic shares and 600,000,000 H shares; and the Company’s shareholding structure is as follows (assuming the Over-allotment Option is fully exercised): 4,564,800,000 ordinary shares, comprising 3,874,800,000 domestic shares and 690,000,000 H shares.

Article 20

Domestic shares issued by the Company are retained under centralized depository of the securities depository institutions in compliance with relevant regulations for safe custody; whereas the H shares of the Company are mainly retained under the safe custody of entrusted Hong Kong securities clearing companies and such shares may also be held under the personal names of shareholders.

Article 17 of the Guidelines for Articles of Association

Article 21

After the plans for issuing overseas-listed foreign shares and domestic shares have been approved by the securities regulatory authorities under the State Council, the Company's Board may arrange for implementation of such plans by means of separate issuances.

Article 17 of the Mandatory Provisions

The Company's plan for issuance of overseas-listed foreign shares and domestic shares in accordance with the preceding paragraph may be implemented within 15 months upon approval by the securities regulatory authorities under the State Council, unless otherwise stipulated by the securities regulatory authorities under the State Council.

Article 22

Where the Company issues overseas-listed foreign shares and domestic shares separately within the total number of shares specified in the issuance plans, such shares shall be fully subscribed in one single issuance. Where special circumstances make it impossible for every such single issuance to be fully subscribed, the shares may be issued in several tranches, subject to the approval of the securities regulatory authorities under the State Council.

Article 18 of the Mandatory Provisions

Article 23

Upon its establishment, the Company had a registered capital of RMB3,600,000,000. Immediately before the issue of H shares, the Company had a registered capital of RMB3,874,800,000.

Article 19 of the Mandatory Provisions

Article 6 of the Guidelines for Articles of Association

Upon completion of the aforesaid issue of H shares, the registered capital of the Company is RMB4,474,800,000 (assuming the Over-allotment Option is not exercised); the registered capital of the Company is RMB4,564,800,000 (assuming the Over-allotment Option is fully exercised).

Based on the actual situation regarding the issue, the Company shall undergo formalities regarding the change of registration with the competent administration for industry and commerce in respect of the change of registered capital, and shall file the same to the State Council authorities in charge of securities.

Article 24

Unless otherwise provided in the laws, administrative regulations, department rules or listing rules of the place(s) in which the shares of the Company are listed, the fully paid-up shares of the Company may be transferred according to law without any lien. The transfer of shares shall be registered with registration agency appointed by the Company.

Article 21 of the Mandatory Provisions

Article 26 of the Guidelines for Articles of Association

Rule 19A.46 and Paragraph 1(2) of Appendix 3 to the Main Board Listing Rules

Article 25

The Company shall not accept its shares as the subject of a pledge.

Article 27 of the Guidelines for Articles of Association

Article 26

The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. The shares issued before the Company publicly issues any shares shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange.

Article 141 of the Company Law

Article 28 of the Guidelines for Articles of Association

The directors, supervisors and senior management of the Company shall report to the Company the shares held by them and the changes thereof. During the term of their office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company that he holds. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. If any of the aforesaid persons leaves from his post, he shall not transfer the shares of the Company that he holds within six months from such departure.

Article 27

If a director, supervisor or senior management of the Company, or a shareholder holding 5% or more of the shares of the Company sells the shares of the Company within six months after buying those shares, or buys the shares within six months after selling, all the gains arising thereof shall belong to the Company. Such gains shall be collected by the Board of the Company. If a securities company holds 5% or more of the shares the Company due to purchase of unsold shares from its underwriting, the sale of these shares shall not be subject to the said six-month restriction.

Article 47 of the Securities Law

Article 29 of the Guidelines for Articles of Association

Rule 19A.46 and Paragraph 1(2) of Appendix 3 to the Main Board Listing Rules

If the Company’s Board does not comply with the preceding paragraph, the shareholders can request the Board to do so within 30 days. If the Board does not enforce such right within the said period, the shareholders are entitled to commence litigations in court in their own names for the interest of the Company.

If the Company’s Board does not enforce the first paragraph of this Article, the accountable directors shall be jointly and severally responsible in accordance with the law.

Chapter 4 Increase, Reduction and Repurchase of Shares

Article 28

Subject to approval by a resolution at the general meeting, the Company may increase the capital as required for its operation and development, pursuant to the laws, administrative regulations, department rules or listing rules of the place(s) in which the shares of the Company are listed and the relevant provisions of these Articles of Association.

Article 20 of the Mandatory Provisions

Article 21 of the Guidelines for Articles of Association

The Company may increase its capital by the following methods:

- (1) Issuing new shares to unspecified investors;
- (2) Placing new shares with existing Shareholders;
- (3) Giving new shares to existing shareholders;
- (4) Converting the reserve funds into share capital;
- (5) Other means prescribed by the law, administrative regulations, department rules or approved by the relevant regulatory authorities.

Increasing stock capital by issuing new shares shall be carried out in accordance with the procedures specified in relevant State laws, administrative regulations, department rules as well as the governing rules which prevail in the place where the shares are listed, after having been approved in accordance with these Articles of Association.

Article 29

The Company may reduce its registered capital. If the Company reduces its registered capital, such reduction shall be in accordance with the requirements of the Company Law, other related regulations and these Articles of Association.

Article 22 of the Mandatory Provisions

Article 22 of the Guidelines for Articles of Association

Article 30

If the Company reduces its registered capital, a balance sheet and an inventory of assets should be prepared.

Article 177 of the Company Law

Where the Company reduces its registered capital, the Company shall notify the creditors and make a public announcement in accordance with provisions of the Company Law, and repay its debts or provide corresponding guarantees as required by the creditors in accordance with laws.

Article 23 of the Mandatory Provisions

Article 176 of the Guidelines for Articles of Association

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

Article 31

The Company may, in the following circumstances, repurchase its own issued outstanding shares according to legal procedures and in accordance with the procedures provided for in these Articles of Association, and submit the same to the relevant state authorities for approval:

Article 24 of the Mandatory Provisions

Article 23 of the Guidelines for Articles of Association

- (1) Cancellation of shares in order to reduce its registered capital;
- (2) Merger with another company holding shares in the Company;
- (3) As a token of reward, distribution of shares to staff of the Company;
- (4) Acquisition of shares held by shareholders (upon their request) who dissent from any resolution proposed in any general meeting on the merger or demerger of the Company;
- (5) Other circumstances where laws, administrative regulations, department rules or listing rules of the place(s) in which the shares of the Company are listed.

Save as aforementioned, the Company shall not trade in its shares.

Article 32

With approval from relevant state authorities to repurchase its own shares, the Company may proceed in any one of the following manners:

Article 25 of the Mandatory Provisions

- (1) Making of a repurchase offer in the same proportion to all shareholders;
- (2) Repurchase through open transactions on a stock exchange;
- (3) Repurchase by agreement outside of a stock exchange;
- (4) Other methods recognized by relevant regulatory authority.

Article 24 of the Guidelines for Articles of Association

Article 33

In the event of a repurchase of shares by the Company by an agreement outside of a stock exchange, prior approval shall be obtained from the shareholders at a general meeting in accordance with the procedures specified in the Company’s Articles of Association. Upon obtaining further prior approval of the shareholders at the general meeting in the same manner, the Company may terminate or amend contracts concluded in the manner set forth above or waive any of its rights under such contracts.

Article 26 of the Mandatory Provisions

The contracts for the repurchase of shares referred to in the above paragraph include (but not limited to) agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.

The Company may not assign contracts for the repurchase of its own shares or any of its rights thereunder.

Paragraph 8(1) and (2) of Appendix 3 to the Main Board Listing Rules

The price per share for repurchasing the Company’s own redeemable shares proposed to be made otherwise than by tender or in the market shall be capped at a maximum price determined by the Company; where the repurchasing is proposed to be made by way of tender, tenders shall be made available to all holders of such shares on the same terms.

Article 34

The repurchase of shares of the Company because of the reasons stated in the provisions of Articles 31(1) to (3) of these Articles of Association by the Company shall be approved on general meetings as required in these Articles of Association. After legally buying back its own share according to the provisions of Articles 31(1), (2) and (4) of these Articles of Association, the Company shall cancel such shares within 10 days from the date of acquisition, in the circumstance as described in (1); and transfer or cancel such shares within six months in the circumstance as described in (2) and (4). Shares repurchased according to the provisions of Articles 31(3) of these Articles of Association shall not exceed 5% of the entire issued shares of the Company, and such purchase shall be funded by after-tax profit of the Company, and such shares shall be transferred to staffs within one year.

Article 142 of the Company Law

Article 25 of the Guidelines for Articles of Association

Article 35

Upon cancellation of the portion of shares bought back, the Company shall apply to the original company registration authority for registration of the change in registered capital.

Article 27 of
the Mandatory
Provisions

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

Article 36

Unless the Company has already entered the liquidation stage, it must comply with the following provisions in buying back its issued and outstanding shares:

Article 28 of
the Mandatory
Provisions

- (1) Where the Company buys back shares at their par value, the amount thereof shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares;
- (2) Where the Company buys back shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares; and the portion in excess of the par value shall be handled according to the following methods:
 1. Where the shares bought back were issued at their par value, the amount shall be deducted from the book balance of distributable profits;
 2. Where the shares bought back were issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares; however, the amount deducted from the proceeds of the new shares issuance shall not exceed the total premium obtained at the time of issuance of the old shares so repurchased nor exceed the amount in the Company's premium account or capital common reserve account (including the premiums from the new shares issuance) at the time of repurchase;

- (3) The sums paid by the Company for the purposes set forth below shall be paid out of the Company’s distributable profits:
 - 1. Acquisition of the right to buy back its own shares;
 - 2. Amendments to any contract for repurchase of its own shares;
 - 3. Release from any of its obligations under any repurchase contract.

- (4) After the aggregate par value of the cancelled shares has been deducted from the registered capital of the Company in accordance with relevant regulations, that portion of the amount deducted from the distributable profits and used to buy back shares at the par value of the bought back shares shall be included in the Company’s premium account (or capital common reserve account).

Chapter 5 Financial Assistance for Purchase of Company Shares

Article 37

The Company or its subsidiaries (including affiliates) shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the shares in the Company. Purchasers of shares in the Company as referred to above shall include persons that directly or indirectly undertake obligations as a result of purchasing shares in the Company.

Article 29 of the Mandatory Provisions

Article 20 of the Guidelines for Articles of Association

The Company or its subsidiaries (including affiliates) shall not at any time provide any financial assistance in any form to the above obligators in order to reduce or discharge their obligations.

The provisions of this Article shall not apply to the circumstances described in Article 39 of this Chapter.

Article 38

For the purposes of this Chapter, the term “financial assistance” shall include (but not limited to) the financial assistance in the forms set out below:

Article 30 of
the Mandatory
Provisions

- (1) Gift;
- (2) Guarantee (including the undertaking of liability or provisions of property by the guarantor in order to secure the performance of the obligation by the obligator), indemnity (not including, however, indemnity arising from the Company’s own fault) and release or waiver of rights;
- (3) 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 as well as the assignment of rights under such loan or contract;
- (4) 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 Company’s net assets.

For the purposes of this Chapter, the term “undertake obligations” shall include the undertaking of an obligation by the obligator 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 obligator individually or jointly with any other person) or by changing its financial position in any other way.

Article 39

The acts listed below shall not be regarded as the acts prohibited under Article 37 of this Chapter:

Article 31 of
the Mandatory
Provisions

- (1) Where the Company provides the relevant financial assistance truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of an overall plan of the Company;

- (2) Lawful distribution of the Company’s property in the form of dividends;
- (3) Distribution of dividends in scrip form;
- (4) Reduction of registered capital, repurchase of shares, adjustment of shareholding structuring, etc., in accordance with these Articles of Association of the Company;
- (5) Provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company’s distributable profits);
- (6) The contribution by the Company for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company’s distributable profits).

Chapter 6 Share Certificates and Register of Shareholders

Article 40

The Company’s shares shall be in registered form.

Article 32 of the Mandatory Provisions

In addition to the particulars provided for in the Company Law, the share certificates of the Company shall clearly state such other particulars as required to be specified by the stock exchange(s) on which the Company’s shares are listed.

Article 3 of the Special Provisions

The Company may take the form of overseas depository receipt or other derivations of share certificate to issue overseas-listed foreign shares in accordance with laws and securities registration and depository practice of the listing venue.

During the listing of the Company's H shares on the main board of the Hong Kong Stock Exchange, the Company shall ensure that the following statements are included in all title documents (including H shares certificates) relating to its securities listed on the Hong Kong Stock Exchange and shall instruct and procure its share registrar to reject the registration of the subscription, acquisition or transfer of shares in the name of any individual holder unless and until the individual holder submits the appropriately signed form relating to such shares to the share registrar and the form shall contain the following statements:

- (1) the share purchaser and the Company and each of the shareholders, and the Company and each of the shareholders agree to observe and comply with the requirements of the Company Law, Special Provisions and other relevant laws, administrative regulations, department rules and these Articles of Association.
- (2) the purchaser of the shares agrees with the Company and each of the shareholders, directors, supervisors and senior management of the Company, and the Company, acting on behalf of itself and each of directors, supervisors and senior management of the Company, agrees with each of the shareholders that, they will refer to arbitration for settlement of all disputes and claims arising from these Articles of Association, or disputes and claims of rights in relation to the Company's affairs arising from any rights or obligations under the Company Law or other relevant laws, administrative regulations and department rules in accordance with the provisions of these Articles of Association.
- (3) the purchaser of the shares agrees with the Company and each of the shareholders of the Company that the shares of the Company may be freely transferable by the holder.
- (4) the purchaser of the shares authorizes the Company to enter into a contract on his behalf with each of the directors and senior management, pursuant to which the directors and senior management undertake to observe and perform their duties owed to the shareholders under these Articles of Association.

Article 41

The share certificates shall be signed by the chairman of the Board of the Company. Where the signatures of senior management of the Company are required by the stock exchange(s) on which the Company's shares are listed, the share certificates shall also be signed by such senior management. The share certificates shall become effective after the Company seal

Article 128 of
the Company
Law

Article 33 of
the Mandatory
Provisions

Article 1 of
the Letter of
Opinions on
Supplements

Rule 2(1) of
Appendix 3 to
the Main Board
Listing Rules

is affixed thereto or printed thereon. Under authorization of the Board, the Company may stamp on share certificate. The signature of legal representative or of senior management on the share certificates may also be in printed form. In the circumstance of paperless issuance and trading of the shares of the Company, provisions otherwise provided by local securities regulatory authorities of the place(s) in which shares of the Company are listed shall apply.

Article 42

The Company shall establish a register of shareholders in accordance with evidence from the securities registration organization, and shall enter therein the following particulars:

- (1) The name, address (domicile), occupation or nature of each shareholder;
- (2) The class and number of shares held by each shareholder;
- (3) The amount paid or payable for the shares held by each shareholder;
- (4) The serial number of the shares held by each shareholder;
- (5) The date on which each shareholder is registered as a shareholder; and
- (6) The date on which each shareholder ceases to be a shareholder.

The register of shareholders is the conclusive evidence of shareholders' holding of the Company shares, unless otherwise with opposite evidence.

Article 43

The Company may, pursuant to an understanding or agreement reached between the securities regulatory authorities under the State Council and a securities regulatory organization outside the PRC, keep outside the PRC its original register of holders of overseas-listed foreign shares, and entrust the administration thereof to an agent outside the PRC. The original register of public shareholders of the H shares shall be kept in Hong Kong.

The Company shall keep at its domicile a duplicate of the register of holders of overseas-listed foreign shares. The appointed agent outside the PRC shall ensure that the register of holders of overseas-listed foreign shares and its duplicate are consistent at all times.

Where the original and duplicate of the register of holders of overseas-listed foreign shares are inconsistent, the original shall prevail.

Article 34 of
the Mandatory
Provisions

Article 30 of
the Guidelines
for Articles of
Association

Article 35 of
the Mandatory
Provisions

Article 2 of
the Letter of
Opinions on
Supplements

Rule 1(b)
of Part D of
Appendix 13 to
the Main Board
Listing Rules

Article 44

The Company shall keep a complete register of shareholders.

Article 36 of
the Mandatory
Provisions

The register of shareholders shall include the following parts:

- (1) A register kept at the Company's domicile other than those specified in Items (2) and (3) of this article;
- (2) The register(s) of holders of overseas-listed foreign shares kept in the place(s) of the stock exchange(s) outside the PRC on which the shares are listed;
- (3) Registers of shareholders kept in other places as the Board may decide necessary for listing purposes.

Article 45

The various parts of the register of shareholders shall not overlap one another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

Article 37 of
the Mandatory
Provisions

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the law of the places where each part is kept.

Article 46

All paid H shares are freely transferable according to these Articles of Association. Unless meeting the following conditions, the Board may without giving a reason decline to recognize any instrument of transfer:

Article 12 of
the Letter of
Opinions on
Supplements

- (1) Any transfer instrument or other instrument which relates to share ownership or may affect share ownership must be registered, and a fee determined pursuant to the charging standard under the Listing Rules of the Hong Kong Stock Exchange (but such fees shall not exceed the maximum prescribed in the Listing Rules of the Hong Kong Stock Exchange from time to time) shall be paid for such registration;
- (2) The transfer instrument only relates to H shares listed in Hong Kong;
- (3) The due stamp duty for transfer instrument has already been paid;
- (4) Relevant share certificate and such other evidence as the directors may reasonably require to prove the transferor's right to transfer are lodged;

Rule 1 of
Appendix 3 to
the Main Board
Listing Rules

- (5) Transfer of any share to no more than four joint holders;
- (6) The shares concerned are free of any lien in favor of the Company.

If the Board refuses to register any transfer of shares, the Company shall within two months from the date of formal application for the transfer provide the transferor and transferee with a notice of refusal to register such transfer.

Shareholder of any foreign shares may transfer all or part of his shares through an instrument in the usual written form in the relevant place(s) in which the shares of the Company are listed or in such other form as the Board may accept. The transfer of H shares may adopt the standard transfer form prescribed by the Hong Kong Stock Exchange. The transfer instrument may be under hand only or, if the transferor or transferee is a clearing house or its nominee(s) defined by Hong Kong Securities and Futures Ordinance, a handwritten or machine imprinted signature shall be acceptable.

All instruments of transfer shall be maintained at the legal address, address of the share registrar of the Company or such places as the Board may designate from time to time.

Article 47

No changes resulting from share transfers may be made to the register of shareholders within 30 days prior to a general meeting or 5 days prior to the reference date set by the Company for the purpose of distribution of dividends. This is subject to any other provisions of the securities regulatory authorities in the place(s) in which the shares of the Company are listed.

Article 38 of the Mandatory Provisions

Article 48

When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the convener of the Board or general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date shall enjoy the relevant rights.

Article 39 of the Mandatory Provisions

Article 31 of the Guidelines for Articles of Association

Article 49

Any person that dissents from the register of shareholders and requires his name to be entered into or removed from the register may apply to a competent court for correction of the register.

Article 40 of the Mandatory Provisions

Article 50

Any shareholder who is registered in the register of shareholders or requires his name to be entered into the register of shareholders may apply to the Company for a replacement certificate in respect of such shares (the “Relevant Shares”) if his share certificate (the “Original Share Certificate”) is lost.

Applications for the replacement of domestic share certificates shall be dealt with in accordance with the relevant provisions of the Company Law.

Applications for the replacement of overseas-listed foreign share certificates shall be dealt with in accordance with the law, regulations, rules of stock exchanges and other relevant regulations of the place where the original register of holders of overseas-listed foreign shares is kept.

Where shareholders of H shares apply for replacement of lost certificates, such replacement shall comply with the following requirements:

- (1) The applicant shall submit the application in the form prescribed by the Company accompanied by a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant’s reason for the application, the circumstances and proof of the loss of the share certificate and a declaration stating that no other person may require registration as a shareholder in respect of the Relevant Shares;
- (2) The Company has not received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides that a replacement share certificate shall be issued;
- (3) If the Company decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention in the newspapers designated by the Board; the period of the public announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days.
- (4) Before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with the publication upon receipt of a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The public announcement shall be displayed in the stock exchange for a period of 90 days.

If the application for issuance of a replacement share certificate was made without consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the public announcement that it intends to publish.

- (5) Upon expiry of the 90-day period specified in Items (3) and (4) hereof, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant.
- (6) When the Company issues a replacement share certificate under this Article, it shall immediately cancel the original share certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders.
- (7) All expenses for the cancellation of the original share certificate and issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until reasonable guarantee is obtained from the applicant.

Article 51

After the Company has issued a replacement share certificate in accordance with these Articles of Association, it shall not delete from the register of shareholders the name of a bona fide purchaser of the replacement share certificate mentioned above or of a shareholder that is subsequently registered as the owner of the shares (provided that he is a bona fide purchaser).

Article 42 of
the Mandatory
Provisions

Article 52

The Company shall not be liable for any damages suffered by any person from the cancellation of the original share certificate or the issuance of the replacement share certificate, unless the claimant can prove fraudulent act on the part of the Company.

Article 43 of
the Mandatory
Provisions

Chapter 7 Rights and Obligations of Shareholders

Article 53

The Company's shareholders are persons who lawfully hold shares of the Company and whose names have been entered in the register of shareholders.

Article 44 of
the Mandatory
Provisions

Shareholders shall enjoy rights and have obligations according to the class and number of shares held. Holders of shares of the same class shall enjoy equal rights and have equal obligations.

Article 30 of
the Guidelines
for Articles of
Association

Shareholder of every class shall enjoy equal rights in the distribution of dividend or distribution in any other form.

Where a shareholder is a legal person, its legal representative or the nominee of its legal representative shall exercise, on behalf of it, its rights.

Where more than two persons are registered as joint shareholders of any share, they shall be deemed as joint holders of the relevant share, and shall be restricted by the following terms:

- (1) The Company needs not register more than four persons as joint shareholders for any shares;
- (2) All joint shareholders of any share shall bear the joint and several liabilities for the payable amount of the relevant share.

In the circumstance of joint shareholders:

- (1) In case of death of one of the joint shareholders, only the other surviving joint shareholder(s) shall be deemed as owner of the shares, but for the purpose of revising the register of shareholder, the Board is entitled to demand the surviving shareholder(s) to provide a death certificate as the Board thinks fit.
- (2) For joint shareholders of any share, the person whose name stands first in the register shall be entitled to receive share certificate of the relevant shares, receive notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders. Any of the joint shareholders may sign a proxy form; provided, however, where the number of the joint shareholders presenting in person or by proxy at a meeting is more than one, the vote cast, in person or by proxy, by the shareholder whose name appears in prior sequence shall be regarded as the sole and exclusive vote on behalf of all the rest joint shareholders. For the purpose of such voting, the shareholder's priority shall be determined in accordance with the sequence of the joint shareholders holding Relevant Shares as prescribed in the Company's register of shareholders.

Where one of the joint shareholders delivers receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as valid receipt from such joint shareholders to the Company.

Article 54

Holders of ordinary shares of the Company shall enjoy the following rights:

Article 45 of the Mandatory Provisions

- (1) To receive dividends and other profit distributions on the basis of the number of shares held by them;
- (2) To request, convene, hold, participate or send proxy to attend general meeting and exercise corresponding voting rights in accordance with the law;
- (3) To monitor, make suggestions or question the Company’s operation;
- (4) To transfer, donate or pledge shares in his possession in accordance with the law, administrative regulations, listing rules of the place(s) in which the shares of the Company are listed, as well as provisions of these Articles of Association;
- (5) To obtain relevant information in accordance with these Articles of Association of the Company, which shall include:
 - 1. To obtain these Articles of Association of the Company after payment of a charge to cover the costs;
 - 2. Being entitled to access and make a copy, after payment of reasonable charges, of:
 - (i) all parts of the register of shareholders;
 - (ii) personal information of the directors, supervisors and senior management of the Company, including:
 - a. current and previous names and aliases;
 - b. main address (domicile);
 - c. nationality;
 - d. full-time and all other part-time occupations and duties;
 - e. identification credentials and their numbers.
 - (iii) the status of the Company’s issued share capital;
 - (iv) reports of the aggregate par value, number of shares and highest and lowest prices of each class of shares bought back by the Company since the last financial year as well as all the expenses paid by the Company therefor (divided by domestic shares and foreign shares);

Article 32 of the Guidelines for Articles of Association

Rule 19A.50 of the Main Board Listing Rules

- (v) minutes of general meetings, special resolutions of the Company, resolutions of board meetings, and resolutions of the supervisory committee meetings;
- (vi) the Company's most recent audited financial statements, and report of the Board, auditors and the supervisory committee;
- (vii) copy of the latest annual review report which has been filed with the competent administration for industry and commerce or other competent authorities, if applicable.

Documents set out in item (1) and items (3) to (7) above and any other applicable documents shall be made available by the Company, according to the requirements of the Main Board Listing Rules, at the Company's address in Hong Kong, for the public and holders of overseas-listed foreign shares to inspect free of charge. Minutes of general meetings shall be made available for inspection by shareholders of the Company only.

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

- (6) When the Company terminates or liquidates, receive its share of remaining assets of the Company according to the shares held;
- (7) If a shareholder dissents from the merger or demerger of the Company at a general meeting, he may request the Company to buy back his shares;
- (8) Other rights under the law, administrative regulations, department rules, listing rules of the place(s) in which the shares of the Company are listed and these Articles of Association.

Rule 12 of
Appendix 3 to
the Main Board
Listing Rules

Where any person directly or indirectly having rights and interests fail to disclose such rights and interests, the Company shall not exercise its rights to freeze or otherwise harm any right of such person attached to the shares solely for this reason.

Article 55

When a shareholder requests to have access to the information mentioned in the preceding Article, he shall present evidence to prove the class and amount of shareholding in writing. The Company shall comply with the shareholder's request after verifying his identity, and may charge reasonable fees for providing copies of the foregoing materials.

Article 33 of
the Guidelines
for Articles of
Association

Article 77 of
the Mandatory
Provisions

Article 56

If a resolution of the Company’s general meeting or Board meeting contravenes the law or administrative regulations, the shareholders can request the court to annul the decision.

Article 22 of the Company Law

If the convening procedure or voting method of a general meeting or Board meeting contravenes the law, administrative regulations or these Articles of Association, or if the contents of the resolutions of such meetings contravene these Articles of Association, the shareholders can request the court to revoke the resolution within 60 days of the resolution.

Article 34 of the Guidelines for Articles of Association

Article 57

If a director or senior management contravenes the law, administrative regulations or these Articles of Association when carrying out his duties resulting in losses to the Company, shareholders individually or together holding 1% or more of the shares for 180 days continuously may request the supervisory committee in writing to commence litigation in the court. If a supervisory committee contravenes the law, administrative regulations or these Articles of Association when carrying out its duties resulting in losses to the Company, the aforementioned shareholders may request the Board in writing to commence litigation at the court.

Article 151 of the Company Law

Article 35 of the Guidelines for Articles of Association

If the supervisory committee or Board refuses to commence litigation upon receipt of the shareholder’s written request under the preceding paragraph, or does not commence litigation within 30 days upon receipt of the request, or the situation is so urgent that with an immediate litigation it will cause irreparable losses to the Company, the shareholders so entitled under the previous paragraph may commence litigation directly at the court under their own names for the interest of the Company.

If any person intervenes with the lawful interests of the Company and result in losses suffered by the Company, a shareholder so entitled under the first paragraph may commence litigation at the court in accordance with the two preceding paragraphs.

Article 58

If a director or senior management contravenes the law, administrative regulations or these Articles of Association, thereby damaging shareholders’ interests, the shareholders can commence litigation in the court.

Article 36 of the Guidelines for Articles of Association

Article 59

Holders of ordinary shares of the Company shall have the following obligations:

- (1) Comply with law, administrative regulations and these Articles of Association;
- (2) Pay for the shares based on the shares subscribed and the method of subscription;
- (3) Cannot ask the Company to redeem those shares except as prescribed by the law or administrative regulations;
- (4) Cannot abuse his rights as a shareholder to harm the Company’s or other shareholders’ interests; cannot abuse the legal personality of the Company and the limited liability of the shareholders to harm the interests of creditors;

Article 46 of the Mandatory Provisions

Article 37 of the Guidelines for Articles of Association

Article 20 of the Company Law

A shareholder who abuses his shareholders’ rights resulting in losses to the Company and other shareholders shall compensate according to the law.

Shareholders who abuse the legal personality of the Company and limited liability of shareholders in order to escape from liability, thereby seriously damaging the interests of creditors of the Company, shall jointly and severally be responsible for the Company’s debts.

- (5) Other responsibilities required by the law, administrative regulations, department rules, listing rules of the place(s) in which the shares of the Company are listed and these Articles of Association.

Shareholders shall not bear any liability for further contribution to share capital other than the conditions agreed to as a subscriber of the relevant shares on subscription.

Article 60

Where a Shareholder holding 5% or more voting shares of the Company pledges any shares in his possession, he shall report the same to the Company in writing on the date when such pledge is made.

Article 38 of the Guidelines for Articles of Association

Article 61

The controlling shareholder or de facto controller of the Company shall not use his associated relationship to damage the Company’s interests. In case of a breach which results in damage to the Company, he shall be liable to compensate.

Article 39 of the Guidelines for Articles of Association

The controlling shareholder and de facto controller have fiduciary duties towards the Company and public shareholders of the Company. The controlling shareholder shall strictly exercise his rights as a capital contributor. The controlling shareholder cannot make use of methods such as the distribution of profits, restructuring of assets, external investment, misappropriation of assets, borrowing or loan guarantee to damage the lawful interests of the Company and public shareholders. He shall not make use of his controlling position to damage the lawful interests of the Company and public shareholders.

In addition to the obligations under the law, administrative regulations, department rules or the listing rules of the place(s) in which the shares of the Company are listed, controlling shareholders may not, in the exercise of their shareholders' powers, make decisions prejudicial to the interests of all or part of the shareholders as a result of the exercise of their voting rights on the issues set forth below:

Article 47 of the Mandatory Provisions

- (1) Relieving a director or supervisor of the responsibility to act honestly in the best interest of the Company;
- (2) Approving a director or supervisor (for his own or another person's benefit) to deprive the Company of its property in any way, including (but not limited to) any opportunities that are favorable to the Company;
- (3) Approving a director or supervisor (for his own or another person's benefit) to deprive other shareholders of their rights or interests, including (but not limited to) the rights to distributions and voting rights, but not including restructuring of the Company submitted to and adopted at the shareholders general meeting in accordance with these Articles of Association of the Company.

Chapter 8 General Meeting

Section 1 General Provisions on General Meeting

Article 62

The general meeting shall be the organ of authority of the Company and shall exercise the functions and powers according to law.

Article 49 of the Mandatory Provisions

Article 40 of the Guidelines for Articles of Association

Article 63

The general meeting shall exercise the following functions and powers:

- (1) Decide the operational policy and investment plan of the Company;
- (2) Elect and replace directors and supervisors who are not staff representatives. Make decisions on matters in relation to the remuneration of the relevant directors and supervisors;
- (3) Review and approve the reports of the Board;
- (4) Review and approve the reports of the supervisory committee;
- (5) Review and approve the annual financial budgets and final accounting of the Company;
- (6) Review and approve the profit distribution plan and loss compensation plan of the Company;
- (7) Decide on increasing or reducing the registered capital of the Company;
- (8) Decide on merger, demerger, winding up, liquidation or changing the form of the Company;
- (9) Pass resolutions on the issuance of bonds or listing plan of other securities by the Company;
- (10) Pass resolutions on the appointment and dismissal of accounting firms by the Company;
- (11) Amend these Articles of Association;
- (12) Review and approve the external guarantee issues which shall be reviewed at the general meeting as prescribed in Article 64 of these Articles of Association;
- (13) Review purchases and sales of significant assets within a year exceeding 30% of the latest audited total assets of the Company;
- (14) Review and approve changes in use of proceeds;
- (15) Review share incentive plans;
- (16) Review proposals of the shareholders who individually or together hold 3% or more of the Company's voting shares;

Article 50 of
the Mandatory
Provisions

Article 40 of
the Guidelines
for Articles of
Association

(17) Review other matters to be approved at the general meeting as prescribed by the law, administrative regulations, department rules, listing rules of the place(s) in which the shares of the Company are listed or these Articles of Association.

In the absence of violation of the provisions under the relevant laws, administrative regulations, department rules, listing rules of the place(s) in which the shares of the Company are listed and these Articles of Association, the general meeting may authorize or entrust the Board to deal with matters so authorized or entrusted.

Article 64

The following external guarantees of the Company must be reviewed and passed at the general meeting:

Article 41 of the Guidelines for Articles of Association

- (1) Any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company or its controlled subsidiary with a total amount equal to or more than 50% of the Company’s latest audited net assets;
- (2) Any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company with a total amount equal to or more than 30% of the Company’s latest audited total assets;
- (3) To provide guarantee to entities with more than 70% debt equity ratio;
- (4) A single guarantee whose amount exceeds 10% of the latest audited net assets;
- (5) To provide guarantee for shareholders, de facto controller and their related parties;
- (6) Other guarantees which shall be passed at the general meeting as prescribed by the law, administrative regulations, department rules, the local stock exchange where the Company’s shares are listed and these Articles of Association.

The mortgage guarantee provided by the Company for purchasers of properties does not fall into the scope of external guarantee referred to in these Articles of Association.

Article 65

Except when the Company is under a special circumstance such as a crisis, the Company shall not, without prior approval by a special resolution at a general meeting, enter into a contract to handover all or part of the management of important matters of the Company to a person other than to a director, supervisor or other senior management.

Article 51 of the Mandatory Provisions

Article 81 of the Guidelines for Articles of Association

Article 66

The general meetings shall include annual general meetings and extraordinary general meetings. Annual meetings shall be convened once a year and shall be held within six months from the end of the preceding financial year.

Article 52 of the Mandatory Provisions

Article 42 of the Guidelines for Articles of Association

Article 67

The Board shall convene an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:

Article 52 of the Mandatory Provisions

Article 43 of the Guidelines for Articles of Association

- (1) The number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in these Articles of Association of the Company;
- (2) The losses of the Company that have not been made up reach one-third of the total share capital of the Company;
- (3) Shareholders who individually or together hold more than 10% of the shares of the Company require in writing an extraordinary general meeting to be convened;
- (4) Whenever the Board considers necessary;
- (5) When the supervisory committee proposes a meeting;
- (6) Other circumstances prescribed by the law, administrative regulations, departmental rules, listing rules of the place(s) in which the shares of the Company are listed or these Articles of Association.

The aforesaid (3) shareholdings shall be determined as of the date on which the written requisition was submitted by the Shareholders.

Article 68

The venue to hold a general meeting of the Company shall be the domicile of the Company or other specific location informed by the convener of the general meeting.

Article 44 of the Guidelines for Articles of Association

A general meeting shall usually be in the form of physical meeting to be held on-site. However, so far as permitted by the securities regulatory authority, such meeting may also be held in such other manners as shall be recognized or required by the securities regulatory authority. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

Section 2 Proposing and Convening of General Meeting

Article 69

Two or more independent non-executive directors are entitled to propose an extraordinary general meeting to the Board. Concerning the above request, the Board shall, in accordance with the law, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

Article 46 of the Guidelines for Articles of Association

Article 6 of the Opinions on Reform

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon making the decision. If the Board does not agree to convene an extraordinary general meeting, it shall explain the reasons and make an announcement accordingly.

Article 70

The supervisory committee is entitled to propose an extraordinary general meeting to the Board, which shall be made in writing. Concerning the above request, the Board shall, in accordance with the law, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

Article 47 of the Guidelines for Articles of Association

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days of the decision. Any changes made to the original request in the notice shall be agreed by the supervisory committee.

If the Board disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, it shall be deemed as failing or not discharging its duties to convene the general meeting. The supervisory committee shall then be entitled to convene and hold the meeting itself.

Article 71

Shareholders holding more than 10% of shares (individually or together with others) shall be entitled to request for an extraordinary general meeting or class meeting according to the following procedures:

Article 72 of the Mandatory Provisions

Articles 48 and 49 of the Guidelines for Articles of Association

- (1) Upon signing one or several written requests with the same content and format, and stating the subject of the meeting, the aforesaid shareholders may request the Board to convene an extraordinary general meeting or class meeting. Concerning the above request, the Board shall, in accordance with the law, administrative regulations and

these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal. Shares held by the above shareholders shall be calculated as at the date of submitting the written request.

- (2) If the Board agrees to convene an extraordinary general meeting or class meeting, it shall issue a notice of general meeting within 5 days upon making the Board decision. Any changes made to the original request in the notice shall be agreed by the relevant shareholders.
- (3) If the Board disagrees to convene the extraordinary general meeting or class meeting, or does not reply within 10 days upon receipt of the proposal, shareholders individually or together holding more than 10% of the shares of the Company are entitled to request the supervisory committee in writing to hold an extraordinary general meeting or class meeting.
- (4) If the supervisory committee agrees to convene the extraordinary general meeting or class meeting, it shall issue a notice of general meeting within 5 days upon making the decision. Any changes made to the original request in the notice shall be agreed by the relevant shareholders.
- (5) If the supervisory committee does not issue the notice of general meeting within the prescribed period, it shall be deemed as the supervisory committee not convening and not holding the general meeting. Then the shareholders who individually or together hold more than 10% of the shares for more than 90 consecutive days may convene and hold the meeting themselves. Before publicly announcing the resolution(s) of the general meeting, the convening shareholders shall hold no less than 10% of the shares of the Company. When the convening shareholder issues the notice for general meeting and publicly announces the resolution(s) of the general meeting, they shall submit the relevant proof materials to the securities regulatory authority where the Company is located and relevant stock exchange.

Article 72

Where the supervisory committee or shareholders convenes a meeting in accordance with the provisions of this section, a written notice shall be sent to the Board and filed with the securities regulatory authority where the Company is located and relevant stock exchange. The Board and the secretary to the Board shall cooperate in terms of such meetings. The Board shall provide the register of shareholders on the shareholding record date. The expenses reasonably resulted therefrom shall be borne by the Company and be deducted from the amounts due for payment to the directors as a result of their loss of office.

Article 72 of the Mandatory Provisions

Articles 49, 50 and 51 of the Guidelines for Articles of Association

Section 3 Proposals and Notices of General Meeting

Article 73

The contents of the proposals to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations, department rules, listing rules of the place(s) in which the shares of the Company are listed and these Articles of Association.

Article 52 of the Guidelines for Articles of Association

Article 74

When a general meeting is held by the Company, the Board, supervisory committee or shareholders who individually or together holding more than 3% of the shares of the Company may propose resolutions to the Company.

Article 54 of the Mandatory Provisions

Shareholders who individually or together holding more than 3% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the holding of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals.

Article 53 of the Guidelines for Articles of Association

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither revise the proposals stated in the notice of general meetings nor add new proposals.

If a notice of general meeting does not specify the proposed resolutions or does not comply with Article 73 herein, no voting for decision should be held at the general meeting.

Article 75

Where a general meeting is convened by the Company, it shall issue a written notice 45 days prior to the meeting to notify all the registered shareholders of the matters proposed to be considered as well as the date and place of the meeting. Shareholders who intend to attend the general meeting shall deliver their written replies to the Company 20 days prior to the meeting.

Article 53 of the Mandatory Provisions

When calculating the time limit of the notice, the date of the meeting shall be excluded.

Article 54 of the Mandatory Provisions

Article 76

The Company shall calculate the number of voting shares represented by the shareholders who intend to attend the meeting based on the written replies received 20 days prior to the holding of the general meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches no less than one half of the total number of the Company’s voting shares, the Company may hold the general meeting. If not, the Company shall within five days inform the shareholders again by public notice of the matters to be considered as well as the date and place of the meeting. Upon notification by the public announcement, the Company may hold the general meeting.

Article 55 of the Mandatory Provisions

An extraordinary general meeting shall not decide on matters not specified in the notice.

Article 77

Notice of the general meeting shall include the following:

Article 56 of the Mandatory Provisions

- (1) Time, place and duration of the meeting;
- (2) Specified matters and resolutions to be deliberated at the meeting;
- (3) Provision to the shareholders of the detailed information and explanations necessary for the Shareholders to make sound decisions about the matters to be deliberated. This principle includes, but is not limited to, the provision of the detailed terms and contract(s), if any, of the proposed transaction(s) and proper explanations about related causes and effects when the Company proposes merger, redemption of shares, restructuring of stock capital or other restructuring;

Article 55 of the Guidelines for Articles of Association

- (4) In the event that any of the directors, supervisors, president or other senior management has material interests at stake in matters to be deliberated, the nature and extent of the interests at stake shall be disclosed. If the matters to be deliberated affect any director, supervisor, president or other senior management as a shareholder in a manner different from how they affect other shareholders of the same type, the difference shall be explained;
- (5) Inclusion of the full text of any special resolution to be proposed for adoption at the meeting;
- (6) A clear explanation indicating that the shareholder is entitled to attend and vote at the general meeting, or to appoint one or more entrusted proxies to attend and vote at the meeting on his or her behalf and that such proxies are not necessarily be shareholders;
- (7) Record date for shareholders who are entitled to attend the meeting;
- (8) Name and telephone number of the contact person;
- (9) Specified delivery time and place of the power of attorney for proxy voting at the meeting;
- (10) In the event that the general meeting of the Company adopts online transmission or other ways, the time and procedures for voting via internet or by other ways will be specifically stated in the notice of the general meeting.

Article 78

For matter of discussion which involve the election of directors and supervisors, the notice of meeting shall fully disclose the detailed information of the candidates for such directors and supervisors, which should at least include the following:

- (1) Education background, work experience and any part-time job;
- (2) Whether there is any associated relationship between them and the controlling shareholders and de facto controller of the Company;
- (3) Disclosure of their shareholdings in the Company;
- (4) Whether or not they have been penalized by the CSRC or other related securities regulatory departments and the stock exchange.

Article 56 of
the Guidelines
for Articles of
Association

Each candidate of director or supervisor shall be individually proposed, except for directors or supervisors elected by way of cumulative voting system.

Article 79

Notice of general meeting shall be served to any shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of shareholders, or by publication on the Company’s website or other website designated by stock exchange where the Company’s shares are listed, subject to compliance with all applicable laws, regulations and listing rules. For holders of domestic shares, the notice of a general meeting may also be given by public announcement.

Article 57 of the Mandatory Provisions

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority under the State Council within 45 and 50 days before holding of the meeting. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice of the general meeting.

Article 80

After issuance of the notice for the general meeting, the general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall make a public announcement giving reasons within 2 days before the scheduled date, unless otherwise prescribed in listing rules of the place(s) in which the shares of the Company are listed (if so, the latter shall prevail).

Article 57 of the Guidelines for Articles of Association

Article 81

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

Article 58 of the Mandatory Provisions

Article 169 of the Guidelines for Articles of Association

Section 4 Convening General Meeting

Article 82

All shareholders on the register of shareholders on the shareholding record date shall be entitled to attend the general meeting, and vote in accordance with the provisions of relevant law, administrative regulations, department rules, listing rules of the place(s) in which the shares of the Company are listed and these Articles of Association.

Article 59 of the Guidelines for Articles of Association

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf.

Such proxies may exercise the following rights as entrusted by the shareholder:

- (1) The shareholder's right to speak at the general meeting;
- (2) The right to demand by himself or jointly with others, in demanding a poll;
- (3) Unless otherwise provided in the applicable law, administrative regulations, department rules, listing rules of the place(s) in which the shares of the Company are listed or other securities laws and regulations, the right to vote may be exercised either by a show of hands or on a poll, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights on a poll.

If a shareholder is a recognized clearing house or its agent within the meaning of the relevant regulations imposed in Hong Kong from time to time, it may authorize one or more proxy(ies) as it thinks fit to act as its proxy(ies) at any general meeting or class meeting of shareholders. However, if more than one proxies are appointed, the proxy form shall specify the number and class of shares represented by each of such proxies under the authorization, and signed by authorized proxies of recognized clearing house. Such authorized proxies may represent the recognized clearing house or its agent. Such authorized proxies may attend meeting on behalf of the recognized clearing house or its agent (without presentation of evidence of its shareholding, notarized authorization and/or any further proof demonstrating the duly granting of the same) and exercise the right of the recognized clearing house or their agent, as if they are the individual shareholders of the Company.

Article 83

An individual shareholder who attends the general meeting in person shall present valid proof which can confirm his shareholder's identity. If a proxy is appointed to attend the meeting, in addition to present the proxy's identity card, the proxy shall also present the shareholder's identity proof together with the authorization letter from the shareholder.

Corporate Shareholder should attend the meeting by its legal representatives or the proxy appointed by the legal representative. Legal representative who attends the meeting should present his own identity card and valid documents evidencing his capacity as a legal representative. While appointing proxy to attend the meeting, the proxy should present his identity card and an authorisation instrument duly signed by the legal representative of the corporate Shareholder.

Article 84

The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person, such instrument shall be under its seal or under the hand of its director or attorney duly authorized.

Article 60 of the Mandatory Provisions

The instrument issued by the shareholder to authorize another person to attend the general meeting shall state the following contents:

Article 61 of the Guidelines for Articles of Association

- (1) Name of the proxy;
- (2) Whether the proxy has voting rights;
- (3) Indication of consent, objection or abstention concerning each proposal for resolution on the general meeting agenda;
- (4) Date of signing of instrument and term of validity;
- (5) Signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be affixed.
- (6) Specifying the number of shares represented by such proxy;
- (7) If more than one proxy is appointed, the instrument shall specify the number of shares represented by each proxy respectively.

Rule 11(2) of Appendix 3 to the Main Board Listing Rules

Article 85

The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting before 24 hours prior to the meeting at which the proxy is authorized to vote or before 24 hours prior to the specified time of the voting. Where the instrument is signed by another person authorized by the entrusting party, the authorization letter or other document authorizing the signatory shall be notarized. The notarized authorization letter or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Article 61 of the Mandatory Provisions

Article 63 of the Guidelines for Articles of Association

Article 86

Any form issued by the Board to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favour of or against or abstain from voting on each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting.

Article 62 of the Mandatory Provisions

Article 62 of the Guidelines for Articles of Association

The proxy form shall state that if the shareholder does not give specific instructions, the proxy shall vote at his own discretion.

Rule 11(1) of Appendix 3 to the Main Board Listing Rules

Article 87

Where the entrusting party has deceased, incapacitated to act, withdrawn the signed appointment prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of instrument of proxy shall remain valid as long as the Company did not receive a written notice of the event before commencement of the relevant meeting.

Article 63 of the Mandatory Provisions

Article 88

A registration record for attendants at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of attendants (or names of organizations), identity card numbers, residential addresses, the number of shares held or representing the voting rights and names (or name of organizations) of the proxies.

Article 64 of the Guidelines for Articles of Association

Article 89

The convener shall examine legality of the shareholders' qualifications according to the register of members provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the shares held with voting rights.

Article 65 of the Guidelines for Articles of Association

Article 90

The directors, supervisors and senior management of the Company shall, upon request of the general meeting, attend such meeting for answering queries raised by the shareholders.

Article 150 of the Company Law

Article 91

The general meeting shall be convened and presided over by the chairman of the Board. Where the chairman of the Board is unable to discharge the duty or will not discharge his duty, the meeting shall be convened and presided over by the vice chairman of the Board (if there are two or more vice chairmen, the one elected by more than one half of the directors shall preside). Where the position of vice chairman does not exist, or where the vice chairman of the Board is unable to discharge the duty or will not discharge the duty, more than one half of the directors shall designate a director to convene and preside over the meeting. Where more than one half of the directors cannot designate a director to preside over the meeting, the shareholders attending the meeting may elect one person to preside over the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

If a general meeting is convened by supervisory committee, the chairman of the supervisory committee shall preside over the meeting. If the chairman of the supervisory committee is unable to or will not discharge his duties, more than one half of the supervisors shall nominate a supervisor to preside over the meeting.

If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from more than one half of the attendant shareholders with voting rights, the shareholders may nominate one person to serve as the chairman and continue with the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

Article 73 of
the Mandatory
Provisions

Article 67 of
the Guidelines
for Articles of
Association

Article 92

The Company shall stipulate the rules of procedures for the general meeting and specify in details the procedure for convening and voting at the general meeting, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principles of authorization to the Board by the general meeting. The rules of procedures for the general meeting shall be stipulated by the Board and approved by the general meeting.

Article 68 of the Guidelines for Articles of Association

Article 93

In the annual general meeting, the Board and supervisory committee shall report their work during the past year to the general meeting. Each independent non-executive director shall also present a work report.

Article 69 of the Guidelines for Articles of Association

Article 94

Directors, supervisors and senior management shall explain and answer the enquiries and suggestions from shareholders at the general meeting.

Article 70 of the Guidelines for Articles of Association

Article 95

The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

Article 71 of the Guidelines for Articles of Association

Article 96

The general meeting shall have minutes prepared by the secretary to the Board. The minutes shall state the following contents:

Article 72 of the Guidelines for Articles of Association

- (1) Time, venue and agenda of the meeting and names of the convener;
- (2) The name of the meeting chairman and the names of the directors, supervisors and senior management attending or present at the meeting;
- (3) The numbers of shareholders (including domestic shareholders and overseas shareholders) and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;

- (4) The process of review and discussion, summary of any speech and voting results of each proposal;
- (5) Shareholders’ questions, opinions or suggestions and corresponding answers or explanations;
- (6) Names of vote counters and scrutinizer of the voting;
- (7) Other contents to be included as specified in these Articles of Association.

Article 97

The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the Board, conveners and their representatives and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the registration record of attendant shareholders, authorization letters of proxies, valid record on internet voting and other means of voting, for a period of no less than 10 years.

Article 73 of the Guidelines for Articles of Association

Article 98

The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting or directly terminate that meeting immediately followed by a timely public announcement and report in accordance with the laws, administrative regulations, department rules or listing rules of the place(s) in which the shares of the Company are listed.

Article 74 of the Guidelines for Articles of Association

Section 5 Voting and Resolutions at General Meetings

Article 99

Resolutions of the general meeting include ordinary resolutions or special resolutions.

Article 64 of the Mandatory Provisions

Ordinary resolution at a general meeting shall be passed by more than one half of the voting shares held by shareholders (including their proxies) attending the general meeting.

Article 75 of the Guidelines for Articles of Association

Special resolution at a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

Article 100

When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.

Article 65 of the Mandatory Provisions

Article 78 of the Guidelines for Articles of Association

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

Subject to and conditional upon compliance with applicable laws, administrative regulations, department rules or requirements of the listing rules of the place(s) in which the shares of the Company are listed, the Board, independent non-executive directors and other shareholders who qualify with relevant specified conditions may solicit for the voting shares from shareholders.

When the general meeting considers the relevant related party transactions, the related party shareholders shall not participate in the voting. His shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-related party shareholders unless otherwise required by applicable laws, administrative regulations, department rules or listing rules of the place(s) in which the shares of the Company are listed.

Article 79 of the Guidelines for Articles of Association

In accordance with the applicable laws, administrative regulations, department rules and listing rules of the place(s) in which the shares of the Company are listed, where any shareholder shall abstain from voting for any particular resolution, or is restricted to vote only for or against such resolution, any votes in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted in the voting results.

Rule 14 of Appendix 3 to the Main Board Listing Rules

Article 101

Voting at general meeting will record the name of the voter.

Article 86 of the Guidelines for Articles of Association

Article 102

When a poll is taken at a meeting, a shareholder (including proxies) who have the right to two or more votes need not cast all his votes in the same way.

Article 68 of the Mandatory Provisions

Article 103

When the number of votes for and against a resolution is equal, whether the vote is taken by a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

Article 69 of the Mandatory Provisions

Article 104

The following matters shall be resolved by way of ordinary resolutions at a general meeting:

Article 70 of the Mandatory Provisions

- (1) Work reports of the Board and the supervisory committee;
- (2) Profit distribution plan and loss make-up plan formulated by the Board;
- (3) Appointment or dismissal of the members of the Board and the members of the supervisory committee who are not staff representatives;
- (4) Remuneration of the members of the Board and supervisory committee and payment methods thereof;
- (5) Annual preliminary and final budgets of the Company;
- (6) The Company’s annual report;
- (7) Matters other than those requiring approval by special resolutions in accordance with the laws, administrative regulations, listing rules of the place(s) in which the shares of the Company are listed or these Articles of Association.

Article 76 of the Guidelines for Articles of Association

Article 105

The following matters shall be resolved by way of special resolutions at a general meeting:

Article 71 of the Mandatory Provisions

- (1) Increase or reduction of the registered capital and issue of shares of any class, stock warrants or other similar securities of the Company;
- (2) issuance of corporate bonds;
- (3) Demerger, merger, dissolution and liquidation or change in the form of the Company;
- (4) Amendments to these Articles of Association;
- (5) Any purchase or disposal of substantial assets made or guarantee provided by the Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;

Article 77 of the Guidelines for Articles of Association

- (6) Share incentive scheme;
- (7) Any other matters as required by the laws, administrative regulations, listing rules of the place(s) in which the shares of the Company are listed or these Articles of Association of the Company and matters which, if resolved by way of an ordinary resolution at general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.

Article 106

The chairman of the meeting shall be held responsible for deciding whether or not a resolution of the general meeting has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.

Article 74 of the Mandatory Provisions

Article 107

If the chairman of the meeting has any doubts about the voting result of a resolution, he may arrange recounting of the votes. If the chairman of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request re-counting of votes immediately after such announcement, in which case the chairman of the meeting shall immediately arrange re-counting of the votes.

Article 75 of the Mandatory Provisions

Article 90 of the Guidelines for Articles of Association

Article 108

If counting of votes is held at a general meeting, the result of the counting shall be recorded in the minutes of meeting. The minutes of meeting and the registration record of attendants signed by the attending shareholders and proxies shall be kept at the Company’s domicile for a period of no less than 10 years.

Article 76 of the Mandatory Provisions

Article 73 of the Guidelines for Articles of Association

Article 109

Shareholders may examine photocopies of the minutes of meetings during the Company’s office hours free of charge. If any shareholder requests for a photocopy of the relevant minutes of meetings, the Company shall send such photocopies within seven days upon receipt of payment of reasonable charges.

Article 77 of the Mandatory Provisions

Article 110

Methods and procedures for nominating candidates for the Directors and supervisors who are not staff representatives are:

Article 83 of
the Guidelines
for Articles of
Association

- (1) Shareholders who individually or together hold more than 5% of the Company’s shares for a period of more than one year are entitled to nominate the candidates for the independent non-executive Directors of the next session of the Board; shareholders who individually or together hold more than 5% of the Company’s shares for a period of more than one year are entitled to nominate the candidates for the supervisors of the next session of the supervisory committee who are not staff representatives.
- (2) If directors and supervisors who are not staff representatives resign during their term of office, new candidates shall be nominated by the original nominating shareholders. Nominating shareholders shall submit the written proposals, biographies of such candidates for Directors and supervisors as well as the written confirmation of such candidates on acceptance of nomination to the Board meeting for consideration and election at a general meeting.
- (3) Nomination of candidates for directors and supervisors who are not staff representatives shall be made in writing to the secretary to the Board of the Company at least 10 days before the date of the Board meeting.

Article 111

Voting for all motions proposed at a general meeting shall be conducted on an item-by-item basis. For different motions on the same matter, voting related thereto shall be conducted based on the chronological order of the motions proposed. Unless a general meeting is suspended or no resolution can be adopted due to force majeure events or other special reasons, no motion shall be set aside or rejected for voting at the general meeting.

Article 84 of
the Guidelines
for Articles of
Association

Article 112

When a motion is considered at the general meeting, no change shall be made thereto; otherwise, the relevant change shall be treated as a new motion which shall not be voted at such general meeting.

Article 113

When a motion is put forward for voting at the general meeting, the person(s) meeting the requirements stipulated in the listing rules of the place(s) in which the shares of the Company are listed shall conduct vote taking and act as scrutineer, and announce the voting results at the meeting. The voting results of the resolutions shall be recorded in the minutes of the meeting.

Article 93 of the Mandatory Provisions

Article 114

Where a resolution on the election of directors or supervisors is passed at the general meeting, the term of office of the newly-elected director or supervisor shall commence at the passing of the relevant resolution is passed at the general meeting.

Chapter 9 Special Procedures for Voting at Class Meeting

Article 115

Shareholders who hold different classes of shares shall be shareholders of different classes. Shareholders of different classes shall enjoy rights and undertake obligations in accordance with the laws, administrative regulations and these Articles of Association.

Article 78 of the Mandatory Provisions

Where the share capital of the Company includes shares which do not carry voting rights, the words “non-voting shares” must appear in the designation of such shares.

Rule 10(1) of Appendix 3 to the Main Board Listing Rules

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

Rule 10(2) of Appendix 3 to the Main Board Listing Rules

Article 116

The Company shall not proceed to change or abrogate the shareholders’ rights of a class of shares unless such change or abrogation has been approved by way of a special resolution of the general meeting and by a separate class meeting of the affected shareholders of the class of shares in accordance with Articles 118 to 122, save and except for the circumstances provided for under paragraph 4 of Article 17 in respect of the listing of and dealing in the unlisted shares held by the shareholders on an overseas stock exchange.

Article 79 of the Mandatory Provisions

Where any changes in domestic and foreign laws, regulations and listing rules of the place(s) in which the shares of the Company are listed, as well as decisions made by domestic and foreign regulatory authorities in accordance with the law, lead to the change or abrogation of rights of class shareholders, no approval of shareholder' meeting or class meeting would be required.

Article 117

The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following circumstances:

Article 80 of
the Mandatory
Provisions

- (1) an increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) a conversion of all or part of the shares of such class into shares of another class, a conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;
- (3) a removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) a reduction or removal of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of such class;
- (5) an addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;
- (6) a removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;
- (7) a creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (8) an imposition of restrictions or additional restrictions on the transfer of ownership of shares of such class;
- (9) an issuance of rights to subscribe for, or convert into, shares of such class or another class;
- (10) an increase in the rights and privileges of shares of another class;

- (11) restructuring of the Company which causes shareholders of different classes to bear liability to different extents during the restructuring; and
- (12) any amendment or cancellation of the provisions of this section.

Article 118

Shareholders of the affected class, whether or not having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (2) to (8) and (11) to (12) in Article 117, except that interested shareholders shall not vote at class meetings.

Article 81 of
the Mandatory
Provisions

The term “interested shareholders” in the preceding paragraph shall have the following meanings:

- (1) if the Company has made a tender offer to all shareholders in the same proportion or has bought back its own shares through open market transactions on a stock exchange in accordance with Article 32 hereof, the controlling shareholders as defined in these Articles of Association shall be “interested shareholders”;
- (2) if the Company has bought back its own shares by an agreement outside of a stock exchange in accordance with Article 32 hereof, holders of shares in relation to such agreement shall be “interested shareholders”; or
- (3) under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be “interested shareholders”.

Article 119

Resolutions of a meeting of shareholders of different classes may be passed only by more than two-thirds of the voting rights of that class represented at the meeting in accordance with Article 118.

Article 82 of the Mandatory Provisions

Article 120

When the Company is to hold a class meeting, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that class of the matters to be considered at the meeting as well as the date and place of the meeting. Shareholders who intend to attend the meeting shall, within 20 days prior to the day of the meeting, deliver their written replies to the Company of their attendance.

Article 83 of the Mandatory Provisions

If the number of the voting shares represented by the shareholders intending to attend the meeting is more than one half of the total number of voting shares of that class, the Company may hold the class meeting of shareholders. If not, the Company shall within five days inform the shareholders once again of the matters to be considered at the meeting and the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may hold the class meeting.

Rule 6(2) of Appendix 3 to the Main Board Listing Rules

If there are any special requirements by the listing rules of the place(s) in which the shares of the Company are listed, such requirements shall prevail.

Article 121

The notice of class meeting of shareholders shall be delivered only to the shareholders entitled to vote thereat.

Article 84 of the Mandatory Provisions

The procedure for a class meeting shall, to the extent possible, be identical with the procedure for a general meeting. Unless otherwise specified in this chapter, provisions of these Articles of Association of the Company relevant to the procedure for the holding of a general meeting shall be applicable to a class meeting.

Article 122

In addition to holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed to be different classes of shareholders.

Article 85 of the Mandatory Provisions

The special procedure for voting in class meeting shall not apply under the following circumstances:

Rule 1(f) of Part D of Appendix 13 to the Main Board Listing Rules

- (1) Where the Company issues domestic shares and overseas-listed foreign shares, upon approval by a special resolution of its shareholders at a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of the existing issued domestic shares and overseas-listed foreign shares of the Company;
- (2) Where the Company’s plan to issue domestic shares and overseas-listed foreign shares upon its incorporation is implemented within 15 months from the date of approval by the securities regulatory authorities under the State Council; or
- (3) Where with the approval by the securities regulatory authorities of the State Council the shareholders cause the unlisted shares hold by them to be listed and dealt in on an overseas stock exchange.

Chapter 10 Board of Directors

Section 1 Directors

Article 123

Directors shall be elected at the general meeting and serve a term of three years for each session. A director may serve consecutive terms if re-elected upon the expiry of his term, unless otherwise stipulated by the relevant laws, administrative regulations, department rules, these Articles of Association and listing rules of the place(s) in which the shares of the Company are listed.

Article 87 of the Mandatory Provisions

Article 96 of the Guidelines for Articles of Association

A director’s term of service commences from the date he takes up the appointment, until the current term of service of Board ends. If a director’s term of service expires but a new director is not yet appointed, the original director shall continue to carry out the director’s duties according to the laws, administrative regulations, department rules and these Articles of Association until the newly elected director’s appointment comes into effect.

A director’s post may be assumed by president or other senior management. But the total number of president or other senior management who also assume directorship in the Company, plus the number of directors as staff representative, shall not exceed one half of the total number of directors.

A director needs not be a shareholder of the Company.

Article 124

The directors, both collectively and individually, are expected to fulfill fiduciary duties and duties of skill, care and diligence. Every director must, in the performance of his duties as a director:

Rule 3.08 of the Main Board Listing Rules

- (1) act honestly and in good faith in the interests of the Company as a whole;
- (2) act for proper purpose;
- (3) be responsible to the Company for the application or misapplication of its assets;
- (4) avoid actual and potential conflicts of interest and conflicts in duty;
- (5) disclose fully and fairly his interests in contracts with the Company; and
- (6) apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding a directorship in the Company.

Article 125

Written notice concerning proposed nomination of a director candidate and indication of the candidate’s intention to accept the nomination shall be given after the Company has given a notice of election and shall be sent to the Company seven days before the general meeting is convened.

Article 4 of the Letter of Opinions on Supplements

Subject to the laws, regulations and the Main Board Listing Rules, a director can be removed by ordinary resolution passed at a general meeting before the expiry of his term of office. Such removal does not prejudice the director’s claim for damages pursuant to any contract.

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

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

Article 126

If a director is unable to attend Board meetings in person for two consecutive meetings, and does not appoint other directors to attend Board meeting on his behalf, he shall be deemed as failing to carry out his duties. The Board shall propose at the general meeting to replace him.

Article 99 of the Guidelines for Articles of Association

Article 127

A director may resign before expiry of his term of service. When a director resigns, he shall submit a written resignation notice to the Board.

Article 100 of the Guidelines for Articles of Association

If the number of the directors fall below the minimum statutory requirement due to a director’s resignation, the resigning director shall continue to carry out his duties in accordance with the requirements of the laws, administrative regulations and these Articles of Association before the elected director takes office; the notice of resignation of the resigning director shall only become effective after a new director fills the vacancy.

Save for the circumstances referred to in the preceding paragraph, the director’s resignation takes effect upon delivery of his resignation report to the Board.

Article 128

When a director’s resignation takes effect or his term of service expires, the director shall complete all transfer procedures with the Board. His duty of confidentiality in respect of trade secrets of the Company survives his resignation or expiry of his term of office, until such trade secrets become publicly available information. His fiduciary duty towards the Company and the shareholders do not necessarily cease after the end of his term of service and shall still be in effect for a period of at least one year.

Article 101 of the Guidelines for Articles of Association

Article 129

In the absence of specification in these Articles of Association or legitimate authorization by the Board, no director shall act in his personal capacity on behalf of the Company or the Board. When a director acts in his personal capacity, but a third party may reasonably believe that the director is representing the Company or the Board, that director shall declare his stance and capacity in advance.

Article 102 of the Guidelines for Articles of Association

Article 130

If a director breaches the laws, administrative regulations, department rules or these Articles of Association when carrying out his duties and causes loss to the Company, he shall be held responsible for damages.

Article 103 of the Guidelines for Articles of Association

Section 2 Independent Non.executive Directors

Article 131

The Company shall have independent non-executive directors. Independent non-executive directors refer to such directors of the Company that serves no duties other than the directors’ duties, has no relationship with the Company or its substantial shareholders that may hinder their independent objective judgments, and satisfies the requirements on independence in the listing rules of the place(s) in which the shares of the Company are listed.

Article 122 of
the Company
Law

Unless otherwise provided in this section, the relevant provisions set out in Chapter 14 of these Articles of Association shall apply to the qualifications and obligations of independent non-executive directors. An independent non-executive director shall satisfy the following basic conditions:

- (1) Qualified to be a director of a listed company under the laws, administrative regulations, department rules, listing rules of the stock exchange on which the shares are listed and other relevant provisions;
- (2) Be independent within the meaning of the listing rules of the stock exchange on which the shares are listed and these Articles of Association;
- (3) Have the basic knowledge of the operation of a listed company, and be familiar with relevant laws, administrative regulations, department rules, and codes;
- (4) Such other conditions as required under these Articles of Association.

Article 132

An independent non-executive director shall have the same term of office as other directors of the Company, and may be reelected upon expiry of the term provided that the consecutive terms shall be no more than six years.

Prior to expiry of the term of his office, an independent non-executive director may not be removed in the absence of proper reasons. In case of such removal prior to expiry of term of office, the Company shall make disclosure of such occurrence as a special item of disclosure.

In addition to the powers conferred upon by the Company Law and other relevant laws, administrative regulations, department rules, listing rules of the place(s) in which the shares of the Company are listed and these Articles of Association, an independent non-executive director shall have the following special powers:

- (1) Significant connected transactions, as determined according to the criteria issued by the regulatory bodies in the place(s) of listing, shall be submitted to the Board for discussion following endorsement by the independent non-executive directors. Prior to making any judgment, the independent directors may engage an intermediary to issue an independent financial advisory report upon which the decision of the independent directors may be based;
- (2) To propose to the Board appointment or termination of appointment of an accounting firm;
- (3) To propose to the Board the convening of an extraordinary general meeting;
- (4) To propose the convening of Board meetings ;
- (5) To engage external audit firms or consulting firms to conduct audit or consulting on specific matters of the Company at the expense of the Company.

The exercise by an independent non-executive director of the aforesaid powers shall be subject to consent from more than one half of the total number of independent non-executive directors of the Company. Disclosure shall be made by the Company if any of the aforesaid proposals is not adopted or any of the aforesaid power cannot be exercised as normal.

The independent non-executive directors shall carry out responsibilities in accordance with requirements of the laws, administrative regulations, department rules, listing rules of the place(s) in which the shares of the Company are listed and these Articles of Association.

Article 133

The Company shall formulate working rules of independent non-executive directors, which shall specify the qualification, nomination, election and replacement and rights and obligations, and liabilities of independent non-executive directors.

Article 134

Matters relating to independent non-executive directors which are not covered in this section shall be dealt with according to the relevant laws, regulations or listing rules of the place(s) in which the shares of the Company are listed.

Section 3 Board of Directors

Article 135

The Company shall set up a board of directors (the “Board”) which shall be accountable to the general meeting.

Article 88 of the Mandatory Provisions

Article 136

The Board shall comprise nine directors, including three independent non-executive directors. The Board shall have one chairman and may have vice chairman (The provisions governing vice chairman in these Articles of Association shall be only applicable under the circumstances where the position(s) of vice chairman is set up in the Company).

Article 105 of the Guidelines for Articles of Association

Articles 86 and 87 of the Mandatory Provisions

Articles 106 and 111 of the Guidelines for Articles of Association

The chairman and vice chairman (or vice chairmen) of the Board shall be elected and removed by more than one half of all the directors. The chairman and vice chairman (or vice chairmen) of the Board shall serve a term of three years and may be re-elected upon the expiry of their terms.

Article 137

The Board shall exercise the following functions and powers:

Article 88 of the Mandatory Provisions

- (1) to be responsible for the convening of general meetings and report its work to the general meetings;
- (2) to implement resolutions of the general meetings;
- (3) to decide on the Company’s business plans and investment plans;
- (4) to formulate the annual financial budgets and final accounts of the Company;
- (5) to formulate the Company’s profit distribution plans and plans on making up losses;
- (6) to formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof;
- (7) to formulate plans for mergers, demergers, dissolution and alteration of corporate form of the Company;
- (8) to formulate plans for the Company’s substantial acquisitions and purchase of shares of the Company;

Article 107 of the Guidelines for Articles of Association

- (9) within the scope authorized by the general meeting, to decide, among others, the Company's external investment, purchase and sale of assets, provision of security on the Company's assets, matters on external guarantees, wealth management entrustment, related party transactions;
- (10) to decide on establishment of internal management organizations of the Company;
- (11) to determine the composition and the chairman (convener) of the specialized committees under the Board;
- (12) to appoint or dismiss president, secretary to the Board and Company secretary; to appoint or dismiss senior management including vice president(s) and the person in charge of finance of the Company in accordance with the nominations by president, and to decide on their remunerations;
- (13) to formulate the basic management system of the Company;
- (14) to formulate proposals to amend these Articles of Association;
- (15) to formulate the stock option incentive plan of the Company;
- (16) to manage information disclosure of the Company;
- (17) to propose to the general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;
- (18) to listen to work reports of the president and review his work;
- (19) to decide on other major matters and administrative affairs other than those specified in the laws, administrative regulations, department rules and these Articles of Association to be decided at the general meeting and sign other important agreements;
- (20) other powers and duties authorized by the laws, administrative regulations, department rules, listing rules of the place(s) in which the shares of the Company are listed, these Articles of Association and other duties entrusted at the general meetings.

The above matters of authority exercised by the Board or any transaction or arrangement of the Company which shall be considered at the general meeting according to listing rules of the place(s) in which the shares of the Company are listed, shall be submitted to the general meeting for consideration.

Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (14) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by more than one half of the directors.

The Board shall explain at the general meeting where a certified public accountant issues a non-standard audit opinion in respect of the Company’s financial statements.

Article 138

The Board shall formulate the rules of procedures for meetings of the Board to ensure implementation of the resolutions of the general meeting, improve the efficiency of work and ensure scientific decision-making. The rules of procedures for the Board shall stipulate the holding and voting procedures of the Board meetings, and shall be formulated by the Board and approved by the general meeting.

Article 109 of the Mandatory Provisions

Article 139

The Board shall set up an Audit Committee, a Remuneration and Appraisal Committee and a Nomination Committee, and may set up other specialized committees such as a Strategic Committee, to advise the Board on major decisions.

Rules 3.21 and 3.25 of the Main Board Listing Rules

Article 140

Where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets already disposed of within four months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet recently considered at the general meeting, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval at the general meeting.

Article 89 of the Mandatory Provisions

The term “fixed assets disposal” referred to in this Article refers to transferring certain interests in assets, but excludes provision of guarantees by way of fixed assets.

The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.

Article 141

Save for the guarantees subject to consideration and approval at the general meeting as provided in Article 64, external guarantees provided by the Company are subject to approval of the Board. The matters regarding these guarantees are subject to the consent of more than two-thirds of directors attending the Board meeting, in addition to being passed by the majority of all directors.

Article 142

The chairman of the Board shall exercise the following functions and powers:

- (1) to preside over general meetings and to convene and preside over Board meetings of the Company;
- (2) to procure and check the implementation of resolutions of the Board;
- (3) to sign share certificates, bond certificates and other marketable securities issued by the Company;
- (4) organize the formulation of various rules and coordinate operation of the Board;
- (5) to sign important documents of the Board and legally binding documents on behalf of the Company;
- (6) to exercise the powers and functions as the legal representative;
- (7) to nominate candidates for secretary to the Board, members and chairman of the specialized committee under the Board;
- (8) to listen to regular or provisional work reports of senior management, and provide guiding opinions on the implementation of the Board resolutions;
- (9) in case of emergency of catastrophic natural disasters and other force majeure, exercise the special privilege over the Company’s affairs that is in compliance with the requirements of laws and is in the interests of the Company, and report to the Board and the general meeting afterwards;
- (10) other functions and powers authorized by the laws, administrative regulations, department rules, listing rules of the place(s) in which the shares of the Company are listed or these Article of Association and conferred by the Board.

Article 90 of the Mandatory Provisions

Article 112 of the Guidelines for Articles of Association

Article 143

The vice chairman shall assist the chairman of the Board in work. When the chairman is unable to or does not carry out his duties, they shall be carried out by the vice chairman (if the Company has two or more vice chairmen, then these duties shall be carried out by the vice chairman nominated by more than one half of the directors). Where the position of vice chairman does not exist, or where the vice chairman is unable to or does not carry out his duties, more than one half of the directors shall nominate a director to carry out the duties.

Article 113 of the Guidelines for Articles of Association

The Board meetings include regular meetings and extraordinary meetings.

Article 90 of the Mandatory Provisions

Regular meetings of the Board shall be held at least four times a year. Meetings shall be convened by the chairman of the Board. Notice of and documents for meetings shall be sent to all directors and supervisors fourteen days before the meeting is held.

Articles 114 and 115 of the Guidelines for Articles of Association

The chairman, any shareholder(s) holding more than one tenth voting rights, more than one third of the directors, or the supervisory committee or more than one half of independent non-executive directors or the president may propose the holding of an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the extraordinary meeting of the Board within ten days upon receipt of the proposal, and shall give written notice to all directors and supervisors five days before the meeting is held.

Rules A.1.1, A.1.3 and A.7.1 of Appendix 14 to the Main Board Listing Rules

In case of urgency, the extraordinary Board meeting may be held upon approval by the chairman of the Board, not subject to the requirement of meeting notice as set out in this Article, provided that reasonable notice shall be given to directors, supervisors and the president.

Board meetings may be held by means of communication methods including telephone conference, video conference, circulation of documents, facsimile provided that directors can fully express their views, and all directors who participate in Board meetings held in such forms shall be deemed to have attended the meeting in person. For a Board meeting which is held by means of telecommunication, the notice of meeting shall set out the details of the resolutions of the meeting, and shall state the deadline date for voting. The directors who participate in such meeting shall express their intention on votes to the Company via fax by the deadline date for such voting as shall be stated in the notice of meeting, and the original copy of such voting decision, which shall be signed, shall be sent to the Board.

Regular Board meetings shall not be convened by circulation of a resolution in writing.

Article 144

The notice of Board meetings may be delivered in the manners as set out in Article 244 of these Articles of Association.

Article 92 of the Mandatory Provisions

Directors who have attended the meeting will be deemed to have been issued a notice of Board meeting if he had not raised any issues of not having received such notice before or during the Board meeting.

Article 116 of the Guidelines for Articles of Association

Article 145

A notice of Board meeting shall include the following contents:

- (1) Date and place of meeting;
- (2) Period of the meeting;
- (3) Reasons and agenda;
- (4) Date of issuance of notice.

Article 117 of the Guidelines for Articles of Association

Article 146

For any major matters to be decided on by the Board, sufficient information shall be provided to the directors who are entitled to request for supplementary materials. When more than one-fourth of the directors or two or more external directors (referring to the directors who do not hold positions in the Company) considers that the provided materials insufficient or the reasoning is unclear, they may jointly propose to defer the Board meeting or defer the consideration on the relevant matters, and the Board shall accept such suggestions accordingly.

Article 3 of the Opinions on Reform

Article 147

The Board meeting shall not be held unless more than one half of the directors (including proxies) are present.

Article 93 of the Mandatory Provisions

Unless otherwise provided elsewhere herein, resolutions of the Board shall be passed by more than one half of all the directors.

Article 118 of the Guidelines for Articles of Association

As for the voting on a Board resolution, each director shall have one vote. When there is a tie of votes, the chairman of the Board shall have a casting vote.

Article 148

The directors shall attend a Board meeting in person. If a director is unable to attend the meeting for any reasons, he may appoint another director in writing to attend on his behalf. The power of attorney shall set out the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointing director.

Article 94 of the Mandatory Provisions

Article 121 of the Guidelines for Articles of Association

The appointed director who attends the meeting shall exercise the director’s duties within the scope of authorization. If a director does not attend a Board meeting in person and does not appoint a proxy to attend the meeting, he shall be deemed to have waived the voting rights at the meeting.

The Company shall bear the reasonable expenses incurred by directors in attending Board meetings. Such expenses may include costs for transportation to the venue of the meeting, meal and accommodation expenses and local transportation costs during the duration of the meeting.

Article 149

If any director is connected to the enterprise involved in any resolution considered at a Board meeting, he shall not vote on such resolution nor vote on behalf of any other director. That Board meeting can be held if more than one half of the non-connected directors attend the meeting. Resolutions proposed at the Board meeting shall be passed by more than one half of the non-connected directors. If less than three non-connected directors attend the Board meeting, the matter shall be submitted to the general meeting for consideration.

Article 119 of the Guidelines for Articles of Association

Article 150

Votes at the Board meeting shall be conducted by way of disclosed ballot.

Article 120 of the Guidelines for Articles of Association

Article 151

The Board shall keep minutes of its decisions on the matters discussed at the meeting. The directors and secretary to the Board who attended the meeting shall sign the minutes of that meeting.

Article 95 of the Mandatory Provisions

The directors shall be responsible for the resolutions of the Board. Where a resolution of the Board is in violation of the laws, administrative regulations or these Articles of Association, thereby causing serious losses to the Company, the directors who voted for the resolution shall be liable to the Company for damages. However, where a director can prove that he expressed his opposition to such resolution when it was put to the vote, and that such opposition was recorded in minutes of the meeting, the director shall be relieved from such liability.

Article 122 of the Guidelines for Articles of Association

Rule A.1.5 of Appendix 14 to the Main Board Listing Rules

The minutes of Board meeting shall be kept as a company file for a period of no less than ten years.

Article 152

The minutes of the Board shall consist of the following:

Article 123 of the Guidelines for Articles of Association

- (1) date and venue of the meeting and the name of the convener;
- (2) the names of the directors present and names of directors being appointed to attend the meeting on the other’s behalf (proxy);
- (3) the agenda;
- (4) the main points of directors’ speeches;
- (5) the voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).

Chapter 11 Secretary to the Board of Directors

Article 153

The Company shall have one secretary to the Board. The secretary to the Board is a member of senior management of the Company.

Article 96 of the Mandatory Provisions

The secretary to the Board shall be a natural person with the requisite professional knowledge and experience and shall be nominated by the Chairman and appointed by the Board.

Article 97 of the Mandatory Provisions

The primary responsibilities of the secretary of the Board include:

- (1) to ensure the organizations documents and records of the Company is complete;
- (2) to ensure the Company to prepare and submit all reports and documents to the regulatory authorities as required by the laws;
- (3) to ensure the proper establishment of the register of the shareholders of the Company, and to ensure timely access to the relevant minutes and documents by the individuals who are entitled to access such information;
- (4) other duties provided by the laws, administrative regulations, department rules or these Articles of Association.

Article 154

Directors or other senior management personnel can serve as the secretary to the Board. However, accountants with the accounting firms appointed by the Company shall not serve as the secretary to the Board.

Article 98 of the Mandatory Provisions

In the event that a director serves concurrently as the secretary to the Board, and an act concerned shall be conducted by the director and the secretary to the Board separately, such person serving concurrently as director and secretary to the Board shall not conduct such act with double capacities.

Article 155

Directors, president and internal departments of the Company shall assist the secretary to the Board in performing his duties in accordance with the law, and shall provide him with necessary support in the organization setting, allocation of human resources and financial resources. All departments of the Company shall actively cooperate with the secretary to the Board in performing his duties.

Article 19 of the Guidelines for the Work of Secretary to the Board

Chapter 12 President

Article 156

The Company shall have one president and several vice presidents to assist the president, and also one the person in charge of finance. The president, vice presidents and the person in charge of finance shall be appointed and dismissed by the Board.

Article 99 of the Mandatory Provisions

Article 124 of the Guidelines for Articles of Association

Article 157

The term of office of the president shall be three years, who shall be eligible to consecutive terms of office upon reappointment.

Articles 127, 131 and 132 of the Guidelines for Articles of Association

The president can submit his resignation before the expiry of his term of office. The procedure for the president’s resignation shall be governed by the employment contract between the president and the Company. Where the president cannot perform his duties for special reasons, one vice president designated by the Board shall take up his duties.

A director may concurrently take up the post of president or vice president, but the positions of chairman of the Board and president must be taken up by different persons.

Rule A.2.1 of Appendix 14 to the Main Board Listing Rules

Article 158

The president shall be accountable to the Board and shall exercise the following functions and powers:

Article 100 of the Mandatory Provisions

- (1) lead the Company’s production, operation and management, organize the implementation of Board resolutions, and report to the Board;
- (2) organize the implementation of the Company’s annual business plan and investment plan;

Article 128 of the Guidelines for Articles of Association

- (3) draft plans for the establishment of the Company’s internal management structure;
- (4) formulate the structure scheme for any branch(es) of the Company;
- (5) draft the basic management system of the Company;
- (6) formulate detailed rules and regulations of the Company;
- (7) propose to the Board the appointment or dismissal of the Company’s senior management including vice presidents and the person in charge of finance;
- (8) appoint or dismiss other senior management other than those required to be appointed or dismissed by the Board;
- (9) propose the convening extraordinary Board meetings;
- (10) exercise other powers conferred by these Articles of Association or the Board.

Article 159

The Company’s president shall attend the meetings of the Board. A non-director president shall not have the right to vote at such meetings.

Article 101 of the Mandatory Provisions

Article 160

The president shall formulate the detailed working rules of the president, which shall be submitted to the Board for approval.

Articles 129 and 130 of the Guidelines for Articles of Association

The working rules of the president include the following:

- (1) conditions, procedures and the number of participants for convening meetings of the president;
- (2) respective duties and division of labor among president and other senior management;
- (3) limits of authority in using company funds and assets as well the signing of significant contracts, together with the system of reporting to the Board and the supervisory committee;
- (4) other matters considered necessary by the Board.

Article 161

In the exercise of his functions and powers, the president shall bear the duties of good faith and due diligence in accordance with the law, administrative regulations and these Articles of Association.

Article 102 of the Mandatory Provisions

Chapter 13 Supervisory Committee

Section 1 Supervisors

Article 162

The term of office of a supervisor shall be three years, renewable upon re-election and re-appointment.

Article 137 of the Guidelines for Articles of Association

Article 163

A director and a member of senior management cannot concurrently hold the post of supervisor.

Article 106 of the Mandatory Provisions

Article 164

When a supervisor's term of office expires while a new supervisor is not yet appointed, or when a supervisor resigns during his term of office, leading to the number of members in the supervisory committee falling below the statutory requirement, and before the newly appointed supervisor takes up his appointment, the original supervisor shall continue to perform his duties according to the laws, administrative regulations and these Articles of Association.

Article 135 of the Guidelines for Articles of Association

Article 138 of the Guidelines for Articles of Association

Article 165

A supervisor shall ensure that the information disclosure of the Company is true, accurate and complete.

Article 139 of the Guidelines for Articles of Association

Article 166

A supervisor may attend Board meetings and make enquires or suggestions concerning resolutions proposed at Board meetings.

Article 140 of the Guidelines for Articles of Association

Article 167

A supervisor shall not make use of his associated relationship to harm the Company's interests and shall be liable for any losses caused to the Company arising therefrom.

Article 141 of the Guidelines for Articles of Association

Article 168

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

Article 111 of the Mandatory Provisions

If a supervisor contravenes the law, administrative regulations, department rules or these Articles of Association while performing his duties and causing losses to the Company, he shall bear the liability of compensation.

Article 142 of the Guidelines for Articles of Association

Section 2 Supervisory Committee

Article 169

The Company shall establish a supervisory committee.

Article 103 of the Mandatory Provisions

Article 170

The supervisory committee shall comprise three persons, one of whom shall be the chairman of the supervisory committee.

Article 104 of the Mandatory Provisions

The appointment and dismissal of the chairman of the supervisory committee shall be passed by more than two-thirds of its members.

Article 143 of the Guidelines for Articles of Association

Article 4 of the Letter of Opinions on Supplements

Rule 1(d) of Part D of Appendix 13 to the Main Board Listing Rules

Article 171

The supervisory committee shall comprise shareholder representative supervisors and employee representative supervisors. The shareholder representative supervisors shall be elected and removed at the general meeting, and the employee representative supervisors shall account for no less than one third of the members of the supervisory committee, and democratically elected and removed by the Company’s employees.

Article 105 of the Mandatory Provisions

Article 172

The supervisory committee shall be accountable to the general meeting and exercise the following functions and powers according to the laws:

Article 108 of the Mandatory Provisions

- (1) examine the Company’s financial standing;
- (2) supervise the directors and senior management to ensure that they do not, in performing their duties to the Company, act in contravention of any laws, administrative regulations or these Articles of Association, and to put forward suggestions for dismissing any directors or senior management who are in breach of the laws, administrative regulations, these Articles of Association or resolutions of the general meetings;

Article 144 of the Guidelines for Articles of Association

- (3) demand rectification from a director or any other senior management when the acts of such persons are harmful to the Company’s interest;
- (4) verify the financial information such as the financial reports, business reports and profit distribution plans, etc. to be submitted by the Board to the general meetings and, should any issues be identified, to appoint, in the name of the Company, certified public accountants and practicing auditors to conduct a re-examination;
- (5) propose convening of extraordinary general meetings and to convene and preside over general meetings when the Board fails to perform such duties;
- (6) submit proposals to the general meetings;
- (7) propose convening of extraordinary meetings of the Board;
- (8) represent the Company in negotiating with or in bringing legal action against the directors and senior management in accordance with the Company Law;
- (9) conduct investigations upon discovery of abnormality in the business operation and engage professional firms such as accounting firms and law firms to assist in its work where necessary at the expenses of the Company;
- (10) any other duties as prescribed by these Articles of Association of the Company.

Article 173

The meeting of a supervisory committee shall be held at least once every six months, which shall be convened and preside over by the chairman of the supervisory committee. A supervisor may propose to convene an extraordinary meeting of the supervisory committee.

Article 107 of the Mandatory Provisions

Articles 143 and 145 of the Guidelines for Articles of Association

Where the chairman of the supervisory committee is incapable of performing or fails to perform his duties, a supervisor elected by more than half of the supervisors shall convene and preside over the meeting of the supervisory committee.

Article 174

The supervisory committee shall formulate the working rules for the supervisory committee in order to ensure working efficiency and scientific decision-makings. The convening and voting procedures stipulated in the working rules of the supervisory committee shall be drafted by the supervisory committee and approved at the general meeting.

Article 146 of the Guidelines for Articles of Association

Article 175

A meeting of the supervisory committee shall not be conducted unless it is attended by more than half of the supervisors. Voting at the meeting of supervisory committee shall be carried out by disclosed ballot and each supervisor shall have one vote. A supervisor shall attend meetings of the supervisory committee in person, or appoint in writing another supervisor to attend the meeting on his behalf during his absence with cause. The proxy form shall specify the extent of authorization.

Article 109 of the Mandatory Provisions

Resolutions at the meeting of the supervisory committee shall be passed by more than two-thirds of the supervisors’ votes.

Article 6 of the Letter of Opinions on Supplements

Article 176

Rule 1(d) of Part D of Appendix 13 to the Main Board Listing Rules

The discussed issues shall be record in the minutes of the meeting of the supervisory committee. Supervisors attending the meeting shall sign on the minutes of meetings.

Article 147 of the Guidelines for Articles of Association

Supervisors are entitled to request that an explanation of their comments made at the meetings be noted in the minutes. Minutes of meeting of the supervisory committee shall be maintained as corporate archives for at least 10 years.

Article 177

A notice of the regular meeting of supervisory committee to all supervisors shall be given in writing 10 days prior to the convening of such meeting. A notice of the extraordinary meeting of supervisory committee to all supervisors shall be given in writing 5 days prior to the convening of such meeting.

A notice to a supervisory committee meeting shall include the following contents:

Article 148 of the Guidelines for Articles of Association

- (1) date, venue, and duration of the meeting;
- (2) reasons and issues of discussion;
- (3) date of issuance of notice.

Article 178

The Company shall bear the reasonable expenses incurred by supervisors in attending meetings of the supervisory committee. Such expenses may include costs for transportation to the venue of the meeting, meal and accommodation expenses, rental for the meeting venue and local transportation costs during the duration of the meeting.

Article 56 of the Company Law

Article 110 of the Mandatory Provisions

The reasonable expenses incurred by the supervisory committee in the engagement of professionals such as lawyers, certified public accountants, practicing auditors, etc., to perform its duties shall be borne by the Company.

Chapter 14 Qualifications and Obligations of the Company’s Directors, Supervisors and Senior Management

Article 179

A person may not serve as a director, supervisor or senior management of the Company if any of the following circumstances applies:

Article 112 of the Mandatory Provisions

Article 95 of the Guidelines for Articles of Association

- (1) A person without capacity or with restricted capacity for civil acts;
- (2) A person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (3) A person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date the completion of the insolvency and liquidation of the company or enterprise;
- (4) A person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three years has elapsed since the date of the revocation of the business license;
- (5) A person who has a relatively large amount of debts due and outstanding;
- (6) A person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;

- (7) A person who is prohibited from entering the securities market by the CSRC and the aforesaid prohibition period has not yet expired;
- (8) Anyone who may not serve as a head of the company pursuant to the provisions of the laws and administrative regulations, or regulations of the competent authorities;
- (9) Anyone judged by the competent agencies to have violated the provisions of relevant securities laws, has been involved in deceptive or dishonest acts and is within five years of the date on which the judgment was made;
- (10) Anyone who is not a natural person;
- (11) Other circumstances prescribed by the laws, administrative regulations, department rules or rules of securities regulators and stock exchange in the place(s) in which the shares of the Company are listed.

If an election of a director, supervisor or appointment of senior management contravenes this Article above, that election or appointment is void. If a situation under this Article above appears during the period of service of a director, supervisor or senior management, the Company shall terminate his duties.

Article 180

The validity of the acts of the director or senior management on behalf of the Company to bona fide third parties shall not be affected by any irregularities in their appointment, election or qualifications.

Article 113 of
the Mandatory
Provisions

Article 181

In addition to the obligations imposed by laws, administrative regulations or listing rules of the place(s) in which the shares of the Company are listed, the Company's directors, supervisors and senior management owe a duty to each Shareholder, in the exercise of the functions and powers entrusted to them by the Company:

Article 114 of
the Mandatory
Provisions

- (1) not cause the Company to exceed the scope of business stipulated in its business licence;
- (2) act honestly in the best interests of the Company;
- (3) not expropriate in any guise the Company's property, including (without limitation) usurpation of opportunities advantageous to the Company; and

(4) not deprive the shareholders of their individual rights or interests, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to General meeting for approval in accordance with these Articles of Association.

Article 182

Each of the Company’s directors, supervisors and senior management owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 115 of the Mandatory Provisions

Article 98 of the Guidelines for Articles of Association

Article 183

The Company’s directors, supervisors, and senior management must, in the exercise of their duties, abide by the principles of good faith and shall not place themselves in a position where there is a conflict between their personal interests and their duties. This principle shall include (but not limited to) the fulfillment of the following obligations:

Article 116 of the Mandatory Provisions

Article 97 of the Guidelines for Articles of Association

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of their functions and powers and not to exceed such powers;
- (3) to personally exercise the discretion vested in him, not to allow himself to be manipulated by another person and, not to delegate the exercise of his discretion to another party unless permitted by the law and administrative regulations or with the informed consent of the general meeting;
- (4) to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly;
- (5) not to conclude a contract or enter into a transaction or arrangement with the Company except as otherwise provided in these Articles of Association of the Company or with the informed consent of the general meeting;
- (6) not to use the Company property for his own benefit in any way without the informed consent of the general meeting;
- (7) not to exploit his position to accept bribes or other illegal income, misappropriate the Company’s funds or expropriate the Company’s property by any means, including (without limitation) opportunities advantageous to the Company;

- (8) not to accept commissions in connection with Company's transactions without the informed consent of the general meeting;
- (9) to abide by these Articles of Association of the Company, perform his duties faithfully, and protect the interests of the Company and not to exploit his position and power in the Company to advance his own private interests;
- (10) not to compete with the Company in any way without the informed consent of the general meeting;
- (11) not to misappropriate Company funds or lend funds to any other person, deposit the Company assets in an account under his own or other's name, provide security for the debt of Company's shareholders or other person with any properties of the Company;
- (12) not to disclose confidential information relating to the Company that was acquired by him or her during his or her office without the informed consent of the general meeting, and not to use such information except in the interests of the Company; however, such information may be disclosed to the court or other government authorities in any of the following circumstances:
 1. provided mandatorily by law;
 2. required in the public interest; or
 3. required in the interest of such director, supervisor or senior management of the Company.

Article 184

Each director, supervisor and senior management of the Company shall not cause the following persons or institutions ("**Connected Persons**") to do what he is prohibited from doing in his capacity as such:

- (1) the spouse or minor child of such director, supervisor or senior management of the Company;
- (2) the trustee of a director, supervisor or senior management of the Company or of any person referred to in Item (1) of this Article above;
- (3) the partner of a director, supervisor or senior management of the Company or of any person referred to in Items (1) and (2) of this Article above;

Article 117 of
the Mandatory
Provisions

- (4) the company over which a director, supervisor or senior management of the Company, alone or jointly with any person referred to in Items (1), (2) and (3) of this Article above or any other director, supervisor or senior management of the Company, has actual controlled; and
- (5) the director, supervisor or senior management of a company being controlled as referred to in Item (4) of this Article above.

Article 185

The fiduciary duties of the directors, supervisors and senior management of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure, until such secrets become publicly available. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances and conditions under which the relationships between them and the Company are terminated.

Article 118 of the Mandatory Provisions

Article 186

Except for circumstances prescribed in Article 61 of these Articles of Association, a director, supervisor and senior management of the Company may be relieved from liability for specific breaches of his duty by the informed consent of shareholders given at a general meeting.

Article 119 of the Mandatory Provisions

Article 187

Where a director, supervisor and senior management of the Company is in any way, directly or indirectly, materially interested in an actual or proposed contract, transaction or arrangement with the Company, (other than his service contract with the Company), he shall disclose the nature and extent of his interests to the Board at the earliest opportunity, whether or not the actual reach or proposal of such contract, transaction or arrangement is otherwise subject to the approval of the Board.

Article 120 of the Mandatory Provisions

A director shall not vote for a contract, transaction or arrangement in which he himself or any of his associates has a material interest, nor shall such director be included in the quorum for a meeting.

Unless the interested director, supervisor or senior management of the Company has disclosed such interest to the Board as required under the first paragraph of this Article and the matter has been approved by the Board at a meeting where he was not counted in the quorum and had refrained from voting, the Company shall have the right to void the contract, transaction or arrangement, except where the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor or senior management concerned.

A director, supervisor or senior management of the Company shall be deemed to have an interest in any contract, transaction or arrangement in which a Connected Person of that director, supervisor or senior management has an interest.

Article 188

Where a director, supervisor or senior management of the Company gives a written notice to the Board before the conclusion of the contract, transaction or arrangement is first considered by the Company, stating that due to the contents of the notice, he has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such director, supervisor or senior management shall be deemed for the purposes of the preceding Articles of this Chapter to have declared his interest, insofar as attributable to the scope stated in the notice.

Article 121 of the Mandatory Provisions

Article 189

The Company shall not in any manner pay tax for or on behalf of its directors, supervisors or senior management.

Article 122 of the Mandatory Provisions

Article 190

The Company shall not directly or indirectly provide a loan or loan security for a director, supervisor or senior management of the Company or of the Company’s parent company, or Connected Persons of the above-mentioned persons.

Article 123 of the Mandatory Provisions

The provisions of the preceding paragraph shall not apply to the following circumstances:

- (1) the provision of a loan or loan security by the Company for a subsidiary of the Company;
- (2) the provision of a loan or loan security or other funds by the Company to a director, supervisor or senior management of the Company under a service contract approved by the general meeting, so as to enable him pay the expenses incurred for the sake of the Company or for the performance of his Company duties; and

- (3) the provision of a loan or loan security by the Company to a relevant director, supervisor or senior management of the Company or to a Connected Person thereof based on normal commercial terms, if the ordinary business scope of the Company includes the lending of money or the provision of loan security.

Article 191

A loan provided by the Company in violation of the preceding Article shall be immediately repayable by the recipient of the loan, regardless of the terms of the loan.

Article 124 of
the Mandatory
Provisions

Article 192

A loan guarantee provided by the Company in breach of paragraph 1 of Article 190 shall be unenforceable against the Company, provided that:

Article 125 of
the Mandatory
Provisions

1. when the loan is provided to a Connected Person of a director, supervisor or senior management of the Company or its parent company, the loan provider is not aware of the circumstance; and
2. the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

Article 193

For the purposes of the preceding article of this chapter, the term “security” shall include an act whereby a guarantor assumes liability or provides property to guarantee or secure the performance of obligations by an obligator.

Article 126 of
the Mandatory
Provisions

Article 194

In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor and senior management of the Company is in breach of his duties to the Company, the Company has a right to:

Article 127 of
the Mandatory
Provisions

- (1) demand the relevant director, supervisor or senior management to compensate for the losses sustained by the Company as a consequence of his dereliction of duty;
- (2) rescind any contract or transaction concluded by the Company with the relevant director, supervisor or senior management or contracts with a third party (where such third party is aware or is taken to be aware that the director, supervisor or senior management representing the Company is in breach of his obligations to the Company);

- (3) demand the relevant director, supervisor or senior management to surrender the gains derived from the breach of his obligations;
- (4) recover any funds received by the relevant director, supervisor or senior management that shall have been received by the Company, including (but not limited to) commissions;
- (5) demand the relevant director, supervisor or senior management to return the interest earned or possibly earned on the funds that shall have been given to the Company; and
- (6) take legal proceedings to decide that director, supervisor or senior management should return to the Company the property obtained as a consequence of his breach of obligations.

Article 195

The Company shall enter into a contract in writing with every director and supervisor of the Company concerning his emoluments. Such contract shall be approved by the general meeting before it is entered into. The above-mentioned emoluments shall include:

Article 128 of
the Mandatory
Provisions

- (1) emoluments in respect of his service as a director, supervisor or senior management of the Company;
- (2) emoluments in respect of his service as a director, supervisor or senior management of a subsidiary of the Company;
- (3) emoluments otherwise in connection with the management of the Company or any subsidiary thereof; and
- (4) funds as compensation for his loss of office or retirement to the aforementioned directors and supervisors.

A director or supervisor may not sue the Company for benefits due to him on the basis of the abovementioned matters, except under a contract as mentioned above.

In addition, the Company shall enter into a contract in writing with each director, supervisor and senior management containing at least the following provisions:

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

- (1) an undertaking by the director, supervisor or senior management to the Company that he shall observe and comply with the Company Law, the Special Provisions, these Articles of Association, the Codes on Takeovers and Mergers in Hong Kong, the Codes on Share Repurchase in Hong Kong, and other regulations of the Hong Kong Exchange, and an agreement that the Company shall have the remedies provided in this Articles of Association and that neither the contract nor his office is assignable;
- (2) an undertaking by the director, supervisor or senior management to the Company that he shall act as an agent for each shareholder to observe and comply with his obligations to shareholders stipulated in these Articles of Association; and
- (3) the arbitration clause as set out in Article 245 thereof (for the arbitration agreement, the Company is on its own behalf and on behalf of each shareholder).

Article 196

The contract for emoluments entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the general meeting, have the right to receive compensation or other payment for loss of office or retirement.

Article 129 of
the Mandatory
Provisions

For the purposes of the preceding paragraph, the term "a takeover of the Company" shall refer to any of the following circumstances:

1. anyone makes a general offer to all the shareholders;
2. anyone makes a general offer so that the offeror becomes a controlling shareholder as defined hereof.

If the relevant director or supervisor fails to comply with this Article, any fund received by him shall belong to those persons that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in distribution of such fund on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such fund.

Article 197

The Company shall establish a liability insurance system as needed for directors, supervisors and senior management in order to reduce the risks which may arise from the ordinary performance of duties by such personnel.

Chapter 15 Financial Accounting System and Distribution of Profits

Article 198

The Company shall formulate its own financial and accounting systems in accordance with provisions of the law, administrative regulations and accounting standards developed by the competent department in charge of finance under the State Council.

Article 130 of the Mandatory Provisions

Article 149 of the Guidelines for Articles of Association

Article 199

The Company adopts the calendar year as its financial year, which shall begin in each year on 1 January and end on 31 December of the Gregorian calendar.

Article 131 of the Mandatory Provisions

The Company shall prepare financial reports at the end of each financial year, and such reports shall be examined and verified according to laws.

Article 200

The Board shall place before the shareholders at each annual general meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local governments and the authorities-in-charge require the Company to prepare. The annual general meeting for a particular year shall be held no more than six months from the date to which the annual accounts for that year is made up.

Article 132 of the Mandatory Provisions

Rule 13.46 (2) (b) of the Main Board Listing Rules

Article 201

The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to an annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.

Article 133, 136 of the Mandatory Provisions

At least 21 days before the annual general meeting, and in any event no more than four months from the end of the relevant financial year, the Company shall deliver the report of the Board, balance sheet, profit statement or income and expenditure statement, or the summary of financial reports to each holder of overseas-listed foreign shares with the postage-paid mail or other means (including through posting at the Company website or other websites designated by the relevant stock exchange or sent by electronic means) permitted by the laws and regulations and listing rules of the stock exchange of the place(s) in which the shares of the Company are listed, at the address registered in the register of shareholders.

Article 7 of the Letter of Opinions on Supplements

Rule 5 of Appendix 3 to the Main Board Listing Rules

The Company shall also send interim financial reports to each holder of overseas-listed foreign shares for the first six months of each financial year. The time of delivery shall be three months after the end of such six-month period.

Rule 2.07(A), 13.46(2) (a) and 13.48(1) of the Main Board Listing Rules

Article 202

The financial statements of the Company shall be prepared not only in accordance with PRC accounting standards, laws and regulations but also in accordance with international accounting standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes appended to such financial statements. For the purpose of the Company's distribution of after-tax profits in a given financial year, the smaller amount of after-tax profits shown in the two financial statements prepared as mentioned above shall prevail.

Article 134 of the Mandatory Provisions

Article 203

Interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards, laws and regulations as well as international standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed.

Article 135 of the Mandatory Provisions

Article 204

The Company must publish two financial reports in each financial year, namely an interim financial report within 60 days after the end of the first six months of the financial year and an annual financial report within 120 days after the end of the financial year.

Article 136 of the Mandatory Provisions

The Company must publish its financial results twice for each financial year, namely an interim results announcement within two months after the end of the first six months of the financial year and an annual results announcement within three months after the end of the financial year.

Rule 13.49(1) (ii) and 13.49(6) (b) of the Main Board Listing Rules

Article 205

The Company shall not maintain any account books other than statutory account books. Assets of the Company shall not be held in any accounts opened under the name of any individuals.

Article 137 of the Mandatory Provisions

Article 151 of the Guidelines for Articles of Association

Article 206

The common capital reserve shall include the following funds:

- 1. the premiums obtained from the issue of shares in excess of the par;
- 2. other revenue required by the State Council’s department in charge of finance to be included in the capital common reserve.

Article 138 of the Mandatory Provisions

Article 207

Where a company distributes its after-tax profits of the current year, it shall draw 10 percent of the profits as the Company’s statutory common reserve. The Company may stop drawing if the accumulative balance of the common reserve has already accounted for over 50 percent of the Company’s registered capital.

Article 166 of the Company Law

Article 152 of the Guidelines for Articles of Association

If the accumulative balance of the Company’s statutory common reserve is not enough to make up for the losses of the Company of the previous year, the current year’s profits shall first be used for making up the losses before the statutory common reserve is drawn therefrom according to the provisions of the preceding paragraph.

After the Company draws the statutory common reserve from the after-tax profits, it may, upon a resolution made by the general meeting, draw a discretionary common reserve from the after-tax profits.

After the losses have been made up and common reserves have been drawn, the remaining profits shall be distributed to shareholders in light of their proportions of shares held, unless it is not permitted in these Articles of Association to distribute profits according to the proportions of shares held by shareholders.

If the general meeting distributes the profits by violating the provisions of the preceding paragraph before the losses are made up and the statutory common reserves are drawn, the profits distributed must be refunded to the Company.

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

Article 208

The reserve of the Company is used to make up the Company's losses, increase the production operation of the Company or increase the Company's capital. However, capital reserve shall not be used to make up the Company's losses.

Article 153 of the Guidelines for Articles of Association

When legal reserve funds are converted into capital, the remaining balance of that reserve fund shall not be less than 25% of the registered capital of the Company before the conversion.

Article 209

The Company may distribute dividends in one of the following forms (or in more than two forms):

Article 139 of the Mandatory Provisions

1. cash;
2. script;
3. other forms provided by laws, administrative regulations, department rules and regulatory provisions of the place(s) in which the shares of the Company are listed.

As for cash dividends and other payments to domestic shareholders, the Company shall pay in RMB, and such payments to holders of foreign shares will be denominated and declared in Renminbi and paid in Hong Kong dollars. The Company will, according to national provisions on foreign exchange control, deal with Hong Kong dollars matters for cash dividends and other payments to holders of foreign shares.

The Board shall be authorized by way of an ordinary resolution passed by the general meeting to implement dividend distribution of the Company.

Article 210

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

Rule 3(1) of Appendix 3 to the Main Board Listing Rules

Article 211

The Company shall appoint a receiving agent for holders of overseas-listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of overseas listed foreign shares.

Article 140 of the Mandatory Provisions

Article 8 of the Letter of Opinions on Supplements

The receiving agent appointed by the Company shall meet the requirements of the laws of the place(s), or the relevant regulations of the stock exchange(s), where the Company's shares are listed.

Rule 19A.51 of the Main Board Listing Rules

The receiving agent appointed by the Company for holders of H shares listed on the Hong Kong Stock Exchange shall be a trust company registered as under the Trustee Ordinance of Hong Kong.

Rule 1(c) of Part D of Appendix 13 to the Main Board Listing Rules

Under the premise in pursuant to relevant PRC laws and regulations and regulations of the Hong Kong Stock Exchange, the Company may exercise the right to forfeit unclaimed dividends, but that power shall not be exercised until after the expiration of the applicable limitations period for the declaration of dividend distribution.

Rule 19A.47 of the Main Board Listing Rules

The Company has the power to cease sending dividend warrants by post to a holder of H shares, provided that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

Rule 13(1) of Appendix 3 to the Main Board Listing Rules

In case of exercising power to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms, beyond all reasonable doubts, the physical loss of the original warrants.

Rule 2(2) of Appendix 3 to the Main Board Listing Rules

The Company has the power to sell the shares of a holder of the H shares who is untraceable by means considered appropriate by the Board under the following circumstances:

Rule 13(2) of Appendix 3 to the Main Board Listing Rules

- (1) during a period of twelve years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (2) on expiry of the twelve years the Company gives notice of its intention to sell the shares by way of an advertisement published in one or more newspapers of the place(s) in which the shares of the Company are listed and notifies the stock exchange on which such shares are listed of such intention.

Article 212

After the general meeting has resolved on the plan to allocate profits, the Board shall complete the distribution of dividends (or bonus shares) within 2 months of the meeting.

Article 154 of the Guidelines for Articles of Association

Article 213

The Company will give full consideration to the interests of shareholders and make the implementation of a reasonable profit distribution policy according to business situation and market environment. The Company’s profit distribution policy shall to the greatest extent maintain continuity and stability, with the specific profit-sharing ratio to be passed with a resolution in accordance with relevant laws and regulations at the general meeting.

Article 155 of the Guidelines for Articles of Association

Chapter 16 Appointment of an Accounting Firm

Article 214

The Company shall engage an independent accounting firm that complies with relevant state regulations to audit the annual and other financial reports of the Company.

Article 141 of the Mandatory Provisions

The first accounting firm of the Company may be appointed by the inaugural meeting prior to the first annual general meeting. Such accounting firm shall hold office until the conclusion of the first annual general meeting.

Article 158 of the Guidelines for Articles of Association

If the Company’s inaugural meeting does not exercise its power under the preceding paragraph, the Board shall exercise such power.

Article 215

The term of engagement of an accounting firm shall start from the conclusion of the annual general meeting until the conclusion of the next annual general meeting.

Article 142 of the Mandatory Provisions

Article 216

Article 143 of the Mandatory Provisions

An accounting firm engaged by the Company shall have the following rights:

- (1) the right of access at any time to the account books, records or vouchers of the Company and the right to require directors and other senior management of the Company to provide the relevant information and explanations;
- (2) the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;
- (3) the right to attend general meetings, receive a notice or other information concerning any meetings which shareholders have a right to receive, and to be heard at any general meetings on any matter which relates to it as the accounting firm of the Company.

Article 217

Article 144 of the Mandatory Provisions

If the position of accounting firm becomes vacant, the Board may appoint an accounting firm to fill such vacancy before a general meeting is held. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy still exists, such accounting firms shall continue to act.

Article 218

Article 145 of the Mandatory Provisions

Save as is provided for under Article 217, the appointment of the accounting firm by the Company must be determined by the general meeting. The Board may not appoint an accounting firm before it is approved by the general meeting.

Article 159 of the Guidelines for Articles of Association

The general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of appointment, notwithstanding anything in the contract between the accounting firm and the Company, but without prejudice to such accounting firm’s right, if any, to claim damages from the Company in respect of such dismissal.

Article 219

Article 146 of the Mandatory Provisions

The amount of remuneration of an accounting firm and the manner in which the remuneration is determined shall be decided upon by the general meeting. The amount of remuneration of the accounting firm appointed by the Board shall be confirmed by the Board.

Article 161 of the Guidelines for Articles of Association

Article 220

The appointment, dismissal or refraining from the re-appointment of an accounting firm by the Company shall be decided upon by the general meeting and reported to the securities regulatory authorities under the State Council for the record.

Article 147 of
the Mandatory
Provisions

Where it is intended to pass a resolution at a general meeting to appoint a non-incumbent accounting firm to fill any vacancy of the position of the accounting firm, or to reappoint an accounting firm that is appointed by the Board for filling the vacancy or to dismiss an accounting firm before the expiry of its term of office, such matters shall be dealt with the following provisions:

Article 9 of
the Letter of
Opinions on
Supplements

Rule 1(e) (i)
of Part D of
Appendix 13 to
the Main Board
Listing Rules

- (1) Before dispatch of the general meeting notice, the proposal on the appointment or dismissal shall be delivered to the accounting firm to be appointed or to leave its office or already retired in the relevant financial year. Leave herein shall include dismissal, resignation and retirement for an accounting firm.
- (2) If the accounting firm to leave its office makes any statement in writing and requires the statement to be informed to shareholders by the Company, unless being too late for the receipt of such statement, the Company shall take the following measures:
 1. Making instructions on the notice to the resolution that the leaving accounting firm has made such a statement; and
 2. Copies of such a statement as the annex to the notice shall be sent to each shareholder entitled to receive the general meeting notice with the means set forth in these Articles of Association.
- (3) If the Company fails to deliver such statement made by the relevant accounting firm in accordance with the provisions in paragraph (2) of this article, the accounting firm concerned may require the statement to be read out at the general meeting and make further complaints.
- (4) The accounting firm to leave is entitled to attend the following meetings:
 1. the general meeting at which its term of office shall expire;
 2. the general meeting at which its dismissal shall be to fill for the corresponding vacancy; and
 3. the general meeting convened for the resignation that it proposes.

The accounting firm to leave is entitled to receive all notices or other information related to the above meetings, and to speak at the aforementioned meetings on matters related to it as the former accounting firm of the Company.

Article 221

Where the Company dismisses or does not reappoint an accounting firm, it shall notify the accounting firm in advance. The accounting firm is entitled to present its views to the general meeting. Where an accounting firm proposes its resignation, it shall explain to the general meeting whether there are any irregularities in the Company.

Article 148 of the Mandatory Provisions

Article 162 of the Guidelines for Articles of Association

(1) The accounting firm may resign from its post through the place of resignation notice in writing at the legal address of the Company. Such notice shall take effect upon the date it is placed at the legal address of the Company or a later date as specified in the notice. And the notice shall include the following statements:

Article 10 of the Letter of Opinions on Supplements

Rule 1(e) (ii) of Part D of Appendix 13 to the Main Board Listing Rules

- 1. that its resignation does not involve any announcement to shareholders or creditors of the Company; or
- 2. any other such circumstances that shall be presented.

Rule 1(e) (iii) of Part D of Appendix 13 to the Main Board Listing Rules

(2) Within 14 days upon the receipt of such notice in writing as referred to in paragraph (1) of this Article, the Company shall deliver a copy of the notice to the competent authorities. Provided that the notice contains statements as above mentioned in paragraph (1) 2. of this Article, the Company shall prepare and place copies of such statement at the company for inspection by shareholders. The Company shall also deliver copies of such foregoing statements with postage prepaid mail to each shareholder entitled to receive the financial report of the Company by the address registered in the register of shareholders, or, under the premise subject to applicable laws, regulations and listing rules, post such information at the company website or a site specified by the stock exchange of the place in which the Company’s shares are listed.

Rule 1(e) (iv) of Part D of Appendix 13 to the Main Board Listing Rules

(3) If the accounting firm’s resignation notice contains any statement referred to in paragraph (1)2. of this Article, the accounting firm may request the Board to convene an extraordinary general meeting of shareholders to hear its explanations on the situation of its resignation.

Chapter 17 Merger, Demerger, Dissolution and Liquidation

Section 1 Merger and Demerger

Article 222

The merger or demerger of the Company shall require the preparation of a proposal by the Board. After such proposal has been adopted in accordance with the procedures specified in these Articles of Association of the Company, relevant examination and approval procedures shall be carried out according to laws. Shareholders that oppose such proposal on the merger or demerger of the Company shall have the right to require the Company or shareholders that are in favor of such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or demerger of the Company shall be compiled in a special document for inspection by shareholders.

Article 149 of the Mandatory Provisions

For holders of overseas-listed foreign shares, the aforesaid documents shall be served by post or in a manner permitted under the laws, regulations or listing rules of the place in which the shares of the Company are listed.

Article 223

The merger of a company may be effected by way of merger or consolidation.

Article 172 and 173 of the Company Law

As for a merger, both parties to the merger shall conclude an agreement with each other and prepare balance sheets and checklists of properties. The companies involved shall notify the creditors according to the Company Law, and shall make a public announcement on a newspaper recognized by the exchange of the place where the Company's shares are listed, and legally clear off its debts or provide corresponding guarantees as the creditors require.

Article 150 of the Mandatory Provisions

Article 171, 172 and 173 of the Guidelines for Articles of Association

In the case of a merger, the respective accounts payable and receivable will be inherited by the continuing company, or the newly formed company after the merger.

Article 224

As for the demerger of a company, the properties thereof shall be divided accordingly.

Article 151 of the Mandatory Provisions

Balance sheets and checklists of properties of the Company shall be worked out. The companies involved shall notify the creditors according to the Company Law, and make a public announcement on a newspaper recognized by the exchange of the place where the Company's shares are listed.

Article 174 and 175 of the Guidelines for Articles of Association

Debts owed by the Company prior to the demerger shall be jointly assumed by the companies in existence after the demerger, save as otherwise agreed by written agreement with creditors prior to the demerger.

Article 225

Where any of the registered items is changed during the process of merger or demerger of a company, the Company shall go through modification registration with the Company registration authority. If it is dissolved, it shall be deregistered according to the law. If any new company is established, it shall go through the procedures for company establishment according to the law.

Article 152 of the Mandatory Provisions
Article 177 of the Guidelines for Articles of Association

Section 2 Dissolution and Liquidation

Article 226

The Company shall be dissolved under any of the following circumstances:

Article 153 of the Mandatory Provisions
Article 178 of the Guidelines for Articles of Association

- (1) The matters for dissolution as stipulated in these Articles of Association appears;
- (2) The general meeting decides to dissolve it;
- (3) It is necessary to be dissolved due to merger or demerger of the Company;
- (4) The Company is declared bankrupt according to the law for being unable to pay its due debts;
- (5) Its business license is canceled or it is ordered to close down or to be dissolved according to the law; or
- (6) The Company has great difficulties in operation or management and cannot be solved by any other means, so that the interests of the shareholders will be subject to heavy loss if it continues to exist. The shareholders who hold ten percent or more of the voting rights of all the shareholders of the Company may plead the people’s court to dissolve the Company.

Article 227

Where the Company is dissolved according to the provisions of Article 226 (1), (2), (5) or (6) of these Articles of Association, a liquidation committee shall be formed within 15 days as of the occurrence of the causes of dissolution, to carry out a liquidation. The liquidation committee shall comprise the directors or any other people as determined by the general meeting. Where no liquidation group is formed within the time limit, the creditors may plead the people’s court to designate relevant persons to form a liquidation group.

Article 183 of the Company Law

Article 154 of the Mandatory Provisions

Article 180 of the Guidelines for Articles of Association

Where the Company is dissolved according to the provisions of Article 226 (4) of these Articles of Association, the people’s court shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation.

Article 228

If the Board decides that the Company shall be liquidated (except for the liquidation as a result of the Company’s declaration of bankruptcy), the notice of the general meeting convened for such purpose shall include a statement to the effect that the Board has made full inquiry into the position of the Company and that the Board is of the opinion that the Company can pay its debts in full within 12 months after the commencement of the liquidation.

Article 155 of the Mandatory Provisions

The functions and powers of the Board shall terminate immediately after the general meeting has passed the resolution to carry out liquidation.

The liquidation committee shall take instructions from the general meeting and shall make a report to the general meeting on the committee’s income and expenditure as well as the business of the Company and the progress of the liquidation at least annually. It shall make a final report to the general meeting when the liquidation is completed.

Article 229

The liquidation committee shall, within ten days as of its formation, notify the creditors, and shall, within 60 days, make a public announcement on newspapers recognized by the Exchange for the listing of shares of the Company. Creditors shall, within 30 days as of the receipt of the notice or within 45 days as of the publications of the public announcement in the case of failing to receiving the notice, declare credits against the liquidation committee.

Article 182 of the Guidelines for Articles of Association

Article 156 of the Mandatory Provisions

To declare credits, a creditor shall explain the relevant matters and provide relevant evidential materials. The liquidation committee shall register the credits.

The liquidation committee shall not clear off any of the debts of any creditor during the period of credit declaration.

Article 230

The liquidation committee exercises the following functions during the process of liquidation:

- (1) liquidating the properties of the Company, and preparing balance sheets and asset checklists;
- (2) informing creditors by notice or public announcement;
- (3) disposing and liquidating the businesses of the Company that have not been completed;
- (4) clearing off the outstanding taxes and the taxes incurred in the process of liquidation;
- (5) clearing off credits and debts;
- (6) disposing the residual properties after such debt clearing; and
- (7) participating in the civil litigation on behalf of the Company.

Article 157 of the Mandatory Provisions

Article 181 of the Guidelines for Articles of Association

Article 231

The liquidation committee shall, after liquidating the properties of the Company and preparing balance sheets and checklists of properties, make a plan of liquidation, and report it to the general meeting or the people’s court for confirmation.

Article 158 of the Mandatory Provisions

Article 183 of the Guidelines for Articles of Association

The residual assets that result from paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed according to the proportions of equities held by the shareholders.

During the period of liquidation, the Company continues to exist, but may not carry out any business operation that is not for purpose of carrying out liquidation. Before the settlement of repayments as prescribed in the preceding article, the Company’s property will not be distributed to shareholders.

Article 232

In case of liquidation upon dissolution, if the liquidation committee notices that the properties of the Company is insufficient for clearing off the debts after liquidating the properties of the Company and preparing balance sheets and checklists of properties, it shall immediately apply to the people's court to declare bankruptcy.

Article 159 of the Mandatory Provisions

Article 184 of the Guidelines for Articles of Association

Once the people's court declares the bankruptcy of the Company, the liquidation committee shall hand over the liquidation matters to the people's court.

Article 233

Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, a revenue and expenditure statement and financial accounts in respect of the liquidation period and, after verification thereof by a certified public accountant in China, submit the same to the general meeting or the people's court for confirmation. And within 30 days from the date of the general meeting's or the people's court's confirmation, the Company should submit the aforementioned documents to the Company registration authority to apply for company de-registration, and announce the Company's termination.

Article 160 of the Mandatory Provisions

Article 185 of the Guidelines for Articles of Association

Article 234

The members of the liquidation committee shall devote themselves to their duties and fulfill their obligations of liquidation according to the law.

Article 186 of the Guidelines for Articles of Association

None of the members of the liquidation committee may take any bribe or any other illegal proceeds by taking advantage of his position, nor may he misappropriate any of the properties of the Company.

Where any of the members of the liquidation committee causes any loss to the Company or any creditor by intention or due to gross negligence, he shall make corresponding compensations.

Chapter 18 Amendment to Articles of Association

Article 235

The Company may amend its Articles of Association in accordance with the law, administrative regulations and these Articles of Association.

Article 161 of the Mandatory Provisions

Article 236

In any one of the following circumstances, the Company shall amend its Articles of Association:

Article 188 of the Guidelines for Articles of Association

- (1) After amendment of the Company Law or relevant laws or administrative regulations, the contents of these Articles of Association conflict with the amended laws or administrative regulations;
- (2) The circumstances of the Company have changed so that they are not in line with the contents of these Articles of Association; or
- (3) The general meeting decides that the Article of Association should be amended.

Article 237

Amendments to these Articles of Association passed by resolutions at the general meeting, which require examination and approval by the competent authorities, shall be submitted to the competent authorities for approval. Any amendments requiring alteration registration shall be filed for alteration registration according to the law.

Article 162 of the Mandatory Provisions

Article 189 of the Guidelines for Articles of Association

Article 238

The Board shall amend these Articles of Association according to the resolutions of the general meeting and the opinions of the relevant competent authority.

Article 190 of the Guidelines for Articles of Association

Article 239

Any amendment to these Articles of Association which involves information to be disclosed as required by the law, regulations or the listing rules of the place(s) in which the shares of the Company are listed, shall be publicly announced as required.

Article 191 of the Guidelines for Articles of Association

Chapter 19 Notice

Article 240

Notices of the Company may be served through means as follows:

- (1) delivery by hand;
- (2) by post;
- (3) by fax or email;
- (4) subject to the law, regulations and listing rules of the place(s) in which the shares of the Company are listed, post at the Company's website or such website designated by relevant stock exchange;
- (5) by public announcement;
- (6) the prescribed means between the Company and the recipient or the confirmed means by such recipient; or
- (7) other means approved by the relevant regulatory agency of the listing place or as set out in these Articles of Association.

Article 163 of the Guidelines for Articles of Association

Article 164 of the Guidelines for Articles of Association

Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.

Unless otherwise required by these Articles of Association, if the notices to the holders of H shares are issued by way of announcement, any ready-to-publish electronic copy of such notices shall be submitted through HKEx-EPS to the Hong Kong Stock Exchange for publication on its website on the same day in accordance with local listing rules. The announcement shall meanwhile be published on the Company's website. In addition, it shall be served on each of the holders of the H shares by hand or by prepaid mail to their addresses as shown in the register of shareholders.

Rule 7(1) and (3) of Appendix 3 to the Main Board Listing Rules

Unless the context otherwise requires, “announcement” referred to in these Articles of Association shall refer to (i) if issued to domestic shareholders or within the PRC in accordance with relevant regulations and these Articles of Association, the announcement published in such Chinese newspapers as specified by the Chinese laws and regulations or the State securities regulatory agency; and (ii) if issued in Hong Kong to holders of H shares in accordance with the relevant provisions or these Articles of Association, announcement being published in Hong Kong newspapers and/or other media (including websites) specified in relevant listing rules. All notices or other documents required under Chapter 13 of the Listing Rules to be sent by the Company to shall be in the English language, or accompanied by a certified English translation.

Rule 19A.56 of
the Main Board
Listing Rules

Under the premise of the Company’s observation to the relevant listing rules of the place(s) in which the shares of the Company are listed, regarding the provision and/or distribution by the Company of corporate communications to holders of H shares in accordance with requirements of such listing rules , the Company may also electronically or at the company’s website or such website of the stock exchange post such information so as to send out such information to such holders, instead of such delivery by hand or postage prepaid mail.

Rule 2.07A(1)
of the Main
Board Listing
Rules

All documents furnished by the Company, including accounts, which are in a language other than English must be accompanied by a certified English translation.

Article 241

Unless otherwise provided in other Articles of these Articles of Association, the notice means as set out in the preceding Article may also be applicable to notices for general meeting, meetings of Board or the supervisory committee.

Article 165,
166 and 167 of
the Guidelines
for Articles of
Association

Article 242

If the notice is served by hand, the date of service is the date of acknowledgement of receipt by signature or affixed seal on the service return slip. If the notice is sent by post, the date of service is the third working days from the date of delivery at the post office. If the notice is made via facsimile, e-mail or website or other electronic means, the date of service is the date of transmission. If the notice is made by public announcement, the date of service is the date of the first publication of the public announcement.

Article 168 of
the Guidelines
for Articles of
Association

Article 243

A meeting and the resolutions adopted thereat shall not be invalidated as a result of the accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice.

Article 169 of the Guidelines for Articles of Association

Article 244

Where relevant corporate documents must be in the English language and be accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the requirements of listing rules of the place(s) in which the shares of the Company are listed, in respect of shareholders who under proper arrangements by the Company confirm to receive such information only in English or Chinese version as well as to the extent of the applicable laws and regulations, the Company may send such documents in the English or Chinese version to relevant shareholders according to their prescribed wills. The relevant shareholders can also revise the means they receive the preceding documents and the version of language according to the appropriate procedures to the extent of the applicable laws, regulations and listing rules of the place(s) in which the shares of the Company are listed.

Rule 13.55(2) of the Main Board Listing Rules

Chapter 20 Settlement of Disputes

Article 245

The Company shall comply with the following rules in settling disputes:

Article 163 of the Mandatory Provisions

- (1) Whenever any disputes or claims arise from these Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company between the Company and its director, supervisor or senior management, between a holder of overseas-listed foreign shares and the Company, between a holder of overseas-listed foreign shares and a director or supervisor or the president or other senior management of the Company, and between a holder of overseas-listed foreign shares and a holder of domestic shares, the parties concerned shall resolve such disputes and claims through arbitration.

Article 11 of the Letter of Opinions on Supplements

Where a dispute or claim described above is submitted for arbitration, the entire dispute or claim shall be resolved through arbitration; 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, if they are shareholders, directors, supervisors, the president or other senior management of the Company or the Company, shall submit to arbitration.

Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.

- (2) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the party seeking the arbitration.

If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.

- (3) The laws of PRC shall govern the arbitration of disputes or claims described in clause (1) above, unless otherwise provided by the law or administrative regulations.
- (4) The award of the arbitral body is final and shall be binding on the parties thereto.

Chapter 21 Supplementary Articles

Article 246

Definition

- (1) In these Articles of Association, “acting in concert” means the act of two or more people that in form of agreement (whether oral or written) reaching a consensus that, through take-over of the Company’s voting rights by any one of them to achieve the purpose of controlling the Company or to consolidate such control.

Article 192 of
the Guidelines
for Articles of
Association

- (2) “Controlling shareholder” means a person who satisfies one of the following conditions:
1. a person who, acting alone or in concert with others, has the power to elect more than half number of the directors;
 2. a person who, acting alone or in concert with others, has the power to exercise or control the exercise of more than 30 percent of the Company’s voting rights;
 3. a person who, acting alone or in concert with others, holds more than 30 percent of the issued and outstanding shares of the Company;
 4. a person who, acting alone or in concert with others, actually controls the Company in any other manner.
- (3) A “de facto controller” means a person, though not a shareholder, but through investment relationship, agreement, or other arrangement, can actually control the activities of the Company.
- (4) “Associated relationship” is the relationship between the controlling shareholder, de facto controller, directors, supervisors or senior management, and enterprises directly or indirectly controlled by them, as well as other relationships which may possibly cause the transfer of the Company’s interests. However, enterprises owned by the State will not be regarded as having associated relationship only because they are owned by the State.
- (5) “Senior management” refers to the president, vice president, the person in charge of finance, secretary to the Board and other personnel expressly appointed by the Board as the Company’s senior management. The term “president” and “vice president” shall refer to “manager” and “deputy manager” under the Company Law.
- (6) “Associate” shall have the meaning as defined under the Main Board Listing Rules from time to time.
- (7) “Accounting firm” shall have the same meaning as “auditor”.

Article 48 of
the Mandatory
Provisions

Article 11 of
the Guidelines
for Articles of
Association

Article 165 of
the Mandatory
Provisions

Article 247

In these Articles of Association, the terms “not less than”, “within”, “not more than” and “previous” shall include the given figure, and the terms “more than half”, “under”, “beyond”, “exceeding”, “below”, “less than”, “not more than” and “more than” shall not include the given figure.

Article 195 of
the Guidelines
for Articles of
Association

Article 248

These Articles of Association are in Chinese. If it conflicts with a version in any other language, the Chinese version which was most recently filed and registered at the competent administration for industry and commerce shall prevail.

Article 194 of
the Guidelines
for Articles of
Association

Article 249

In case of any contradiction of these Articles with any laws, administrative regulations, other relevant normative documents and listing rules of the place(s) in which the shares of the Company are listed, those laws, administrative regulations, other relevant normative documents and listing rules of the place(s) in which the shares of the Company are listed shall prevail.

Article 250

The Board shall be responsible for the interpretation of these Articles of Association.

Article 196 of
the Guidelines
for Articles of
Association