

**Articles of Association of
China Tourism Group Duty Free Corporation Limited**

**(Considered and approved by the second extraordinary general meeting 2022 and to be
effective and implemented on the date of issue and listing of H Shares)**

August 2022

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Chapter 1 General Provisions

Article 1 In order to safeguard the legitimate rights and interests of China Tourism Group Duty Free Corporation Limited (“the Company”), the shareholders and creditors, to regulate the organization and activities of the Company, to uphold and strengthen the overall leadership of the Party, to adhere to the corporate governance mechanism with statutory powers and responsibilities, transparent power and responsibilities, coordinated operation and effective balances, to improve corporate governance structure of the Company, and to establish a modern state-owned enterprise system with Chinese characteristics, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), Securities Law of the People’s Republic of China (the “Securities Law”), Enterprise State-owned Assets Law of the People’s Republic of China (the “Enterprise State-owned Assets Law”), Governance Guidelines for Listed Companies, Guidelines for the Articles of Association of Listed Companies, Rules Governing the Listing of Stocks on Shanghai Stock Exchange, Constitution of the Communist Party of China, Working Rules for the Grassroot Organizations of the State-owned Enterprises of the Communist Party of China (Trial), Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (the “Special Provisions”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (the “Letter of Opinion Amendments”), Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant provisions and requirements.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law, and other relevant laws and regulations of the state.

The Company was established by way of promotion with the approval from the State-owned Assets Supervision and Administration Commission of the State Council (Guo Zi Gai Ge [2008] No. 320) and registered with the State Administration for Market Regulation to obtain a business license. The unified social credit code is 911100007109353457.

Article 3 Pursuant to the approval, the Approval of China Securities Regulatory Commission regarding the Initial Public Offering of Shares of China Tourism Group Duty Free Corporation Limited (Zheng Jian Xu Ke [2009], No. 798), from China Securities Regulatory Commission (the “CSRC”), the Company initially issued to the public 220 million Renminbi-denominated ordinary shares, which were listed on Shanghai Stock Exchange on 15 October 2009.

Upon the approval by CSRC on [•], the Company issued [•] overseas listed foreign shares in Hong Kong (the “H Shares”), and the aforementioned H Shares were listed on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on [•].

- Article 4** Registered name of the Company: 中國旅遊集團中免股份有限公司
China Tourism Group Duty Free Corporation Limited
- Article 5** Address of the Company: 8/F, Building A, No. A2 Dongzhimenwai Xiaojie, Dongcheng District, Beijing;
Postal Code:100027;
Tel no.: 010-84478888;
Fax no.: 010-84479797.
- Article 6** The registered capital of the Company is RMB[•].
- Article 7** The Company is a joint stock limited company with perpetual existence.
- Article 8** The chairman of the board of directors shall be the authorized representative of the Company.
- Article 9** The Company shall enjoy the property rights of a legal person in accordance with the laws, operate independently, account for its own profits and losses, enjoy civil rights in accordance with the laws, and bear civil liabilities independently. Total assets of the Company are divided into shares with same par value per share. Shareholders shall assume their liabilities to the extent of their respective subscribed shares in the Company, and the Company shall be liable to the extent of its total assets for its debts. The Company may invest in other corporations; however, unless otherwise provided by laws, the Company shall not assume any joint liability for the debts of an invested company.
- Article 10** In accordance with the requirements of the “Constitution of the Communist Party of China”, the “Working Rules for the Grassroot Organizations of the State-owned Enterprises of the Communist Party of China (Trial)”, the Company shall establish an organization of the Communist Party of China and carry out Party activities. Through the establishment of a working committee of the Party, the Company shall be equipped with sufficient and competent staffs to deal with Party affairs and provided with sufficient funds to operate the Party organization, and to provide necessary conditions for the activities of the Party organization.
- In accordance with Chinese Communist Youth League constitution and the relevant requirements, the Company shall set up an organization of the Communist Youth League and promote relevant activities.

Article 11 Since the effective day of the Articles of Association of the Company, it shall be a legally binding document which regulates the organization and conduct of the Company, the rights and obligations between the Company and shareholders and among the shareholders. The Articles of Association will be legally binding upon the Company, its shareholders, members of the Party Committee, directors, supervisors, and senior management. According to the Articles of Association, shareholders may initiate legal proceedings against other shareholders; the shareholders may also institute legal proceedings against directors, supervisors, general manager and other senior management of the Company; the shareholders may also institute legal proceedings against the Company; and the Company may also initiate legal proceedings against its shareholders, directors, supervisors, general manager, and other senior management.

For the purpose of the above paragraph, initiation of legal proceedings includes the initiation of proceedings in a court or the application for arbitration to an arbitration institution.

Article 12 The senior management mentioned in the Articles of Association refers to general manager, deputy general managers, chief accountant, secretary to the board of directors, and general legal counsel of the Company.

Chapter 2 Business Objectives and Scope

Article 13 Business Objectives of the Company: riding on the general trend of tourism consumption upgrade, with a customer-centric approach, the Company strives to become a world class leading travel retail operator with outstanding competitiveness by offering upgraded and high-quality goods and services to travelers and facilitating the distribution of high-quality “Made in China” products around the world. By adoption of a people-oriented doctrine which continues to enhance our employees’ material and emotional comforts and needs, we shall enable both our employees and the Company to share rewards of our development and simultaneously maximize shareholder benefits and social benefits.

Article 14 The business scope of the Company as legally registered is: the investment and management of travel commodities and related projects; the development, transformation and operation of tourism service supporting facilities, the research and consulting services in the tourism industry, etc.

The Company may, according to the market orientation and its needs for business developments and its own abilities, and upon the approval of the company registration authority, adjust its business scope in due course.

Chapter 3 Shares

Section 1 Issuance of Shares

Article 15 The stocks of the Company shall take the form of shares.

The Company shall have ordinary shares at all times. Subject to approval from the competent approving authority of the State Council, the Company may create other classes of shares when necessary. The shareholders of different classes of shares of the Company shall enjoy the same rights for distribution by way of dividends or otherwise.

Article 16 Shares of the Company shall be issued on the principles of transparency, fairness and equality, and shall rank *pari passu* in all respects with the shares of the same class.

Each share of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each share subscribed for by any entity or individual.

Article 17 The shares issued by the Company shall have a par value of RMB1 each.

Article 18 Subject to approval by the securities regulatory authority of the State Council, the Company may issue shares to domestic and overseas investors.

“Overseas investors” referred to in the preceding paragraph shall refer to investors from foreign countries or the regions of Hong Kong, Macau or Taiwan, who subscribe for shares issued by the Company; “domestic investors” shall refer to investors within the PRC, excluding the aforesaid regions, who subscribe for the shares issued by the Company.

Article 19 The shares issued by the Company to domestic investors and other qualified investors for subscription in Renminbi shall be referred to as “domestic shares”. The shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as “foreign shares”. The shares listed and traded on overseas stock exchanges with approvals from the authorities delegated by the State Council and overseas securities regulatory authorities shall be referred to as “overseas listed foreign shares”.

“Foreign currency” referred to in the preceding paragraph shall refer to the statutory currency, other than Renminbi, of another country or region, which is recognized by the foreign exchange authority of the state and can be used to pay the Company for the shares.

“H Shares” refers to the shares approved by the Hong Kong Stock Exchange for listing, with nominal values denominated in Renminbi, and subscribed and traded in Hong Kong dollars.

Shareholders of domestic shares and shareholders of overseas listed foreign shares are both ordinary shareholders, and shall have the same rights and bear the same obligations in any distribution in the form of dividends or other forms.

Article 20 The domestic shares issued by the Company shall be kept collectively in the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited. H Shares issued by the Company shall primarily be placed in the custody of the company authorized by the Hong Kong Securities Clearing Company Limited, or may also be held by shareholders in their own names.

Article 21 Upon the incorporation of the Company, the promoters, the number of shares subscribed for, the shareholding percentage, and the method and time of capital contribution are as follows:

No.	Promoters	Number of shares subscribed (0'000 shares)	Shareholding percentage	Method of capital contribution	Time of capital contribution
1	China International Travel Service Group Corporation	55,846.15	84.62%	Assets	March 2008
2	Overseas Chinese Town Enterprises Corporation	10,153.85	15.38%	Monetary funds	March 2008
Total		66,000.00	100%		

Article 22 Following the incorporation of the Company and upon the approval by the CSRC, the Company initially publicly offered 220 million domestically listed domestic shares to the domestic investors and other qualified investors in 2009. Following the aforesaid issuance, the total number of shares of the Company is 880 million shares, which are all Renminbi-denominated ordinary shares.

Upon the approval by the CSRC, the Company initially publicly offered [•] H Shares to the overseas investors in [•].

The total number of shares of the Company, upon its incorporation, was 660 million shares. Following the completion of the aforesaid issuance of shares, the total number of the Company is [•] million shares, which are all ordinary shares, in which [•] million shares are held by shareholders of domestic shares, representing [•]% of the total share capital of the Company, and [•] million shares are held by shareholders of H Shares, representing [•]% of the total share capital of the Company.

Article 23 For a plan of the Company for issuance of domestic shares and overseas listed foreign shares approved by the securities regulatory authority of the State Council, the board of the directors of the Company may make arrangement to issue domestic shares and overseas listed foreign shares respectively.

For a plan of the Company for issuing domestic shares and overseas listed foreign shares respectively pursuant to the provisions in the preceding paragraph, the Company may conduct such respectively within 15 months from the approval date of the securities regulatory authority of the State Council or in the valid period of its approval document.

Article 24 Where the Company issues domestic shares and overseas listed foreign shares respectively within the total number of shares determined in the issuance plan, it shall float them in full in one issue respectively. If special circumstances prevent this from being realized, it may issue them in installments with the approval of the securities regulatory authority of the State Council.

Section 2 Increase/Deduction and Repurchase of Shares

Article 25 Based on its operating and development needs, the Company may, pursuant to the laws, administrative regulations and the Articles of Association and upon the adoption of respective resolutions by the general meeting, increase its capital in the following ways:

- (I) public offering of shares;
- (II) non-public offering of shares;
- (III) placing new shares to its existing shareholders;
- (IV) distributing new shares to its existing shareholders;
- (V) conversion of capital reserve into share capital;
- (VI) any other means which are stipulated by laws and administrative regulations and approved by the relevant regulatory authority.

After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles of Association and the rules of the stock exchange in the place where the Company's shares are listed, the issuance thereof should be made in accordance with the procedures set out in the relevant PRC laws, administrative regulations and the rules of the stock exchange in the place where the Company's shares are listed.

Article 26 The Company may reduce its registered capital. Such reduction shall be made in accordance with the procedures set out in the Company Law, other relevant requirements and the Articles of Association.

Article 27 The Company shall not acquire its own shares, save as under one of the following circumstances:

- (I) reducing its registered capital;
- (II) merging with another company which holds shares of the Company;
- (III) issuing shares under employee share ownership scheme or as share incentive;
- (IV) acquiring the shares upon request by shareholders who vote against any resolution adopted at the general meeting on the merger or demerger of the Company;

- (V) satisfying the conversion of those corporate bonds convertible into shares issued by the Company with shares;
- (VI) safeguarding corporate value and the interests of the shareholders as the Company deems necessary;
- (VII) any other circumstances permitted by requirements such as the laws, administrative regulations, departmental rules, normative documents and rules of the stock exchange in the place where the Company's shares are listed.

Article 28 The Company may acquire its own shares in one of the following ways:

- (I) making a pro rata general offer of repurchase to all its shareholders;
- (II) repurchasing shares through public trading on a stock exchange;
- (III) repurchasing by an off-market agreement outside a stock exchange;
- (IV) any other ways permitted by the national laws, administrative regulations and relevant competent authorities.

Where the shares of the Company are acquired under any of the circumstances stipulated in item (III), (V) or (VI) of Article 27 of the Articles of Association, it shall be conducted through open centralized trading and shall comply with relevant provisions of laws and regulations and rules of the securities regulatory authorities and the stock exchange in the place where the Company's shares are listed.

Article 29 When the Company repurchases its own shares by an off-market agreement outside a stock exchange, it shall obtain prior approval of the general meeting according to the provisions of the Articles of Association. With the prior approval of the general meeting in a same way, the Company may cancel or modify a contract concluded in the above way, or give up any right in the contract.

The share repurchase contract referred to in the preceding paragraph includes without limitation an agreement in which the Company agrees to assume the obligations of repurchased shares and acquire the rights of the repurchased shares.

The Company shall not transfer the share repurchase contract or any rights prescribed in the contract.

Article 30 Where the shares of the Company are acquired under any of the circumstances stipulated in item (I) or (II) of Article 27 of the Articles of Association, a resolution of a shareholders' general meeting is required. Where the shares of the Company are acquired under any of the circumstances stipulated in item (III), (V) or (VI) of Article 27 of the Articles of Association, a resolution of the board of the directors shall be made by more than two-thirds of directors attending the meeting.

After the shares of the Company are acquired pursuant to Article 27, the shares acquired by the Company under the circumstance as set out in item (I) shall be cancelled within 10 days from the date of acquisition; the shares acquired by the Company under the circumstance as set out in item (II) and (IV) shall be transferred or cancelled within six months; and for the shares acquired by the Company under the circumstance as set out in item (III), (V) and (VI), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and the shares so acquired shall be transferred or cancelled within three years.

Where the Company cancels its shares for the reason of repurchase of shares, it shall apply for registration of change of registered capital to the original company registration authority. The total par value of the cancelled shares shall be verified and reduced from the registered capital of the Company.

The repurchase of H Shares of the Company shall comply with the Hong Kong Listing Rules and other relevant regulatory requirements of the place where H Shares are listed.

Article 31

Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to the repurchase of its outstanding shares:

- (I) where the Company repurchases shares at par value, payment shall be made out of book surplus distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose;
- (II) where the Company repurchases its shares at a premium to its par value, payment up to the par value shall be made out of the book surplus distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:
 - (1) if the shares being repurchased were issued at par value, payment shall be made out of the book surplus distributable profits of the Company;
 - (2) if the shares being repurchased were issued at a premium to its par value, payment shall be made out of the book surplus distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased nor shall it exceed the book value of the Company's premium account (or capital reserve account) (including the premiums from the fresh issue) at the time of the repurchase;

- (III) the Company shall make the following payments out of the Company's distributable profits:
- (1) payment for the acquisition of the right to repurchase its shares;
 - (2) payment for variation of any contract for the repurchase of its shares;
 - (3) payment for the release of its obligations under any contract for the repurchase of shares.
- (IV) after the total par value of the cancelled shares is verified and reduced from the registered capital of the Company in accordance with the relevant provisions, the amount deducted from the distributable profits used for the repurchase of the shares at par value shall be credited to the Company's premium account (or capital reserve account).

Where the laws, administrative regulations and relevant requirements of the securities regulatory authorities in the place where the shares of the Company are listed have any other provisions in respect of the financial arrangement related to the aforesaid share repurchase, the Company should follow such provisions.

Article 32

The Company or its subsidiaries (including affiliates of the Company) shall not at any time by way of gift, advance, guarantee, compensation or loans to provide any financial assistance to a person who is acquiring or is proposing to acquire shares in the Company. The aforesaid person shall include the person who has direct or indirect obligations in the purchase of shares of the Company.

The Company or its subsidiaries (including affiliates of the Company) shall not, at any time, provide any form of financial assistance to the aforesaid obligor for the purposes of reducing or discharging their obligations.

The provisions in this Article shall not apply to the circumstances stated in Article 34 of the Articles of Association.

Article 33

For the purpose of the Articles of Association, "financial assistance" includes but not limited to the following means:

- (I) gift;
- (II) guarantee (including the undertaking of liability or provisions of property by the guarantor to secure the performance of the obligation by the obligor), indemnity (other than indemnity arising from the Company's own fault), and release or waiver of rights;
- (III) provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled prior to the obligations of the other party to the contract, and a change in the parties to, and the assignment of rights arising under, such loan or contract;
- (IV) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when such assistance would lead to significant reduction in the Company's net assets.

For the purpose of the Articles of Association, “assumption of obligation” includes the assumption of obligations by way of contract or the entering into an arrangement (whether enforceable or not, and whether entered into on its own account or with any other persons), or by the changing of the obligor’s financial position by any other means.

Article 34

The following actions shall not be regarded as actions prohibited under Article 32 of the Articles of Association:

- (I) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interests of the Company, and the principal purpose of which is not for the purchase of shares in the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;
- (II) the lawful distribution of the Company’s assets as dividend;
- (III) the distribution of dividends in the form of shares;
- (IV) a reduction of registered capital, a repurchase of shares or reorganization of the shareholding structure of the Company in accordance with the Articles of Association;
- (V) the provision of loans by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company); and
- (VI) contributions made by the Company to the employee share ownership scheme (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company).

Section 3 Transfer of Shares

Article 35

Save as otherwise specified by laws, administrative regulations, departmental rules, normative documents and the rules of the stock exchange in the place where the Company’s shares are listed, the shares of the Company may be transferred freely without any lien being attached.

Article 36

The Company shall not accept any pledge of its shares.

Article 37

Shares held by the promoters in the Company shall not be transferred within one year from the date of incorporation of the Company. Shares already issued by the Company before public offering shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange.

Save as specified in the preceding paragraph, any proposed transfer of the shares of the Company by the promoters and shareholders of the Company shall also conform with the relevant requirements of the laws, regulations and the relevant regulatory rules in the place where the Company's shares are listed which are valid at that time.

Any directors, supervisors and senior management of the Company shall report to the Company their shareholdings in the Company and changes therein; any change in the Company's shares they held during their term of office shall be promptly reported to the Company and announced by the Company on the website of the stock exchange in the place where the Company's shares are listed, and the shares transferred each year shall not exceed 25% of the total number of shares they held in the Company; the shares they held in the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded. Any of the aforesaid persons shall not transfer the shares of the Company held by him/her within half a year from his/her termination of the office.

Where there are restrictive provisions on the duration of transfer in the Company Law and other laws, shares issued in compliance with laws shall not be transferred within the restricted period.

Where any shareholder holding 5% or more of the shares of the Company, de facto controllers, directors, supervisors and senior management of the Company, other shareholders holding shares issued prior to initial public offering of the Company, or the shareholders holding shares of the Company issued to specific investors transfer the shares of the Company held by them, they shall not violate the provisions on holding period, time of sale, quantity for sale, method of sale and information disclosure in laws, administrative regulations and the regulations of the securities regulatory authorities where the Company's shares are listed, and shall abide by the rules of the stock exchange in the place where the Company's shares are listed. The aforesaid requirements do not apply to Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited.

Article 38

If the directors, supervisors, senior management of the Company and shareholders holding more than 5% of the Company's shares sell the shares of the Company or other securities in nature of equity held by them within six months after the purchase, or purchase again within six months after sale, the proceeds thereon shall be owned by the Company and the board of directors of the Company will recover the proceeds and disclose the relevant situation in a timely manner. However, a securities company that holds more than 5% of the shares after purchasing the remaining shares upon public offering due to underwriting, and other circumstances stipulated by the CSRC are excluded.

The shares of the Company or other securities in nature of equity held by directors, supervisors, senior management or natural person shareholders referred to in the preceding paragraph shall include the shares of the Company or other securities in nature of equity held by his/her spouse, parents or children, and those held through the accounts of others.

Where the board of directors of the Company fails to implement the provisions of the first paragraph of this Article, the shareholders concerned have the right to require the board of directors to implement the provisions within 30 days. Where the board of directors fails to implement the provisions within the aforesaid period, the shareholders shall have the right to directly bring a lawsuit to the people's court in their own names for the interests of the Company.

Where the board of directors of the Company fails to implement the provisions of the first paragraph of this Article, the directors responsible shall bear several and joint liabilities according to the laws.

Chapter 4 Share Certificates and Register of Shareholders

Article 39 The share certificates of the Company shall be in registered form.

The share certificates of the Company shall include the following particulars:

- (I) name of the Company;
- (II) date of incorporation of the Company;
- (III) class of shares, par value thereof and the number of shares represented;
- (IV) serial number of the share certificate;
- (V) other matters as required to be specified by laws and regulations such as the Company Law and Special Regulations, and the stock exchange of the place where the shares of the Company are listed.

The H Shares issued by the Company may be in the form of overseas depository receipts or other derivative forms of shares in accordance with the laws of Hong Kong, requirements of the Hong Kong Stock Exchange and practices for securities registration and depository.

Article 40 During the period when H Shares are listed on the Hong Kong Stock Exchange, the Company shall always ensure all title documents of all securities, including H Shares, listing on the Hong Kong Stock Exchange contain the below declarations and shall also instruct and procure its H Share Registrar not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such particular holder delivers to such H Share Registrar a signed form for such shares containing the declarations below:

- (I) the purchaser of shares agrees with the Company and its shareholders, and the Company agrees with each shareholder, to observe and comply with the requirements of the Company Law and other relevant laws, administrative regulations, the Special Regulations and the Articles of Association;

- (II) the purchaser of shares agrees with the Company and its shareholders, directors, supervisors and senior management, and the Company (for itself and on behalf of its directors, supervisors and senior management) agrees with its shareholders to refer all disputes and claims arising from the Articles of Association or any right or obligation conferred or imposed by the Company Law or other relevant laws, administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive;
- (III) the purchaser of shares agrees with the Company and its shareholders that the Company's shares are freely transferable by the holder thereof;
- (IV) the purchaser of shares authorizes the Company to enter into a contract on his/her behalf with each director and senior management whereby such director and senior management undertake to observe and comply with their obligations to shareholders stipulated in the Articles of Association.

Article 41

The share certificates shall be signed by the chairman of the board of directors. Where the signatures of senior management of the Company are required by the stock exchange where the shares of the Company are listed, the share certificates shall also be signed by such other relevant senior management. The share certificates shall take effect after the Company seal is affixed thereto or printed thereon. The share certificates shall only be affixed with the Company's seal under the authorization of the board of directors. The signatures of the chairman of the board of directors of the Company or other relevant senior management on the share certificates may also be in printed form.

Under the condition that the shares of the Company are issued and traded without paper, the applicable provisions of the securities regulatory authority where the Company's shares are listed shall apply separately.

Article 42

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

- (I) the name, address (domicile), occupation or nature of each shareholder;
- (II) the class and number of shares held by each shareholder;
- (III) the amount paid or payable in respect of shares held by each shareholder;
- (IV) the serial numbers of the shares held by each shareholder;
- (V) the date on which a person registers as a shareholder;
- (VI) the date on which a person ceases to be a shareholder.

The register of shareholders shall be the sufficient evidence for the shareholders' shareholding in the Company, except in cases with contrary evidence.

Article 43 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authorities of the State Council and overseas securities regulatory authorities, maintain its original register of shareholders of overseas listed foreign shares outside China and appoint overseas agent(s) to manage such register. The original register of shareholders of H Shares listed in Hong Kong shall be maintained in Hong Kong.

The Company shall maintain a duplicate of the register of shareholders of overseas listed foreign shares at the Company's domicile. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate registers of shareholders of overseas listed foreign shares at all times.

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

Article 44 The Company shall keep a complete register of shareholders.

The register of shareholders shall include the following parts:

- (I) register of shareholders kept at the domicile of the Company, save as specified in (II) and (III) herein;
- (II) register of shareholders of overseas listed foreign shares kept at the overseas stock exchange;
- (III) register of shareholders that the board of directors decides to keep at other place for the purpose of listing of the Company's shares.

Article 45 The respective parts of the register of shareholders shall not overlap each other. In the event of transfer of shares registered in a specific part of the register of shareholders, the said shares shall not be registered in any other part of the register of shareholders in the duration of the registration of the said shares.

Any change or correction of any part of the register of shareholders shall comply with the law of the location where the said part is kept.

All H Shares for which full payment has been made may be transferred freely in accordance with the Articles of Association; save under the following conditions, the board of directors may refuse to recognize any instrument of transfer without providing any reason:

- (I) a fee prescribed in the Hong Kong Listing Rules or a fee such higher amount approved by the Hong Kong Stock Exchange has been paid to the Company for registering any instrument of transfer or other documents related to or affecting the ownership of any shares;
- (II) the instrument of transfer only involves overseas listed foreign shares listed in Hong Kong;
- (III) stamp duty payable has been paid for the instrument of transfer;

- (IV) it is required to provide relevant share certificates and evidence reasonably required by the board of directors to prove that the transferor has the right to transfer the said shares;
- (V) if the shares are transferred to joint holders, the number of joint holders shall not exceed four;
- (VI) the Relevant Shares are not subject to lien of any company.

Article 46 Transfer of any H Shares shall be executed with a written instrument of transfer with a common format or other format accepted by the board of directors (including the standard transfer format or transfer form specified from time to time by Hong Kong Stock Exchange), which instrument may be signed by hand or (if the transferor or transferee is a company) affixed with the effective corporate seal. If the transferor or transferee is a recognized clearing house (hereinafter referred to as “Recognized Clearing House”) or agent thereof defined in the relevant provisions in force from time to time of the Hong Kong laws, the written instrument of transfer may be signed by hand or in printed form.

All instruments of transfer shall be kept at the legal address of the Company or other place designated by the board of directors from time to time.

Article 47 No changes in the register of shareholders provided in the foregoing shall be effected during a period of twenty days prior to the convening of the shareholders’ general meeting or five days prior to the base date decided by the Company for the purpose of distribution of dividends. Where the laws in place have any other provisions on the registration of changes in the share register of listed companies, such provisions shall prevail. Where the applicable laws, administrative regulations, departmental rules or the rules of the stock exchange in the place where the Company’s shares are listed stipulate the period of closure of register of shareholders before the shareholders’ general meeting or the base date decided by the Company for the purpose distribution of dividends, such period shall prevail.

Article 48 If any person objects to the register of shareholders and asks to have his/her name recorded in or deleted from the register of shareholders, the said person may apply to the court with jurisdiction to correct the register of shareholders.

Article 49 If any shareholder in the share register or any person requesting to have his/her name recorded in the share register has lost his/her share certificates (hereinafter referred to as “Original Share Certificates”), the said shareholder or person may apply to the Company to reissue new share certificates for the said shares (hereinafter referred to as “Relevant Shares”).

Application for reissue of share certificates lost by holders of domestic shares shall be processed pursuant to Article 150 of the Company Law.

Application for reissue of share certificates lost by holders of overseas listed foreign shares shall be processed pursuant to the law, rules of the stock exchange or other relevant regulations of the place where the original of the register of holders of overseas listed foreign shares is kept.

Application for reissue of share certificates lost by holders of H Shares shall meet the following requirements:

- (I) The applicant shall submit an application with the standard format designated by the Company and attach a notarial deed or statutory statement. The contents of the notarial deed or statutory statement shall include the reason for application, information and evidence about how the share certificates are lost, and a statement that no any other person may request to be registered as shareholder for the Relevant Shares.
- (II) Before deciding to reissue new share certificates, the Company has not received any statement that nobody other than the applicant requests to be registered as shareholder for the said shares.
- (III) After deciding to reissue new share certificates to the applicant, the Company shall publish announcements of reissue of new share certificates on the newspapers designated by the board of directors; the announcement period is 90 days, with at least one announcement in 30 days.
- (IV) Before publishing the announcement of reissue of new share certificates, the Company shall submit a copy of the announcement to be issued to the stock exchange on which it is listed, and may publish the announcement only after receiving a reply from such stock exchange confirming that the said announcement has been displayed in the stock exchange. The duration of display of the said announcement in the stock exchange is 90 days.

If the application for reissuing share certificates is not approved by the registered holder of the Relevant Shares, the Company shall mail a copy of the to-be-published announcement to the said shareholder.

- (V) If, after expiry of the 90-day period of announcement and display specified in (III) and (IV) of this Article, the Company has not received any objection to reissue of share certificates from any person, the Company may issue new share certificates as requested by the applicant.
- (VI) When the Company reissues new share certificates as per this Article, the Company shall immediately deregister the original share certificates, and record such deregistration and reissue in the share register.
- (VII) All the expenses for deregistering the original share certificates and reissuing new share certificates shall be borne by the applicant. The Company may refuse to take any action before the applicant provides any reasonable guarantee.

Article 50

After the Company reissues new share certificates in accordance with the Articles of Association, the name of the goodwill purchaser of the said new share certificates or the shareholder (if it is a goodwill purchaser) later registered as owner of the said shares shall not be deleted from the share register.

Article 51 The Company has no obligation to compensate any person for any loss arising from deregistration of the original share certificates or reissue of new share certificates, unless the said person can prove that the Company has committed any fraud.

Chapter 5 Shareholders and Shareholders' General Meetings

Section 1 Shareholders

Article 52 The Company shall make a register of shareholders based on the vouchers provided by securities registries. The register of shareholders shall be the sufficient evidence for the shareholders' shareholding in the Company. The shareholders enjoy rights and fulfill obligations as per the class and proportion of the shares held by them; the same class of shares represent the same rights and the same obligations.

Article 53 When the Company convenes a shareholders' general meeting, distributes dividends, undergoes liquidation and engages in other activities requiring confirmation of shareholders' identities, the board of directors or the convener of the shareholders' general meeting shall decide the equity registration date. Shareholders whose names appear on the register at the close of trading on the equity registration date shall be the shareholders enjoying relevant rights and interests.

Article 54 The holders of the shares of the Company shall be entitled to the following rights:

- (I) to receive distribution of dividends and other forms of benefits in proportion to the number of shares held;
- (II) to request, convene, hold, attend or appoint a shareholder proxy to attend the shareholders' general meeting and exercise voting rights at such meeting according to the laws;
- (III) to supervise and manage the operations of our Company, and to submit proposals and inquiries;
- (IV) to transfer, make a gift or charge of the shares held in accordance with the laws, administrative regulations, departmental rules, normative documents, rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association;

- (V) to obtain relevant information in accordance with the Articles of Association, including:
1. to receive the Articles of Association, subject to the payment of relevant costs;
 2. the right to inspect and copy, subject to payment of a reasonable charge:
 - (1) all or any part of the register of shareholders;
 - (2) personal particulars of each of the directors, supervisors, manager and other senior management of the Company, including:
 - (a) present and former name and alias;
 - (b) principal address (domicile);
 - (c) nationality;
 - (d) full-time and all other part-time positions and duties;
 - (e) identification documents and their numbers.
 - (3) the status of the Company's share capital;
 - (4) the latest audited financial statements and the reports of the board of directors, the auditors and the supervisors of the Company;
 - (5) counterfoils of the bonds of the Company;
 - (6) financial and accounting reports;
 - (7) resolutions made at the shareholders' general meeting, meetings of the board of directors and supervisory board;
 - (8) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the last accounting year and the aggregate amount incurred by the Company for this purpose (by domestic shares and foreign shares);
 - (9) minutes of shareholders' general meetings (for inspection by shareholders only);
 - (10) a copy of the latest annual report filed with the PRC authority for market regulation or other competent authorities.

- (VI) to participate in the distribution of the remaining assets of the Company according to the proportion of shares held upon the Company's termination or liquidation;
- (VII) to require the Company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders' general meeting concerning the merger and division of the Company;
- (VIII) other rights conferred by the laws, administrative regulations, departmental rules, normative documents, rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association.

Article 55 Where shareholders request for inspection of the relevant information or demand for materials as mentioned in the previous Article, they shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information requested by such shareholder.

Article 56 If the resolutions of general meeting and the board of directors are in violation of laws and administrative regulations, shareholders are entitled to request the People's Court to identify them invalid.

The procedures for convening and voting of general meeting and the board of directors are in violation of laws, administrative regulations or the Articles of Association or the resolutions violate the Articles of Association, shareholders are entitled to request the People's Court to revoke such resolutions within 60 days.

Article 57 If a director or senior management causes losses to the Company for violation of the requirements of laws, administrative regulations or the Articles of Association during performance of their duties, shareholders who hold more than 1%, individually or jointly, of the Company's shares for more than 180 days continuously, have the right to request the supervisory board to bring a suit to the People's Court; if the supervisory board causes losses to the Company for violation of the requirements of laws, administrative regulations or the Articles of Association during performance of their duties, shareholders can request the board of directors in written form to file a suit in the People's Court.

If the supervisory board or the board of directors causes irreparable losses to the Company's interests as it refuses to file a suit after receiving the written request from shareholders as set out in the preceding paragraph, or fails to file a suit within 30 days since the date of receiving the request, or does not file a suit immediately in case of emergency, the shareholders as mentioned in the preceding paragraph have the right to bring a suit directly to the People's Court in their own name for the interests of the Company.

If others infringe on the legitimate rights and interests of the Company and cause losses to it, the shareholders as specified in paragraph 1 of this Article can bring a suit to the People's Court as per the regulations as set out in the two preceding paragraphs.

If a director, supervisor or senior management causes losses to the Company for violation of the requirements of laws, administrative regulations or the Articles of Association during performance of their duties, or if a controlling shareholder or de facto controller of the Company infringes upon the Company's legitimate rights and interests and causes losses to the Company, investor protection organization that hold shares in the Company may file a lawsuit with the People's Court in their own names for the interest of the Company, and the shareholding ratio and shareholding period shall not be subject to the provisions of the Company Law.

Article 58 If directors and senior management cause damage to the shareholders' interests for violation of the requirements of laws, administrative regulations or the Articles of Association, shareholders can bring a suit to the People's Court.

Article 59 The holders of shares of the Company shall have the following obligations:

- (I) to observe the laws, administrative regulations, departmental rules, normative documents, rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association;
- (II) to pay capital contribution as per the shares subscribed for and the method of subscription;
- (III) not to withdraw shares unless in the circumstances stipulated by laws and regulations;
- (IV) not to abuse shareholder's right to harm the interests of the Company or other shareholders; not to abuse the Company's position as an independent legal person or shareholder's limited liability protection to harm the interests of the creditors of the Company;
- (V) to fulfill other obligations stipulated by the laws, administrative regulations, departmental rules, normative documents, rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association.

If any shareholder of the Company abuses his/her shareholder's right, thereby causing any loss to the Company or other shareholders, the said shareholder shall be liable for compensation according to law. If any shareholder of the Company abuses the Company's position as an independent legal person or shareholder's limited liability protection for the purpose of evading repayment of debts, thereby seriously damaging the interests of the creditors of the Company, the said shareholder shall bear joint liabilities for the Company's debts.

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

Article 60 The shareholders holding more than 5% of the Company's voting rights shall, in the event of a pledge of the shares held by them, report to the Company in writing from the date of occurrence of such fact.

Article 61

In addition to obligations imposed by laws, administrative regulations or required by the rules of the stock exchange where the Company's shares are listed, a controlling shareholder shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests the shareholders generally or partially:

- (I) to relieve a director or supervisor of his/her duty to act honestly in the best interests of the Company;
- (II) to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person), in any guise, of the Company's property, including (without limitation) opportunities beneficial to the Company;
- (III) to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person) of the individual rights or interests of other shareholders, including (without limitation) rights to distributions and voting rights save for the Company's restructuring submitted to shareholders for approval and adopted by the shareholders' meeting in accordance with the Articles of Association.

Article 62

Neither the controlling shareholder nor the de facto controller of the Company may prejudice the interests of the Company by taking advantage of his/her connected relationship. Anyone who causes any loss to the Company shall be liable for the compensation.

The controlling shareholders and de facto controllers of the Company shall act in good faith towards the Company and public shareholders. The controlling shareholders shall exercise the rights of the contributors in strict compliance with the law. The controlling shareholders shall not prejudice the legitimate rights and interests of the Company and public shareholders by means of profit distribution, asset restricting, external investment, capital appropriation, loan guarantees, etc., and shall not use their controlling position to prejudice the interests of the Company and public shareholders.

The candidates for directors and supervisors nominated by the controlling shareholder shall follow the conditions and procedures stipulated by laws, regulations and the Company's Articles of Association. The controlling shareholder shall not impose any approval procedure on the staff election results of the shareholders general meeting or the staff appointment decisions of the board of directors.

Major decisions of the Company shall be made by the general meeting and the board of directors in accordance with the law. Controlling shareholders, de facto controllers and their related parties shall not interfere with the Company's normal decision-making procedures and prejudice the legitimate rights and interests of the Company and other shareholders in violation of laws, regulations and the Articles of Association.

The board of directors of the Company has established a “moratorium upon misappropriation” mechanism for the shares held by controlling shareholders, which means that if the controlling shareholder is found to misappropriate the Company’s funds, then the board of directors shall immediately apply for judicial procedures to freeze the shares held by him/her. If it cannot be settled in cash, then his/her equity shall be realized to repay the misappropriated funds.

The Company’s capital transactions with controlling shareholders and other related parties shall strictly follow the related transaction decision-making system, and perform the deliberation procedures of the board of directors and the general meeting, in order to prevent the occurrence of misappropriation of funds of the Company by the controlling shareholder and other related parties.

The directors, supervisors and senior management of the Company have a legal obligation to maintain the safety of the Company’s assets. The chairman of the board of directors of the Company is the primary person in charge of the mechanism of “moratorium upon misappropriation”, and the secretary to the board shall assist him/her in the related work. The working procedures of “moratorium upon misappropriation” shall be as follow:

- (I) Directors, supervisors, senior management and other relevant personnel of the Company shall report the specific situation in writing to the chairman of the board and the secretary to the board of directors on the day when he/she finds that the controlling shareholder or de facto controller and their affiliated enterprises misappropriates the Company’s assets;
- (II) the chairman of the board of directors shall immediately notify all directors and convene extraordinary meeting on the day of receiving the report to consider the time limit required for repayment by the controlling shareholder and its affiliated enterprises, penalty to directors and senior management members involved, application for freezing shares of controlling shareholders to relevant authorities and other relevant affairs. Related directors shall avoid attending the meeting in which the board of directors deliberates the above matters;
- (III) the secretary to the board of directors shall, in accordance with the resolution of the board of directors, send a notice for repayment within a prescribed period to the controlling shareholder and its affiliated enterprises, and apply to the judicial departments for handling the freezing of the shares held by the controlling shareholder and other related matters;
- (IV) if the controlling shareholder and its affiliated enterprises are unable to make repayment within a prescribed period, the Company shall make application to the relevant judicial departments within 30 days after the expiration of such prescribed period for the realization of the frozen shares to compensate for the misappropriated assets.

For the directors, supervisors and senior management who help and connive the controlling shareholders and other related parties to misappropriate the Company's funds and harm the interest of the Company, the Company shall, depending on the seriousness of the case, impose penalties, including warning and removal on the senior management directly in charge, and submit the case to the general meeting for dismissing the directors and supervisors who assume serious responsibilities. Where the circumstance is serious, it shall be referred to judicial organs according to law for criminal responsibility.

Section 2 General Provisions for General Meetings

Article 63 The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to law:

- (I) to decide the business operation guideline and investment plan for the Company;
- (II) to elect and change directors and supervisors who are not employees' representatives, and resolve on the remunerations of directors and supervisors;
- (III) to examine and approve reports of the board of directors;
- (IV) to examine and approve reports of the supervisory board;
- (V) to examine and approve the annual financial budgets and final accounting plans of the Company;
- (VI) to examine and approve the Company's profit distribution policy, profit distribution plan and loss recovery plan;
- (VII) to resolve on increase or decrease of the registered capital of the Company;
- (VIII) to resolve on issuance of bonds of the Company or other securities and the listing;
- (IX) to resolve on the merger, division, dissolution, liquidation, application for bankruptcy, restructuring or other changes of the corporate form of the Company;
- (X) to amend the Articles of Association;
- (XI) to resolve on the appointment or dismissal of the accounting firms by the Company;
- (XII) to examine and approve the guarantees specified in Article 64 of the Articles of Association;

- (XIII) to consider the Company's purchase or disposal of major assets within one year with the amount exceeding 30% of the latest audited total assets of the Company;
- (XIV) to examine and approve matters relating to the changes in the use of proceeds;
- (XV) to consider equity incentive scheme and employee share ownership scheme;
- (XVI) to determine the acquisition of the shares of the Company under the circumstances as required in (I), (II) of Article 27 of the Articles of Association;
- (XVII) to consider the transactions with related parties (excluding external guarantees) with an amount of more than RMB30 million (including debts and expenses assumed) and accounting for more than 5% of the absolute value of the latest audited net assets of the Company;
- (XVIII) to consider other matters which are required by laws, administrative regulations, departmental rules, rules of the stock exchange in the place where the Company's shares are listed or the Articles of Association to be approved at a general meeting.

The functions and powers of the general meeting mentioned above shall not be delegated to the board of directors or any other body or individual.

Article 64

The following external guarantees of the Company shall be submitted to the general meeting for consideration and approval by the board of directors:

- (I) any guarantees provided after the total amount of external guarantees of the Company and the subsidiaries controlled by it has exceeded 50% of the latest audited net assets of the Company;
- (II) any guarantees provided after the total amount of external guarantees of the Company and the subsidiaries controlled by it has exceeded 30% of the latest audited total assets of the Company;
- (III) any guaranteed amount of the Company and the subsidiaries controlled by it for the twelve consecutive months has exceeded 30% of the latest audited total assets of the Company;
- (IV) a guarantee provided for other parties with an asset to liability ratio in excess of 70%;
- (V) any guarantees with a single guarantee amount exceeding 10% of the latest audited net assets;
- (VI) a guarantee to be provided in favour of the shareholders, de facto controllers and their related parties;

- (VII) Any other guarantees requiring the approval of the general meeting pursuant to laws, administrative regulations, departmental rules, rules of the stock exchange in the place where the Company's shares are listed or the Articles of Association.

When considering the resolution of providing guarantee to shareholders, de facto controllers and related parties thereof at the general meeting, such shareholders or shareholders controlled by such de facto controller shall not vote on such resolution. Such resolution requires a simple majority of the voting rights of other shareholders attending the general meeting to be passed.

If the Company provides guarantee for controlling shareholders, de facto controllers and related parties, the controlling shareholders, de facto controllers and related parties shall provide counter guarantee.

The provision of external guarantees by the Company shall strictly comply with the laws and regulations and the Articles of Association. If the relevant persons violate the authority of approval of external guarantees and the procedures of consideration as required by the laws or the Articles of Association, the Company shall have the right to demand the relevant persons to bear their legal responsibilities according to the magnitude of the loss, the magnitude of the risk and the severity of the circumstances.

Article 65

The following transactions of the Company (other than the provision of guarantees and financial assistance) shall be submitted to the general meeting for consideration after obtaining approval by the board of directors:

- (I) the total assets involved in the transaction (the greater one will prevail in case both book value and assessed value are available) account for more than 50% of the latest audited total assets of the Company;
- (II) the net assets of the subject matter of transaction (such as equity) involved (the greater one will prevail in case both book value and assessed value are available) account for more than 50% of the latest audited net assets of the Company with an absolute amount exceeding RMB50 million;
- (III) the transaction turnover (including the assumption of debt and expense) accounts for more than 50% of the latest audited net assets of the Company with an absolute amount exceeding RMB50 million;
- (IV) the profit arising from the transaction accounts for more than 50% of the audited net profits in the latest accounting year of the Company with an absolute amount exceeding RMB5 million;
- (V) the operating revenue of the subject matter of transaction (such as equity) in the latest accounting year accounts for more than 50% of the audited operating revenue of the Company in the latest accounting year, with an absolute amount exceeding RMB50 million;

- (VI) the net profits of the subject matter of transaction (such as equity) in the latest accounting year account for more than 50% of the audited net profits of the Company in the latest accounting year, with an absolute amount exceeding RMB5 million.

If a number involved in the above indicators is negative, its absolute value shall be taken for the purpose of calculation.

Article 66

The following matters of financial assistance of the Company shall be submitted to the general meeting for consideration after obtaining approval by the board of directors:

- (I) the amount of a single financial assistance exceeds 10% of the latest audited net assets of the listed company;
- (II) the latest financial statement of the grantees shows that the asset to liability ratio exceeds 70%;
- (III) the cumulative amount of financial assistance for the last twelve months exceeds 10% of the latest audited net assets of the Company;
- (IV) other circumstances as stipulated by the securities regulatory authorities and the stock exchange in the place where the Company's shares are listed, or the Articles of Association.

The preceding two paragraphs may be exempted if the target of the grant is a controlling subsidiary within the scope of the consolidated financial statements of the Company, and the other shareholders of the controlling subsidiary shall not include the Company's controlling shareholder, the de facto controller and its affiliates.

Article 67

General meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year within six months after the end of the previous financial year.

Article 68

In any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date upon which the circumstance occurs:

- (I) the number of directors falls short of the quorum stipulated in the Company Law or is less than two thirds of the number specified in the Articles of Association;
- (II) the unrecovered losses of the Company amount to one third of the total amount of its paid-up share capital;
- (III) if shareholder(s) severally or jointly holding 10% or above of the Company's shares request(s) in writing the convening of an extraordinary general meeting;
- (IV) the board of directors considers it necessary;

- (V) the supervisory board proposes to convene such meeting;
- (VI) other circumstances stipulated by laws, administrative regulations, departmental rules, rules of the stock exchange in the place where the Company's shares are listed or the Articles of Association.

Article 69 The general meeting shall be held at the domicile of the Company or a venue specified in the notice of the general meeting.

The general meeting shall set up a venue and be held in the form of an on-site meeting. The company will also provide online voting to facilitate shareholders' participation in general meetings. Shareholders who participate in the general meeting of shareholders through the above methods shall be deemed to have attended. Where the Company uses the Shanghai Stock Exchange Online Voting System to provide online voting for the shareholders, the on-site general meeting shall be held on the trading day of the Shanghai Stock Exchange.

The time and venue of the on-site meeting should be convenient for shareholders to attend. After the notice of the general meeting of shareholders is issued, the venue of the on-site meeting of the general meeting of shareholders shall not be changed without proper reason. If it is necessary to change, the convener shall make an announcement and explain the reason at least 2 working days before the on-site meeting.

Article 70 When the Company convenes a general meeting, a solicitor may be engaged to provide legal advice and make announcement on the following issues:

- (I) whether the procedures for convening and holding the meeting comply with the laws, administrative regulations and the Articles of Association;
- (II) whether the eligibility of persons attending the meeting and the qualification of the convener are lawful and valid;
- (III) whether the voting process and voting results are lawful and valid;
- (IV) legal advice provided on other issues at the request of the Company.

Section 3 Convening of General Meetings

Article 71 Independent directors (i.e. Independent non-executive director) shall be entitled to propose to the board of directors to convene an extraordinary general meeting. Regarding the proposal of the independent directors to convene an extraordinary general meeting, the board of directors shall, pursuant to the laws, administrative regulations, rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the board of directors. If the board of directors does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement.

This is subject to any other provisions of the securities regulatory authorities in the place where the shares are listed.

Article 72

The supervisory board shall be entitled to propose to the board of directors to convene an extraordinary general meeting, and shall put forward its proposal to the board of directors in writing. the board of directors shall, pursuant to laws, administrative regulations, rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting, it will serve a notice of such meeting within 5 days after the resolution is made by the board of directors. In the event of any change to the original proposal set forth in the notice, the consent of the supervisory board shall be obtained.

If the board of directors does not agree to hold the extraordinary general meeting or fails to give a reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary general meeting, and the supervisory board may convene and preside over the meeting by itself.

Article 73

Shareholder(s) severally or jointly holding 10% or above shares of the Company shall be entitled to request the board of directors to convene an extraordinary general meeting or a class shareholder meeting, and shall put forward such request to the board of directors in writing, stating the topics to be discussed at the meeting. the board of directors shall, pursuant to laws, administrative regulations, rules of the stock exchange where the Company's shares are listed and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or the class shareholder meeting or not within 10 days after receipt of the written proposal.

If the board of directors agrees to convene the extraordinary general meeting or the class shareholder meeting, it shall serve a notice of such meeting within five days after the resolution is made by the board of directors. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

If the board of directors does not agree to hold the extraordinary general meeting or the class shareholder meeting, or fails to give a reply within 10 days after receipt of the proposal, shareholder(s) severally or jointly holding 10% or above shares shall be entitled to propose to the supervisory board to convene an extraordinary general meeting or a class shareholder meeting, and shall put forward such request to the supervisory board in writing.

If the supervisory board agrees to convene the extraordinary general meeting or the class shareholder meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to them original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

In the case of failure to issue the notice for the general meeting or the class shareholder meeting within the term stipulated, the supervisory board shall be deemed as failing to convene and preside over the general meeting or the class shareholder meeting. The shareholder(s) severally or jointly holding 10% or above shares of the Company for 90 consecutive days or above may convene and preside over such meeting by itself/themselves.

Article 74 Where the supervisory board or shareholders decide to convene a shareholders' meeting on their own, they must notify the board of directors in writing, and at the same time file with the stock exchange where the Company's shares are listed.

Prior to the announcement of the resolutions on the general meetings, the shareholding ratio of the convening shareholders shall not be less than 10%. The convening shareholders shall disclose the announcement no later than the time when the notice of the general meeting is issued, and undertake that their shareholding ratio will not be less than 10% of the total share capital of the Company during the period from the date of the general meeting is proposed to the date of the general meeting.

The supervisory board or convening shareholders shall submit relevant certification materials to the stock exchange where the Company's shares are listed when issuing the notice of general meeting and the announcement of the resolutions of the general meeting.

Article 75 The board of directors and the board secretary shall support the general meeting convened by shareholders or the supervisory board. The board of directors shall provide a register of shareholders on the date of equity registration. If the board of directors fails to provide the register of shareholders, the convener may apply to the securities registration and settlement institution to obtain by submitting the relevant announcement of the notice of convening the general meeting. The register of shareholders obtained by the convener shall not be used for any purpose other than convening a general meeting.

Article 76 For the general meeting convened by the supervisory board or by the shareholders, the expenses necessary for the meeting shall be borne by the Company.

Section 4 Proposals and Notices of General Meetings

Article 77 The contents of the proposals shall fall within the functions and powers of the general meeting, shall have clear discussion topics and specific matters to be resolved, and shall comply with relevant requirements of laws, administrative regulations, the rules of the stock exchange where shares of the Company are listed and the Articles of Association.

Article 78

Where the Company convenes a general meeting, the board of directors, the supervisory board and the shareholder(s) severally or jointly holding 3% or above shares of the Company may make proposals to the Company.

Shareholder(s) severally or jointly holding 3% or above shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting is convened. If the proposal submitted by the shareholder(s) is qualified and the relevant proposal complies with the relevant requirements of the Company Law, the convener shall submit it to the general meeting for consideration, and shall serve a supplementary notice of general meeting within 2 days after receipt of a proposal, and announce the contents of the proposal on the agenda.

Save as specified in the preceding paragraph, the convener shall not change the proposal set out in the notice of general meeting or add any new proposal after the said notice announcement is served.

Prior to the convening of a general meeting, if a qualified shareholder proposes an provisional proposal, his/her shareholding percentage shall not be less than 3% during the period from the notice of proposal to the announcement on the resolution of the meeting, and such shareholder shall provide the convener with documents proving that he/she holds more than 3% of the shares of the listed company.

Proposals which are not specified in the notice of the general meeting or which do not comply with the requirements specified in Article 77 of the Articles of Association shall not be voted and resolved at the general meeting and become resolutions.

Article 79

When the Company convenes the annual general meeting, it shall notify each shareholder in writing of the date and venue of the meeting and the matters to be considered twenty days prior to the meeting; for an extraordinary general meeting, it shall notify each shareholder in writing of the same fifteen days prior to the meeting.

Article 80

A notice of a general meeting shall meet the following requirements:

- (I) the notice is in a written form;
- (II) it specifies the time, place and period of the meeting;
- (III) it describes the matters and proposals submitted to the meeting for consideration;
- (IV) it provides shareholders with the information and explanations that are needed for the shareholders to make wise decisions on the matters to be discussed; this principle includes without limitation: when the Company proposes merger, share repurchase, reorganization of share capital or other restructuring, the notice shall provide the concrete conditions and contracts (if any) for the proposed transactions, and carefully explain the causes and effects;

- (V) if any director, supervisor, manager or other senior management has important interest relation with a matter to be discussed, the nature and degree of the interest relation shall be disclosed; if the impact of the matter to be discussed on the said director, supervisor, manager or other senior management as a shareholder is different from the impact on other shareholders of a same class, their difference shall be explained;
- (VI) the notice shall state the full text of any special resolution to be proposed and approved at the meeting;
- (VII) the notice shall state in explicit words: all shareholders are entitled to attend the general meeting and appoint one or more proxies in writing to attend and vote at such meeting and that such proxies need not be a shareholder;
- (VIII) the notice shall specify the shareholding record date for determining shareholders who are entitled to attend the meeting;
- (IX) the notice shall state the delivery time and place of the power of attorney for voting at the meeting;
- (X) the notice shall indicate name and telephone number of the permanent contact person of the meeting;
- (XI) the voting time and voting procedures via internet or other methods.

Notices or supplementary notices of general meetings shall adequately and completely disclose the specific contents of all proposals. Where the opinions of an independent director are required on the matters to be discussed, such opinions and reasons thereof shall be disclosed when the notices or supplementary notices of general meetings are served.

Among the proposals to be voted on at a general meeting, if a proposal takes effect as a prerequisite for the other proposals to become effective, the convener shall clearly disclose the relevant preconditions in the notice of the general meeting and give special reminders indicating that such proposal approval is a prerequisite for the voting results of the subsequent proposals to become effective.

The convener shall disclose the information necessary for the shareholders to make reasonable decisions on the matters to be discussed five days before the convening of the general meeting. If it is necessary to supplement the meeting information of the general meeting, the convener shall disclose such information prior to the date of the general meeting.

Voting through the online voting system at a general meeting shall commence no earlier than 3:00 p.m. of the day prior to the date of the on-site shareholders' general meeting but no later than 9:30 a.m. on the date of the on-site shareholders' general meeting and it shall not terminate earlier than 3:00 p.m. on the date of conclusion of the on-site shareholders' general meeting.

The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall be no more than 7 business days. The shareholding record date shall not be changed once confirmed.

Article 81 In the event that matters involving the election of directors and supervisors are to be considered at the general meeting, the notice of such general meeting shall fully disclose the detailed information of the candidates for such directors and supervisors, which shall at least include the following:

- (I) personal particulars including education background, working experience and any part-time job;
- (II) whether there is any connected relationship with the Company or its controlling shareholders and de facto controller;
- (III) disclosure of the shareholdings in the Company;
- (IV) whether or not they have been penalized by CSRC and other relevant authorities and the stock exchange.

Apart from directors and supervisors elected through the cumulative voting system, each candidate of director or supervisor shall be individually proposed.

The candidate for directors and supervisors, shall undertake in writing prior to the issuance of the notice of the general meeting that he accepts the nomination and undertakes the truthfulness, accuracy and completeness of the information disclosed about him/her and warrants that he will duly perform his/her duties as a director or a supervisor upon his/her appointment.

Article 82 Unless otherwise specified by laws, administrative regulations, rules of the stock exchange in the place where the Company's shares are listed or the Articles of Association, 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/her registered address as shown in the register of shareholders. For holders of domestic shares, the notice of a general meeting may also be given by public announcement.

The public announcement referred to in the preceding paragraph that shall be published on the website of the stock exchange and in media meeting the conditions prescribed by the securities regulatory authority under the State Council. Once the announcement is made, all shareholders of domestic shares shall be deemed to have received the notice of the relevant general meeting.

For foreign shareholders, the Company may notify it in an appropriate manner in accordance with the relevant provisions of the place where the Company's overseas shares are listed.

Article 83 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.

Section 5 Convening of General Meetings

Article 84 The board of directors of the Company and other conveners will take necessary measures to ensure the normal order of the general meeting. Any acts of interfering with the general meeting, stirring up arguments and infringing against the lawful interest of shareholders will be stopped by adopting measures and shall be reported to the relevant authority for investigation and penalty.

Article 85 All shareholders whose names appear on the register of shareholders on the shareholding record date or their proxies are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, regulations, rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association.

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

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

- (I) the shareholders' right to speak at the general meeting;
- (II) the right to demand a poll by himself/herself or jointly with others;
- (III) the right to exercise voting rights by a show of hands or by a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights by a poll.

Article 86 Individual shareholders attending a general meeting in person shall produce their identity cards or other valid proof or evidence of their identities as well as stock account cards and, in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend a general meeting. In case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives; in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and letters of authorization duly issued by such legal representatives. The above requirements do not apply to Recognized Clearing House or their agents.

Article 87 The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his/her 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 directors or attorney duly authorized.

The proxy form to appoint a proxy to attend any general meeting by a shareholder shall contain the following:

- (I) name of the proxy;
- (II) indication of whether voting power is granted;
- (III) number of shares of the principal represented by the proxy;
- (IV) instruction of voting for, against or abstain for each resolution proposed at any general meeting;
- (V) date of signing the proxy form and the effective period for such appointment;
- (VI) signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed.

Article 88 Any instrument issued to a shareholder by the directors for use in appointing a proxy to attend and vote at meetings of the Company shall be in such format as to enable the shareholder to instruct the proxy to vote in favor of or against or abstain from voting on the motions according to his/her free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The instrument of proxy shall contain a statement that in the absence of instructions by the shareholder the proxy may vote as he/she thinks fit.

Article 89 The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other places as specified in the notice of convening the meeting 24 hours prior to convening of the meeting at which the proxy is authorized to vote or 24 hours prior to the designated time of voting. Where the instrument is signed by another person authorized by the principal, the authorization letter or other documents authorizing the signatory shall be notarized. The notarized authorized letter or other authorized documents shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other places as specified in the notice of convening the meeting.

Where the principal is a legal person, its legal representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's general meetings as the representative of such legal person.

If the shareholder is a Recognized Clearing House or its agent, such a shareholder is entitled to appoint one or more persons it deems suitable to act as its proxy in the general meeting or class general meeting. If two or more persons are appointed as proxies, the power of attorney shall clearly state the number and the class of shares represented by each of the proxies. The proxy forms shall be signed by the respective proxies appointed by the Recognized Clearing House, and the proxies so appointed may represent the Recognized Clearing House or its agent in exercising its rights at any meeting (without being required to present share certificate, certified statement of proxy and/or further evidence of due authorization) as if that proxy is a natural person shareholder of the Company.

- Article 90** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company before the commencement of the meeting at which proxy is used.
- Article 91** A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of the attendees (or names of organizations), identity card numbers, residential addresses, the number of shares held or voting rights represented and names of the principals (or name of organizations).
- Article 92** The convener and the lawyers engaged by the Company shall verify the validity of the qualifications of shareholders based on such register of shareholders as provided by the securities registration and clearing institution, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for a meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of their voting shares.
- Article 93** When a general meeting is convened, all the directors, supervisors and the secretary to the board of directors of the Company shall attend the meeting, and general manager and other senior management shall be present at such meeting.
- Article 94** General meetings shall be presided over by the chairman. Where the chairman cannot or does not fulfill the duty thereof, more than half of the directors may jointly elect a director to preside over the meeting.
- A general meeting convened by the supervisory board itself shall be presided over by the chairman of the supervisory board. Where the chairman of the supervisory board cannot or does not fulfill the duty thereof, more than half of the supervisors may jointly elect a supervisor to preside over the meeting.
- A general meeting convened by the shareholders themselves shall be presided over by a representative elected by the conveners. If for any reason, the conveners are unable to elect a representative as a presider to preside over the meeting, the shareholders holding the most voting shares among the conveners (including shareholder proxy) shall act as the presider to preside over the meeting.
- When a general meeting is held and the presider violates the Articles of Association or the rules of procedure for general meetings, which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the presider, subject to the approval of more than half of the attending shareholders with voting rights, so that the general meeting can continue.

- Article 95** The Company shall formulate rules of procedure for general meetings defining in details the convening and voting procedure of general meetings, covering notification, registration, consideration of proposal, voting, counting of votes, announcement of voting result, formation of resolution, meeting minutes and signing thereof, and the principle and contents of authorization of the board of directors on general meetings. The rules of procedure for general meetings shall be appended to the Articles of Association and shall be formulated by the board of directors and approved on the general meeting.
- Article 96** In the annual general meeting, the board of directors and the supervisory board shall report their work during the past year to the general meeting. Each independent non-executive director shall also present a work report.
- Article 97** Directors, supervisors and senior management shall explain and answer the enquiries and suggestions from shareholders at the general meeting.
- Article 98** The chairman of the meeting shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of their voting shares, which shall be the number of attending shareholders and their proxies as well as the total number of their voting shares as indicated in the meeting's registration record.
- Article 99** The general meeting shall have minutes prepared by the secretary to the board of directors. The minutes shall state the following contents:
- (I) time, venue and agenda of the meeting and names of the convener;
 - (II) the name of the meeting chairman and the names of the directors, supervisors, general manager and other senior management attending or present at the meeting;
 - (III) the number of shares with voting rights held by the holders of domestic shares (including their proxies) and holders of H Shares (including their proxies) attending the meeting, and their respective proportions in the total number of shares of the Company;
 - (IV) the consideration process, summaries of speeches and voting result for each proposal; when the voting results are recorded, the voting status of the holders of domestic shares and holders of H Shares on each matter subject to resolution;
 - (V) shareholders' questions, opinions or suggestions and corresponding answers or explanations;
 - (VI) names of lawyer, vote counters and scrutinizer of the voting;
 - (VII) other contents to be included in the minutes as specified in the Articles of Association.

- Article 100** The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the board of directors, 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 101** Shareholders may consult the photocopies of minutes of meetings for free in the office hours of the Company. If any shareholder asks for the photocopy of relevant meeting minutes to the Company, the Company shall send the photocopy within 7 days after receipt of reasonable fee.
- Article 102** The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended, cannot proceed normally or resolutions cannot be made because of emergencies, 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. At the same time, the convener shall report to the CSRC branch and the stock exchange of the place where the Company's shares are listed.

Section 6 Voting and Resolutions at General Meetings

- Article 103** Resolutions of the general meeting include ordinary resolutions or special resolutions.
- Ordinary resolution at a general meeting shall be passed by one half or above of the voting rights held by shareholders (including their proxies) attending the general meeting.
- Special resolution at a general meeting shall be passed by two-thirds or above of the voting rights held by shareholders (including their proxies) attending the general meeting.
- Article 104** The following matters shall be resolved by way of ordinary resolutions at a general meeting:
- (I) work reports of the board of directors and the supervisory board;
 - (II) profit distribution plan and loss make-up plan formulated by the board of directors;
 - (III) appointment or dismissal of the members of the board of directors and supervisory board, remuneration and payment methods thereof;
 - (IV) annual preliminary and final budgets of the Company;
 - (V) the Company's annual report;

- (VI) matters other than those requiring approval by special resolutions in accordance with the laws, administrative regulations, rules of the stock exchange in the place where the Company's shares are listed or the Articles of Association.

Article 105 The following matters shall be resolved by way of special resolutions at a general meeting:

- (I) increase or reduction of the registered capital of the Company, and issue of shares of any class, stock warrants or other similar securities;
- (II) issuance of corporate bonds;
- (III) demerger, division, merger, dissolution and liquidation or change in the form of the Company;
- (IV) amendments to the Articles of Association;
- (V) 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 latest audited total assets of the Company;
- (VI) share option incentive scheme;
- (VII) adjustment and amendment of profit distribution policy;
- (VIII) any other matters as required by the laws, administrative regulations, rules of the stock exchange in the place where the Company's shares are listed or the Articles of Association and matters which, if resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.

Article 106 Shareholders (including proxies of shareholders) shall exercise their voting rights based on the number of voting shares they represent, and each share shall have one vote.

When the general meeting considers major issues that affect the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote counting shall be publicly disclosed in a timely manner in accordance with relevant laws and regulations and the rules of the stock exchange in the place where the Company's shares are listed.

The shares held by the Company have no voting rights, and this part of the shares is not included in the total number of voting shares attending the general meeting.

When a shareholder purchased the Company's voting shares in violation of the provisions of the first and second paragraphs under Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not be exercisable for voting within thirty-six months from the date of purchase, and nor be counted in the total number of voting shares present at the general meeting.

The Company's controlled subsidiary shall not acquire the shares issued by the Company. If the shares are held for special reasons, the situation shall be eliminated in accordance with the law within one year. Before the aforesaid situation is eliminated, the relevant subsidiary shall not exercise the voting rights corresponding to the shares held.

The board of directors, independent directors, and shareholders of the Company holding more than 1% of voting shares, or investor protection institutions established according to laws, administrative regulations or provisions of CSRC may publicly solicitate shareholders' voting rights. Information including the specific voting intention shall be fully disclosed to the shareholders from whom voting rights are being solicited. Provision of consideration or de facto consideration is prohibited in soliciting shareholders' voting rights. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for collecting voting rights.

When soliciting shareholders' rights in accordance with the requirements of the preceding paragraph, the soliciting parties shall disclose the solicitation documents, making sufficient disclosure of information such as the specific voting preference to the shareholders from whom right is being solicited, and the Company shall cooperate in this regard. The soliciting parties shall bear compensation liabilities according to relevant laws for damages caused by violation of laws, administrative regulations or relevant provisions of the securities regulatory authorities of the State Council in the process of publicly soliciting shareholders' rights which resulted in losses suffered by the Company or its shareholders.

Where the Hong Kong Listing Rules requires any shareholder to abandon his voting right on specific resolution, or restricts any shareholder to vote for or against specific resolution, any vote of the shareholder or his proxy against the relevant requirement or restriction shall not be included.

Article 107 When the general meeting considers related transactions, related shareholders shall not participate in voting, and the number of voting shares they represent shall not be included in the total number of valid votes; resolutions of the general meeting of shareholders shall fully disclose the votes of non-related shareholders. Related shareholders who fail to attend the general meeting shall not authorize a proxy to vote on their behalf in respect of the matter, and their proxies shall also be evaded by reference to the relevant provisions in relation to the abstention of voting by the related shareholders in this paragraph.

When considering the related transactions, the procedures for abstention of voting and voting of related shareholders are as follows:

- (I) If the matters considered at the general meeting are related to the shareholders, such shareholders shall disclose the related relationship to the board of directors of the Company prior to the date of convening the general meeting;

- (II) When the general meeting considers the related transactions, the chairman of the meeting announces the related shareholders, as well as explains and introduces the related relationship between the related shareholders and the related transactions;
- (III) The chairman of the meeting announces the abstention of voting by the related shareholders, and the non-related shareholders shall consider and vote on the related transactions;
- (IV) Resolutions on related matters shall be passed by more than half of the voting shares of the non-related shareholders present at the meeting; if the transactions fall within the scope of special transactions, it shall be approved by more than two-thirds of the voting rights of the non-related shareholders present at the meeting.

If related shareholders fail to disclose or evade related relationship in accordance with the above procedures, the resolution on the related issue shall be invalid.

Article 108 Except for special circumstances such as the Company's crisis, unless approved by a special resolution of the general meeting, the Company will not enter into an agreement with anyone other than directors, supervisors, general managers and other senior management that assigns the person responsible for the management of all or important business of the Company.

Article 109 The list of candidates for directors and supervisors shall be submitted to the shareholders meeting for voting by proposals.

When the shareholders in the general meeting vote in respect of the election of directors and supervisors, a cumulative voting system shall be implemented in accordance with the provisions of the Articles of Association or the resolutions of the general meeting.

The cumulative voting system as referred in the preceding paragraph means that when a director or supervisor is elected at the general meeting, each share shall carry the same number of voting rights as the number of directors or supervisors to be elected. Each shareholder may cast all his votes to a single candidate. The board of directors shall announce the resume and basic information of each candidate of directors and supervisors to the shareholders.

The method of, and procedure for, nominating directors and supervisors are as set forth below:

- (I) The board of directors, the supervisory board and shareholders who individually or collectively hold more than 3% of the issued shares of the Company may nominate candidates for non-independent directors or supervisors who is not an employee representative, and provide the candidates' resumes and basic information, which shall be submitted to the general meeting for election.

(II) The board of directors, the supervisory board and shareholders who individually or collectively hold more than 1% of the issued shares of the Company may nominate candidates for independent directors and provide the candidates' resumes and basic information, which shall be submitted to the general meeting for election.

(III) The employee representatives on the board of directors and the employee representatives on the supervisory board shall be democratically elected by the employee representative meetings of the Company or by other means.

Article 110 Except for the cumulative voting system, the general meeting shall vote on all proposals one by one. If there are different proposals on the same matter, the voting shall be carried out in the order in which the proposals were submitted. Except for the suspension of the general meeting or the inability to make resolutions due to special reasons such as force majeure, the general meeting shall not shelve or refrain from voting on proposals.

Article 111 When the general meeting is considering a proposal, the proposal shall not be amended, otherwise, the relevant change shall be regarded as a new proposal and shall not be voted on at this general meeting.

Article 112 The same voting right can only choose one of on-site, online or other voting methods. In the event of repeated voting with the same voting right, the result of the first voting shall prevail.

Article 113 If the matter required to be voted by way of ballot is to elect the chairperson of the meeting or to suspend the meeting, the voting shall be carried out immediately; for other matters requiring voting by way of ballot, the chairperson of the meeting shall decide when to hold the voting and the meeting can continue to discuss other matters, while the voting result is still regarded as the resolution passed at the meeting.

Article 114 To the extent permitted by applicable laws and regulations, when a poll is taken, shareholders (including their proxies) who have the rights to two or more votes need not cast all his/her votes as affirmative votes or negative votes.

Article 115 When the objection and approval votes are equal, the chairperson of the meeting has one more vote, whether by a show of hands or a ballot.

Article 116 Any vote of shareholders at a general meeting shall be taken by open ballot except where the chairman of the meeting decides to allow a resolution which relates purely to a procedural or an administrative matter to be voted on by a show of hands.

Article 117 Before the general meeting votes on a proposal, it shall nominate two shareholder representatives to participate in the counting and monitoring of votes. Where the matter under consideration has a connected relationship with the shareholders, the relevant shareholders and proxies shall not participate in the counting and scrutiny of votes.

When the general meeting votes on a proposal, the lawyers, shareholder representatives and supervisor representatives shall be jointly responsible for counting and monitoring votes, and the voting results shall be announced on the spot, and the voting results of the resolutions shall be recorded in the meeting minutes.

Shareholders or their proxies who vote online or by other means have the right to check their voting results through the corresponding voting system.

Article 118 The on-site general meeting shall not end earlier than the meeting via internet or otherwise. The chairman of the meeting shall announce the voting and result of each proposal, and announce, according to the results, whether or not a proposal shall be adopted. His decision announced shall be final and conclusive, and shall be recorded in the minutes of meeting.

Before the formal announcement of the results of the poll, all relevant parties including the listed company, vote counter, scrutineer, major shareholders, and internet service provider involved in the process, whether on site, via internet or otherwise, shall owe confidentiality obligation.

Article 119 Shareholders attending the general meeting shall express one of the following indications about the proposals put forward for voting: for, against or abstain, unless securities registration and settlement institutions, as the nominal holders of shares traded through the mutual connection mechanism between stock markets in Mainland China and Hong Kong, make declarations according to the intention of actual holders.

Empty, erroneous or illegible ballot papers and uncast ballot papers are deemed as abstained from voting by the voters, and the voting result in respect of the number of shares held by such voters are counted as “abstain”.

Article 120 If the chairperson of the meeting has any doubts about the results of the resolution submitted for voting, he may organize a count of the vote cast; if the chairperson of the meeting does not count the votes, the shareholders or their proxies present at the meeting disagree with the results announced by the chairperson, they have the right to request a counting of votes immediately after the result of the voting is announced, and the chairperson shall organize the counting immediately.

If votes are counted at the general meeting, the result of the vote shall be included in the minutes of the meeting. The minutes of the meeting, together with the signature books of the shareholders present and the power of attorney for proxy attendance, shall be kept in the Company’s residence.

- Article 121** Resolutions of the general meeting shall be announced in due time according to the relevant laws, regulations, departmental rules, regulatory documents, regulations of the securities regulatory authorities of the place where the shares of the Company are listed or the Articles of Association. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the total number of shares required to abstain from voting in the concurring votes and/or voting as requested by the securities regulatory authorities of the place where the shares of the Company are listed to individual proposals (if any), whether the shareholder who is required to abstain from voting has given up the voting right, the voting method, the voting result of each resolution and the details of each of the resolutions passed. The attendance and the results of the poll of the shareholders of domestic shares and H Shares shall be respectively counted and stated in the announcement.
- Article 122** If the proposal is not passed, or the current general meeting changes the resolution of the previous general meeting, a special reminder shall be made in the resolution of the general meeting.
- Article 123** Unless otherwise provided by the Articles of Association, if the proposal with respect to directors or supervisors election is passed at the general meeting, the term of office of a new director or supervisor shall commence on the date on which resolutions of the general meeting are passed.
- Article 124** If the general meeting passes the proposal on cash distribution, bonus shares, or capitalization of capital reserves, the Company will implement specific plans within 2 months after the general meeting ends.

Section 7 Special Procedures for Voting by Classes of Shareholders

- Article 125** Shareholders holding different classes of shares shall be shareholders of different classes.
- Shareholders of different classes shall enjoy the rights and assume the obligations in accordance with the laws, administrative regulations and the Articles of Association.
- Article 126** The Company shall not proceed to change or abrogate the shareholders' rights of a class of shares unless such proposed change or abrogation has been approved by way of a special resolution at a general meeting and by a separate shareholder meeting convened by the shareholders of the class of shares so affected in accordance with Article 128 to Article 132 of the Articles of Association.
- Article 127** The following circumstances shall be deemed as change or annulment of the rights of a certain class shareholder:
- (I) To increase or decrease the number of shares of such class, or to increase or decrease 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;

- (II) To change all or part of the shares of such class into shares of another class or to change all or part of the shares of another class into shares of that class or to grant relevant conversion rights;
- (III) To cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of the said class;
- (IV) To reduce or cancel rights attached to the shares of the said class to preferentially receive dividends or to receive distributions of assets in a liquidation of the Company;
- (V) To add, cancel or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive placing rights, or rights to acquire securities of the Company attached to the shares of the said class;
- (VI) To cancel or reduce rights to receive payments made by the Company in a particular currency attached to the shares of the said class;
- (VII) To create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of the said class;
- (VIII) To restrict the transfer or ownership of the shares of the said class or to impose additional restrictions;
- (IX) To issue rights to subscribe for, or to convert into, shares of the said class or another class;
- (X) To increase the rights and privileges of the shares of another class;
- (XI) To restructure the Company in such a way as to cause shareholders of different classes to bear liabilities disproportionately during the restructuring;
- (XII) To amend or cancel provisions in this chapter.

Article 128

Shareholders of the affected class, whether or not having the rights to vote at general meetings originally, shall have the right to vote at shareholders class meetings in respect of matters referred to in item (II) to (VIII) and (XI) to (XII) of Article 127 of the Articles of Association, except that interested shareholders shall not vote at such shareholders class meetings.

The meaning of the interested shareholders mentioned in the preceding paragraph is as follows:

- (I) In the case that the Company repurchases its own shares by making a pro rata general offer of repurchase to all its shareholders or repurchasing shares through public trading on a stock exchange in accordance with Article 28 of the Articles of Association, the “interested shareholders” refers to the controlling shareholder as defined in Article 270 of the Articles of Association;

- (II) In the case that the Company repurchases its own shares by an off-market agreement outside a stock exchange in accordance with Article 28 of the Articles of Association, the “interested shareholders” refers to the shareholders related to the agreement;
- (III) In the restructuring of the Company, “interested shareholders” refers to shareholders who bear liability in a proportion smaller than that of the liability borne by other shareholders of that class, or shareholders who have different interests from other shareholders of that class.

Article 129 Resolution of a shareholders class meeting shall be passed only by two-thirds or above of the total voting rights being held by the shareholders of that class, who are entitled to do so, present and vote at the shareholders class meeting in accordance with Article 128 of the Articles of Association.

Article 130 When the Company is to convene a shareholders class meeting, it shall issue a written notice 20 days prior to the convening of the annual general meeting or 15 days prior to the convening of the extraordinary general meeting informing all the shareholders who are registered as holders of that class in the register of shareholders of the matters to be considered at the meeting as well as the date and place of the meeting.

The quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the number of holders of at least one third of the issued shares of that class.

Article 131 The notice of a meeting of shareholders of different classes needs to be delivered only to the shareholders entitled to vote thereat.

The procedures according to which a meeting of shareholders of different classes is held shall, to the extent possible, be identical to the procedures according to which a general meeting is held. Provisions of the Articles of Association relevant to procedures for the holding of a general meeting shall be applicable to meetings of shareholders of different classes.

Article 132 The special procedure for voting by class shareholders shall not apply under the following circumstances:

- (I) With the approval by a special resolution at a general meeting, the Company issues domestic shares and overseas listed foreign shares in a period of 12 months, either separately or concurrently, and the respective numbers of domestic shares and overseas listed foreign shares proposed to be issued do not exceed 20% of its respective numbers of each of the issued and outstanding domestic shares and overseas listed foreign shares;
- (II) The Company completes the issue of domestic shares and overseas listed foreign shares within fifteen months from the date of approval pursuant to the plan approved upon its establishment by the securities commission under the State Council.

Chapter 6 Party Committee

Article 133 In accordance with the relevant regulations including the Constitution of the Communist Party of China and the Working Rules for the Grassroot Organizations of the State-owned Enterprises of the Communist Party of China (Trial), the Company shall establish the Party Committee, and its leadership shall generally comprise five to nine members (with a maximum of eleven members), with one Secretary of the Party Committee and one to two Deputy Secretary of the Party Committee. Meanwhile, Commission for the Discipline Inspection shall be established in accordance with relevant requirements.

The Party Committee of the Company shall be elected from the Party member congress or the Party representative congress; each term of office is five years. Regular re-election shall be conducted upon the expiration of its term of office. Each term of office of the Commission for the Discipline Inspection shall be the same as the Party Committee.

By insisting on and improving the leadership mechanism of “Dual Entry and Cross Appointment”, eligible members of the Party Committee may take seats in the board of directors, the supervisory board and the management through statutory procedures, while eligible members of the board of directors, the supervisory board and the management who are also Party members may take seats in the Party Committee in accordance with related regulations and procedures.

Article 134 The Party Committee of the Company shall play a leading role in supervising the Company’s direction of development, monitoring the whole picture and ensuring implementation, performing decision-making or gate-keeping duties in making decisions on significant matters, implementing the decision-making and deployment of the Party Central Committee and implementing the national development strategy. Major operational and management issues must be studied and discussed by the Party committee of the Company before the board of directors makes decisions in accordance with the terms of reference and prescribed procedures. The board of directors and the management shall consciously safeguard the leadership role of the Party Committee of the Company, and the Party Committee of the Company shall respect and support the board of directors and the management to exercise their rights.

Article 135 The main responsibilities of the Party Committee of the Company are:

- (I) To enhance the building of politics of the Party in the Company, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics as well as educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path;
- (II) To thoroughly study and implement Xi Jinping’s Socialism Ideology with Chinese characteristics in the new era, learn and propagate the Party’s theory, thoroughly implement the Party’s line, principles and policies as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee as well as the resolutions of the Party organization at a higher level in the Company;

- (III) To investigate and discuss the significant operation and management matters of the Company and support the shareholders' general meeting, the board of directors, the supervisory board and the management to exercise their rights and perform their duties in accordance with the laws;
- (IV) To strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, cadre and talents team of the Company;
- (V) To undertake the main responsibility in improving Party conduct and upholding integrity, lead and support discipline inspection institutions to fulfil their supervisory and disciplining responsibilities as well as exercise strict administrative discipline and political rules and promote Party self-governance exercised fully and with rigor into the grassroots level;
- (VI) To strengthen the building of grassroot Party organizations and the Party member service, unit and lead officials and employees to devote themselves into the reform and development of the Company;
- (VII) To lead the Company's ideological and political work, the spirit and civilization progress, the United Front work and lead mass organizations such as the Labor Union, Communist Youth League and Women's Organization of the Company.

Chapter 7 Board of Directors

Section 1 Directors

Article 136 Directors shall be elected or changed by the general meeting, and may be removed from his/her office by the general meeting. The term of office of a director is three years. A director may serve consecutive terms if re-elected. A director is not required to hold shares of the Company.

Any director with unexpired term of office may be removed by the general meeting by an ordinary resolution in accordance with relevant laws and regulations and the listing rules of the stock exchange at which the shares of the company are listed provided that the director's right to claim damages based on any contract shall not be affected.

A notice of the intention to propose a candidate for election as a director and a notice by that candidate stating his/her willingness to be elected shall be served on the Company at least seven days before the date of the general meeting. The timeframe for the delivery of the notices as stated above shall commence from the date when a notice of meeting in respect of such election is despatched and end no later than seven days prior to the date of such meeting.

A director's term of service commences from the date he takes office, until the current term of service of the board of directors ends. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules, the rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

The Company shall enter into contracts with the directors to specify the rights and obligations of the Company and the directors, the term of office of the directors, the responsibility of the directors for violating laws and regulations and the Articles of Association, and the compensation if such contracts are terminated by the Company in advance for reasons.

The general manager or other senior management may concurrently serve as a director, provided that the aggregate number of the directors, who concurrently serve as general manager or other senior management, and the directors, who are employee representatives, shall not exceed one half of all the directors of the Company.

Article 137 The directors shall act actively, and shall shoulder the duties of loyalty and due diligence to the Company. The directors of the Company shall perform their following duties of loyalty and due diligence to the Company:

- (I) all the shareholders are treated equally and fairly;
- (II) to protect the safety and integrity of the Company's assets, and not to use their position to impair the interests of the Company for the benefit of the actual controllers, shareholders, employees, themselves or other third parties of the Company;
- (III) not to obtain business opportunities which is available to the Company for themselves or their close family members, and not to run his/her own or entrust others to run business which is similar to the Company's business without approval of the general meeting;
- (IV) to keep trade secrets, not to divulge material information that has not been disclosed by the Company, not to use inside information to obtain improper benefits, and shall perform the non-competition obligation agreed upon with the Company after resignation;
- (V) to ensure that they have sufficient time and energy to participate in the affairs of the Company, in principle, they shall attend the board of directors in person, those who are unable to attend the board of directors in person for reasons shall prudently select the trustees, the authorized matters and decision-making intention shall be specific and clear, and shall not be delegated with full authority;

- (VI) to prudently judge the risks and benefits that may arise from the matters considered by the board of directors of the Company, and to express clear opinions on the matters discussed; if voting against or abstaining from voting at the board of directors of the Company, the reasons basis, suggestions or measures for improvement for the voting intention, shall be clearly disclosed;
- (VII) to read the Company's operations, financial reports and media reports carefully, to timely understand and continue to pay attention to the Company's business operation and management and the significant matters that have occurred or may occur to the Company and their impacts, and to report the problems in the Company's business activities to the board of directors in a timely manner, and not to shirk responsibility on the grounds of not directly engaging in operation and management, or not knowing or familiar with it;
- (VIII) to pay attention to whether the Company has any problems of misappropriation of the Company's interests such as the use of funds by related parties or potential related parties, if any abnormal situation is found, report to the board of directors in a timely manner and take corresponding measures;
- (IX) to read the financial and accounting reports of the Company carefully, pay attention to whether there are any material errors or omissions in the preparation of the financial and accounting reports, whether major accounting data and financial indicators fluctuate significantly and whether the explanations for the fluctuations are reasonable; if there are doubts about the financial and accounting reports, they shall take the initiative to investigate or request the board of directions to supplement the required materials or information;
- (X) to actively promote the Company's standardized operation, to urge the Company to fulfill its information disclosure obligations in accordance with laws and regulations, to timely correct and report violations of the Company, and to support the Company in fulfilling its social responsibilities;
- (XI) to comply with other obligations of loyalty and diligence stipulated in laws and regulations, the relevant provisions of the stock exchange in the place where the Company's shares are listed and the Articles of Association of the Company.

The supervisors and senior management of the Company shall perform their duties in accordance with the provisions of the preceding paragraph.

Article 138

The directors shall provide signatory confirmation for the periodic report in accordance with the law, and shall not entrust others to sign it, and shall not refuse to sign on the grounds of objection to the content of the periodic report or disagreement with the audit institution.

In the event that the truthfulness, accuracy, completeness of the securities issuance documents cannot be guaranteed or there exists disagreement, they shall express their opinions and state reasons in the written confirmation which the Company should disclose. If the Company does not disclose, directors, supervisors and senior management may directly apply for disclosure.

Article 139 A director who fails to attend two consecutive meetings of the board of directors in person or by proxy shall be deemed as unable to perform his/her duties. The board of directors shall propose to the general meeting for removal of such director.

Article 140 A director may resign before expiry of his/her term of service. When a director resigns, he shall submit a written resignation notice to the board of directors. The board of directors shall make relevant disclosure within 2 days.

If the member of directors falls below the minimum statutory requirement due to a director's resignation, or the number of independent directors is less than one-third of the board of directors, or there is no accounting professional among the independent directors, the former directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules, the rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association before the appointment of the re-elected directors.

Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his/her resignation report to the board of directors.

Without violation of relevant laws and regulations and the regulatory rules of the place where the Company is listed, any director appointed to fill a casual vacancy shall accept shareholders' election at the first general meeting after acceptance of the appointment.

Any person appointed as director by the board of directors to fill a temporary vacancy or add the quota of directors of the board of directors shall serve until the next annual general meeting of the Company, at which time the said person is eligible for re-election.

Article 141 When a director resigns or his/her term of service expires, his/her duties towards the Company and the shareholders do not necessarily cease before the resignation letter becomes effective or within a reasonable period after it has become effective, and within a reasonable period after the end of his/her term of service. The duty of confidentiality in respect of trade secrets of the Company shall still be in effect after the end of his/her term of office, until such trade secrets become publicly available information. Other duties may continue for such period as the principle of fairness may require, depending on the length of time which has elapsed between the occurrence of the event concerned and the termination of tenure, and the circumstances and terms under which the relationships between them and the Company have been terminated.

- Article 142** Unless legally authorized by the Articles of Association or the board of directors, no director shall act on behalf of the Company or the board of directors. When a director acts in his/her own name and a third party reasonably considers such director acts on behalf of the Company or the board of directors, such director shall declare in advance his/her position and capacity.
- Article 143** A director shall be personally liable for any loss suffered by the Company as a result of a violation by him of any laws, administrative regulations, departmental rules, the listing rules of the stock exchange at which the shares of the company are listed or the Articles of Association in the course of performing his/her duties.
- Article 144** Independent directors shall perform in accordance with the relevant requirements of laws, administrative rules, and the rules of CSRC and the stock exchange in the place where the Company's shares are listed. The board of directors formulates the Working Rules of Independent Directors and reports to the general meeting for approval.

Section 2 Board of Directors

- Article 145** The Company shall have a board of directors accountable to the general meeting. The board of directors plays a role in formulating strategies, making decisions and preventing risks, exercises the decision-making power on significant issues of the Company in accordance with the statutory procedures and the Articles of Association, and strengthens the management and supervision of the management.
- Article 146** The board of directors shall comprise 5-11 directors, of which at least three shall be independent directors, who accounted for no less than one-third of all the directors and at least one of the independent directors shall be equipped with appropriate professional qualifications meeting regulatory requirements or appropriate accounting or relevant financial management expertise. In principle, the number of external directors should exceed half of the total number of members of the board of directors. The external directors referred to in this article refer to non-executive directors who do not hold other positions in the Company. The directors of the Company shall be elected at a general meeting of the Company.
- The board of directors shall have a chairman, and shall be elected by more than half of all directors. If the chairman is unable or fails to perform his/her duties, a director shall be elected jointly by more than half of the directors to perform such duties. The chairman shall serve a term of 3 years, and is eligible for re-election.
- Article 147** Major operational and management issues shall be studied and discussed by the Party committee of the Company before the board of directors makes decisions.
- The board of directors shall exercise the following functions and powers:
- (I) to convene general meetings and report to general meetings;
 - (II) to execute resolutions of general meetings;
 - (III) to resolve on the Company's business plans and investment plans;

- (IV) to prepare the annual financial budgets, final accounting plans and significant accounting estimate change plans of the Company;
- (V) to prepare the profit distribution plan and loss makeup plan of the Company;
- (VI) to prepare plans for the increase or decrease of the registered capital of the Company, the issuance of bonds or other securities and the listing;
- (VII) to formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution, liquidation, application for bankruptcy, restructuring or other changes in the form of the Company;
- (VIII) to decide on external investment, acquisition and disposal of assets, pledge of assets, external guarantee, entrusted financial management, connected transactions, external donations and other matters under the authority granted by the general meetings;
- (IX) to resolve on the purchase of shares of the Company under any of the circumstances stipulated in items (III), (V), (VI) under Article 27 of the Articles of Association;
- (X) to resolve on the establishment of internal management organizations of the Company and to resolve on the establishment, adjustment or abandonment of major branch;
- (XI) to appoint or dismiss the Company's general manager, secretary to the board of directors and other senior management, and to decide on their appraisal of business performance, remuneration, rewards and punishments; to appoint or dismiss the Company's vice general manager, chief accountant, general legal counsel and other senior management based on the nomination of the general manager, and to decide on their appraisal of business performance, remuneration, rewards and punishments;
- (XII) to resolve on the measures for appraisal of the business performance of the members of the management, to sign accountability statements on annual and term business performance with the members of the management, and to scientifically and reasonably determine the results of the appraisal of the business performance of the members of the management;
- (XIII) to decide on the remuneration management measures for members of the management, to formulate the remuneration distribution plan, and to establish and improve a constraint mechanism supporting the incentives of the members of the management;
- (XIV) to set up the basic management system of the Company;
- (XV) to resolve on the risk management system, including risk assessment, financial control, internal audit, legal risk control, and monitoring of implementation;

- (XVI) to formulate the proposals for any amendment to the Articles of Association;
- (XVII) to formulate labor cost management measures, to clarify the mechanism for determining the total remuneration, and to determine the labor cost budget and remuneration assessment results;
- (XVIII) to formulate the Company's equity incentive scheme such as medium and long-term incentive scheme and employee share ownership scheme;
- (XIX) to resolve on the establishment, merger, division, reform, restructuring, dissolution, bankruptcy of major subsidiaries and change in the form of the Company;
- (XX) to manage the disclosure of information by the Company;
- (XXI) to propose to general meetings the appointment or change of the accounting firm acting as the auditors of the Company and its remuneration;
- (XXII) to listen to the work report by the general manager of the Company, and inspect the implementation of the resolutions of the board of directors by the general manager and other senior management;
- (XXIII) to prepare the work report of the board of directors;
- (XXIV) to approve the authorization and decision-making system of the board of directors, and to grant authority to the chairman or the general manager in accordance with the principles of prudent authorization, standardization with order, balance with consideration as to efficiency, and timely adjustment;
- (XXV) to exercise other functions and powers as conferred by laws, administrative regulations, departmental rules or the Articles of Association.

Major matters of the Company shall be resolved by all members of the board of directors. No authorization shall be granted to, among others, the chairman of the board of directors and general manager to exercise powers that shall be exercised by the board of directors in accordance with laws. Matters beyond the scope of authorization of the general meeting shall be submitted to the general meeting for consideration.

The board of directors shall formulate a management system regarding the delegation to the management, clarify the authorization principles, management mechanism, scope of matters, conditions to authority and other requirements in accordance with the law, and shall establish a comprehensive authorization mechanism for follow-up supervision and dynamic adjustment, and a working mechanism for the general manager to report to the board of directors on a regular basis.

Matters involving financial assistance or provision of guarantee transactions by the Company shall be considered and approved by more than half of all directors and more than two-thirds of the directors attending the meeting of the board of directors, and shall be disclosed in a timely manner.

Other than the resolutions of the board of directors in respect of the matters specified in items (VI), (VII) and (XVI) in the preceding paragraph and other matters which shall be passed by the affirmative vote of more than two-thirds of all directors as provided by laws, administrative regulations, departmental rules, the rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association, the resolutions of the board of directors in respect of all other matters may be passed by the affirmative vote of more than half of all the directors.

Article 148 The board of directors shall not dispose of or agree to dispose of any fixed assets without approval by the general meeting if the sum of the expected value of the fixed assets to be disposed of and the value derived from the disposal of fixed assets within four months before such proposal to dispose of the fixed assets exceeds 33% of the value of the fixed assets as shown on the latest audited balance sheet considered and approved by the general meeting.

Disposals of the fixed assets mentioned in this Article include transfer of certain asset interests, but do not include guarantee provided by pledge of fixed assets.

The effectiveness of the Company's disposal of the fixed assets shall not be affected by any breach of the foregoing provisions in paragraph 1 of this Article.

Article 149 The chairman of the board of directors shall exercise the following functions and powers:

- (I) to preside over the general meetings, and to convene and preside over board meetings;
- (II) to inspect the execution of the resolutions of the board of directors;
- (III) to define the systems necessary for the operation of the board of directors, and coordinate its operation;
- (IV) to sign the securities issued by the Company and represent the Company in signing important legally binding documents with third parties;
- (V) to nominate candidates for the general manager of the Company and the secretary to the board of directors;
- (VI) to hear regular and non-regular performance reports from the Company's senior management, and to provide the board of directors with steering comments on the implementation of board resolutions;
- (VII) when the chairman of the board of directors is unable to convene a board meeting in time in case of force majeure or emergency, he/she shall exercise special right of disposal of the Company's affairs that conform to laws as well as the Company's interests and report to the board of directors timely afterwards;
- (VIII) to enter into appointment agreements with members of the management according to the authorization of the board of directors;

- (IX) to sign accountability statements on annual and term business performance with the general manager;
- (X) to exercise other powers required by the laws, regulations or the Articles of Association or authorized by the board of directors.

Article 150 The Company's board of directors shall explain to the general meeting regarding the non-standard auditors' advice given by certified accountant in relation to the financial report of the Company.

Article 151 The board of directors shall formulate the rules of procedure for meetings of the board of directors to ensure the implementation by the board of directors of the resolutions of general meeting, to improve efficiency and to have scientific decision-making. The rules of procedure of the board of directors shall be annexed to the Articles of Association, drawn up by the board of directors and approved by the general meeting.

Article 152 The board of the directors of Company has established the Strategy Committee, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal committee. All members of the special committees shall be directors, among which, a majority of the members of Audit Committee, Nomination Committee and Remuneration and Appraisal Committee shall be independent directors. All members of the Audit Committee shall be non-executive directors, at least one of whom shall be an independent director who possesses appropriate professional qualifications provided in the Hong Kong Listing Rules or possesses appropriate accounting or relevant financial management expertise. The convener of the audit committee shall be an independent director who is an accounting professional. Chairman of each of the special committees shall be appointed and dismissed by the board of directors.

The board of directors is responsible for formulating the rules of procedure of the special committees and stipulating the composition, functions and procedures of the special committees.

Article 153 Board of directors' meetings include regular board of directors meeting and extraordinary board of directors meeting. The board of directors meets regularly at least four times every year and it shall be convened by the chairman. All directors and supervisors shall be informed in written 14 days prior to convening of the meeting. The regular board meetings shall be not convened by circulation of a written resolution.

Article 154 An extraordinary board meeting may be convened upon the proposal of shareholders holding more than one-tenth of the total number of shares carrying voting rights of the Company, more than one third of the directors, supervisory board or general managers. The chairman shall convene and chair the board meeting within 10 days after receiving such proposal.

- Article 155** A notice of extraordinary board meeting shall be delivered by posts, E-mail, facsimile or sent out by courier.
- The board of directors shall notify all the directors and supervisors within 5 days prior to the convening of the meeting.
- In emergency situations where an extraordinary board meeting needs to be convened as soon as possible, notice of the meeting may be given by telephone or by other means of verbal communication at any time, but the convener shall provide an explanation for such action at the meeting.
- Article 156** A notice of board meeting shall contain the following contents:
- (I) date and place of the meeting;
 - (II) duration of the meeting;
 - (III) cause and topic;
 - (IV) date of notice.
- Article 157** The board meeting shall be held upon the attendance of more than half of directors. Resolutions made by the board of directors must be passed by more than half of all directors. The provisions of the Company Law, the Securities Law and other laws and administrative regulations, and all the rules of securities regulatory authorities of the stock exchange in the place where the Company's shares are listed shall prevail;
- Resolutions of the board of directors are voted by way of poll with each director having one vote.
- Article 158** If any director has connection with the enterprise involved in the resolution made at a board meeting, the said director shall not vote on the said resolution for himself or on behalf of another director. The board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution of the board meeting shall be passed by more than half of the non-connected directors; while resolutions requiring approval of over two-thirds of the board of directors shall be passed by over two-thirds of the non-connected directors. If the number of non-connected directors attending the meetings is less than three, the issue shall be submitted to the general meeting for consideration.
- Article 159** Directors shall attend the meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he/she may, by a written power of attorney, appoint another director to attend the meeting on his/her behalf. The power of attorney shall set out the name of the attorney, issues under authorization, scope of authorization and valid period, which will be signed or sealed with the chop by the appointing director. A director appointed as a representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend a board meeting of directors and has not appointed a representative to attend the meeting on his/her behalf, he shall be deemed to have waived his/hers right to vote at the meeting.

Article 160 The board of directors shall keep minutes of resolutions passed at the meetings. The minutes shall be signed by the attending directors, secretary to the board of directors and minute-taker. A director who has expressly objected to a resolution is entitled to request his/her objection to the resolution to be recorded in minutes of the meeting.

Directors shall undertake the responsibilities for the resolutions of the board of directors. In the event that any resolution of the board of directors is in breach of the laws, administrative regulations, the rules of the stock exchange or the Articles of Association, which causes severe loss for the Company, those directors voting for such resolution shall be held liable for such losses. However, where any director has been proved to have expressed dissenting opinions on the voting on such resolution which have been recorded in the meeting minutes, such director may be exempted from such liability.

The meeting minutes of the board of directors shall be kept as company files and the term of keeping the file shall be no less than 10 years.

Article 161 The meeting minutes of the board of directors shall include the following contents:

- (I) date and place of the meeting and name of the convener;
- (II) names of the attending directors and names of the directors (proxies) appointed by others to attend the board of directors meeting;
- (III) agenda of the meeting;
- (IV) main points of directors' speeches;
- (V) method and result of the voting for each proposal (the voting result should specify the number of votes for and against the proposal or abstention).

Chapter 8 Managers and Other Senior Management

Article 162 The Company shall have one general manager, certain vice general managers, one chief accountant, one secretary to the board of directors and one general legal counsel, who shall be appointed or removed by the board of directors.

Other members in the management shall provide assistance to the general manager, and may perform any function delegated by the general manager.

The Company's controlling shareholders, de facto controllers and their connected parties shall not interfere with the normal selection procedures for senior management and shall not directly appoint or dismiss any senior management without authorization from general meetings and the board of directors.

The Company shall enter into employment contracts with senior management to specify the rights and obligations of both parties.

The appointment and dismissal of senior management shall be implemented according to legal procedures and be disclosed in a timely manner.

Article 163 A person holding other administrative duties other than directors and supervisors in any entity of the Company's controlling shareholders shall not hold the office of the senior management of the Company. Any senior management of the controlling shareholder who serves concurrently as a director or supervisor of the Company shall ensure that he/she has sufficient time and effort to work for the Company.

The remuneration for the senior management of the Company are paid only by the Company rather than by the controlling shareholder.

Article 164 The general manager serves for a term of three years, subject to re-appointment upon the expiry of the term.

The management members of the Company implement the tenure system and contractual management, and the management members sign the appointment agreements, which specify the positions of appointment, appointment period, remuneration, performance appraisal, rights and obligations, agreed commitments, exit conditions, accountability and other rights and obligations (including confidentiality clauses and penalties), and strengthen the application of annual and term assessment results, as an important basis for the remuneration allocation, position adjustment, re-appointment or dismissal of management members.

Article 165 The management of the Company shall be responsible for business operation, decision implementation and management improvement, and accept the management of the board of directors and the supervision of the supervisory board.

The general manager shall be accountable to the board of directors and exercise the following functions and powers:

- (I) to manage the production business operations of the Company, organize and implement the resolutions of the board of directors, and report to the board of directors;
- (II) to organize and implement the board's annual business plans, external investment, acquisition and disposal of assets, pledge of assets, external guarantee, entrusted financial management, connected transactions, external donations, entrusted financial management and other matters and plans;
- (III) to prepare the annual financial budgets, final accounting plans, profit distribution plan, loss makeup plan, and plan to increase or decrease the registered capital of the Company according to the instructions of the board of directors;
- (IV) to formulate plans such as the establishment, merger, division, restructuring, dissolution, bankruptcy of the major subsidiaries of the Company and change in the form of the Company;
- (V) to formulate the establishment and adjustment plan of the Company's internal management organization of the Company and major branches;
- (VI) to prepare the plan of the basic management system of the Company;

- (VII) to formulate the Company's specific rules;
- (VIII) to recommend to the board of directors for the appointment or dismissal of deputy general manager, chief accountant and general legal counsel and other senior management;
- (IX) to appoint or remove personnel other than those appointed or removed by the board of directors;
- (X) to formulate policies and plans for the wages, benefits, awards and punishments of the employees of the Company;
- (XI) to sign accountability statements on annual and term business performance with other members of the management according to the authorization of the chairman;
- (XII) to exercise other functions and powers conferred in the Articles of Association or by the board of directors and the chairman.

The general manager shall be present at the board meetings.

Article 166 The general manager shall formulate working rules for the general manager and shall take effect from the date of passing the resolution of the board of directors.

Article 167 The detailed working rules formulated for the general manager shall include the following:

- (I) conditions and procedures for convening and participants of the general manager meetings;
- (II) Respective duties and division of work among the general manager and other senior management;
- (III) the use of funds and assets of the Company, authority to enter into material contracts and systems for reporting to the board of directors and supervisory board;
- (IV) other matters as deemed necessary by the board of directors.

Article 168 The general manager may resign prior to the expiration of his/her term of office. The detailed procedures for the general manager's resignation shall be set out in the service contract entered into between the general manager and the Company.

Article 169 The Company shall have a secretary to the board of directors. The secretary to the board shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the board of directors. The secretary to the board of directors is responsible for the preparation of the general meeting and board meeting of the Company, keeping of the documents and the information management of the shareholders of the Company, organizing and coordinating the disclosure of information of the Company, handling the Company's information release and other related matters, to ensure:

- (I) the Company's organization documents and records are complete;
- (II) the lawful preparation and submission by the Company of reports and documents as required by competent authorities;
- (III) the Company's register of shareholders are properly maintained, and the persons entitled to the Company's records and documents are furnished with such records and documents in time.

The secretary to the board of directors shall comply with relevant requirements under the laws, administrative regulations, departmental rules, the rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association.

A director or other senior management of the Company may also act as the secretary to the board of directors. Accountant of the accounting firm engaged by the Company shall not act as the secretary to the board of directors concurrently.

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

The board of directors shall formulate the rules on the work of the secretary to the board of directors and shall take effect from the date of passing the resolution of the board of directors.

Article 170 If a senior management violates the requirements under the laws, administrative regulations, departmental rules, the rules of the stock exchange in the place where the Company's shares are listed or the Articles of Association in the course of performing his/her duties of the Company and subsequently causes losses to the Company, he/she shall be liable for compensation.

Article 171 The senior management of the Company shall perform their duties faithfully and safeguard the best interests of the Company and all shareholders. If the senior management of the Company has caused damage to the interests of the Company and the public shareholders due to their failure to faithfully perform their duties or breach of their fiduciary duties, they shall be liable for compensation in accordance with the law.

Article 172 The Company implements the general legal advisor system, which leads the corporate legal compliance management in an all-round way, coordinates and handles legal compliance affairs in operation and management, participates in major business decisions, promotes the legal construction of the Company, and leads the corporate legal compliance agencies to carry out relevant work. Where the Party Committee or the board of directors discusses matters involving legal issues, the general legal counsel shall attend the meeting and provide legal opinions.

Chapter 9 Supervisory Board

Section 1 Supervisors

- Article 173** The directors, general managers and other senior management shall not concurrently act as a supervisor.
- Article 174** The supervisors shall observe laws, administrative regulations, the rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association. They shall assume the duties of loyalty and due diligence to the Company, carry out its monitoring duties diligently and shall not accept any bribery or other illegal income by using his/her powers and position, or seize the assets of the Company in any manner.
- Article 175** Each term of office of a supervisor shall be three years. Upon its expiry, the supervisor's term of office shall be renewable by re-election.
- Article 176** A supervisor may resign before the expiration of his/her term of office. A supervisor shall tender a written resignation to the supervisory board.
- If no supervisor is elected in place of a retiring supervisor upon expiry of his/her term or a supervisor resigns before the expiry of his/her term resulting in the number of supervisors to be less than the required number, or the employee representative supervisor resigns resulting in the number of employee representative supervisor being less than one-third of the members of the supervisory committee, the leaving supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations, the rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association until a supervisor is elected in his/her place.
- Apart from the case set out in the preceding paragraph, a written resignation of a supervisor shall come into force on the date it is served to the supervisory board.
- Article 177** Supervisors shall ensure that the Company discloses information in a timely and fair manner, and the information disclosed is true, accurate and complete.
- Article 178** A supervisor shall attend board meetings, and make enquiry or suggestion regarding resolutions of meetings of the board of directors.
- Article 179** A supervisor shall not take advantage of his/her connection with the Company to harm interests of the Company and shall indemnify the Company against losses caused thereby.
- Article 180** If a supervisor violates laws, administrative regulations, department rules, the rules of the stock exchange in the place where the Company's shares are listed or the Articles of Association when performing his/her duties in the Company, he/she shall indemnify the Company against losses incurred due to such violation.

Section 2 Supervisory Board

- Article 181** The Company shall have a supervisory board, which shall consist of 3 supervisors, 1 of whom shall act as a chairman. The chairman of the supervisory board shall be appointed or removed by the votes of more than two-thirds of the members of the supervisory board. The chairman of the supervisory board shall convene and preside over the supervisory board meetings. If the chairman of the supervisory board is unable to or does not discharge his/her duties, a supervisor shall be nominated by more than a half of the supervisors to convene and preside over the supervisory board meetings.
- Article 182** The supervisory board shall consist of shareholder representatives and an appropriate proportion of the Company's employee representatives and the percentage of employee representatives shall not be less than one-third. Shareholder representative supervisors of the supervisory board shall be elected and removed by the general meeting. The employee representatives of the supervisory board shall be elected by employees of the Company at the employee representatives' meeting, employee meeting or otherwise democratically.
- Article 183** The supervisory board shall be accountable to the general meetings and shall exercise the following authorities:
- (I) to review the securities issuance documents and periodical reports prepared by the board of directors and to provide written review opinions thereon, a written confirmation of which shall be signed by the supervisors;
 - (II) to inspect the Company's financial position;
 - (III) to supervise the directors and senior management on their conducts when performing duties to the Company, and to propose to remove those directors or senior management who are in violation of laws, administrative regulations, rules of the stock exchange in the place where the Company's shares are listed, the Articles of Association or resolutions of the general meetings;
 - (IV) to demand rectifications to be made by a director and senior management when his/her acts impairs the Company's interests;
 - (V) to propose the convening of extraordinary general meetings and, in cases where the board of directors does not perform the obligations to convene and preside over the general meetings as stipulated by the Company Law, to convene and preside over the general meetings;
 - (VI) to propose motions to the general meetings;
 - (VII) to propose the convening of extraordinary general meetings and extraordinary board meetings;
 - (VIII) to represent the Company in negotiating with the directors;

- (IX) to initiate legal proceedings against the directors and senior management in accordance with the Company Law;
- (X) to verify the financial information, such as financial reports and profit distribution plans, to be submitted by the board of directors to the general meetings and, in case of any doubts or abnormalities discovered in the Company's operations, to undergo investigations with the assistance from, where necessary, professional institutions such as accounting firms and law firms appointed at the Company's expense;
- (XI) where the supervisory board finds that the directors or senior management violate the laws and regulations or the Articles of Association, it shall perform its supervisory duties and notify the board of directors or report to the general meetings, or directly report to the CSRC and its delegated agencies, stock exchanges or other departments.
- (XII) other authorities conferred by the laws, administrative regulations, departmental rules, normative documents, the rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association.

For item (I) in paragraph 1 under this Article, in the event the supervisors cannot guarantee the truthfulness, accuracy and completeness of the contents of the securities issuance documents and periodic reports, or hold a different opinion, such opinion and the reason thereof shall be included in their written confirmation, which shall also be disclosed by the Company. If the Company fails to make such disclosure, the supervisors may apply for disclosure directly.

Article 184 The supervisory board shall meet at least once in every 6 months and such meeting shall be convened by the chairman of the supervisory board. The supervisors may propose to convene an extraordinary meeting of the supervisory board.

Article 185 A supervisor shall have one vote when voting on the resolution of the meeting of the supervisory board by open ballot and in writing.

Resolutions proposed by the supervisory board shall be passed by the votes of more than two-thirds of the supervisory board members.

The supervisory board shall formulate rules of procedure for meetings of the supervisory board and shall clarify methods for business discussions and voting procedures to ensure the work efficiency and scientific decision making of the supervisory board. The rules of procedure for meetings of the supervisory board shall be appendix to the Articles of Association and shall be formulated by the supervisory board and approved by the general meeting.

Article 186 The supervisory board shall file resolutions as meeting minutes, which shall be signed by the attending supervisors.

Any supervisor shall have the right to have an explanatory note made in the minutes regarding his/her speech at the meeting. The minutes of meetings of the supervisory board shall be kept as archives of the Company for at least 10 years.

Article 187 The notice of meetings of the supervisory board shall specify:

- (I) the date, venue and duration of the meeting;
- (II) the reasons and agenda of the meeting;
- (III) the date of notice given.

Chapter 10 Qualifications and Obligations of the Company's Directors, Supervisors, General Manager and Other Senior Management

Article 188 A person shall not serve as a director, supervisor, general manager or other senior management of the Company if such person:

- (I) has no civil capacity or has restricted civil capacity;
- (II) has been sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the socialist market economic order, where less than 5 years have elapsed since the date of completion of such sentence, or has been deprived of political rights due to any criminal offenses where less than 5 years have elapsed since the date of completion of such deprivation;
- (III) has served as a director, factory manager or manager of a company or an enterprise that was declared bankrupt and liquidated, and is personally liable for the bankruptcy of that company or enterprise, where less than 3 years have elapsed since the date of completion of the bankruptcy and liquidation of that company or enterprise;
- (IV) has served as the legal representative of a company or an enterprise whose business license was revoked and ordered to close down due to a violation of laws and is personally liable for such revocation and order, where less than 3 years have elapsed since the date of revocation of the business license of that company or enterprise;
- (V) has a large amount of personal debts due and unsettled;
- (VI) is penalized by CSRC to be prohibited from entering the securities market with a period yet to be expired;
- (VII) is under investigation by judiciary authorities due to criminal offenses and such investigation has not yet concluded;
- (VIII) was ruled by the relevant competent authorities that he/she was in breach of the relevant securities regulations and committed fraudulent or dishonest acts, where less than 5 years have elapsed since such ruling was made;
- (IX) is not a natural person;

- (X) satisfies other circumstances stipulated in the laws, administrative regulations or departmental rules.

If the election or appointment of directors, supervisors, general managers and other senior management has violated the requirements herein, such election or appointment or employment shall be void and invalid. If such circumstances arise during the period of employment of a director, supervisor, manager and other senior management, the Company shall dismiss their duties.

Article 189 The validity of an act of a director, general manager and other senior management of the Company acting on behalf of the Company vis-a-vis a bona fide third party shall not be affected by the irregularities in the appointment, election or qualification of such person.

Article 190 In addition to the obligations imposed by laws, administrative regulations or the rules of the stock exchange in the place where the Company's shares are listed, the directors, supervisors, general managers and other senior management of the Company shall owe the following duties to every shareholder in the exercise of the authorities conferred upon them by the Company:

- (I) not to cause the Company to operate beyond the business scope as stipulated in its business license;
- (II) to act honestly in the best interests of the Company;
- (III) not to expropriate the Company's property in any form, including (but not limited to) opportunities advantageous to the Company;
- (IV) not to deprive the shareholders of their individual interests, including (but not limited to) rights to distribution and voting rights, except for any restructuring of the Company submitted to a general meeting for approval in accordance with the Articles of Association.

Article 191 Each of the Company's directors, supervisors and other senior management owes a duty, in the exercise of his/her powers and discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 192 The directors, supervisors, general managers and other senior management of the Company must, in the discharge of their duties, abide by the principle of good faith and shall not place themselves in a position where their personal interests may conflict with their obligations. This principle shall include (but not limited to) the performance of the following obligations:

- (I) to act honestly in the best interests of the Company;
- (II) to exercise their powers within their terms of reference and may not go beyond the scope of such powers;

- (III) to exercise in person the discretion vested in him/her without being manipulated by others, and may not delegate his/her discretion to others for their exercise unless permitted by laws and administrative regulations or with the informed consent of the general meeting;
- (IV) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (V) not to enter into a contract, transaction or arrangement with the Company unless otherwise provided in the Articles of Association or with the informed approval of the general meeting;
- (VI) not to use the Company's property for his/her own benefits in any way without the informed consent of the general meeting;
- (VII) not to exploit his/her position to accept bribes or other illegal income, nor to misappropriate the Company's property in any form, including (but not limited to) opportunities advantageous to the Company;
- (VIII) not to accept commissions in connection with Company's transactions without the informed consent of the general meeting;
- (IX) to abide by the Articles of Association, perform his/her duties faithfully and protect the interests of the Company, and not to exploit his/her position and authority in the Company for his/her private benefits;
- (X) not to compete with the Company in any way without the informed consent of the general meeting;
- (XI) not to misappropriate the Company's funds or to lend the Company's funds to others, nor to deposit the Company's assets in an account under his/her own name or the name of other or to provide guarantee for the Company's shareholders or other personal debts with any property of the Company;
- (XII) not to disclose any confidential information related to the Company which was acquired by him/her during his/her term of office without the informed consent of the general meeting, and not to use such information except for the benefits of the Company; however, such information may be disclosed to court(s) or other competent government authorities under the following circumstances:
 - 1. there exist legal requirements;
 - 2. it is subject to the requirement of the public interest;
 - 3. it is subject to the requirement of the interests of such directors, supervisors, general managers and other senior management.

- Article 193** Each director, supervisor, general manager and other 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/her capacity as such:
- (I) the spouse or minor child of such director, supervisor, general managers and other senior management of the Company;
 - (II) the trustee of a director, supervisor, general managers and other senior management of the Company or of any person referred to in item (I) of this Article above;
 - (III) the partner of a director, supervisor, general managers and other senior management of the Company or of any person referred to in items (I) and (II) of this Article above;
 - (IV) the company over which a director, supervisor, general managers and other senior management of the Company, alone or jointly with any person referred to in items (I), (II) and (III) of this Article above or any other director, supervisor, managers and other senior management of the Company, has actual controlled;
 - (V) the director, supervisor, general managers and other senior management of a company being controlled as referred to in item (IV) of this Article above.
- Article 194** The fiduciary duties of the director, supervisor, general managers and other 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. 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 195** Except for circumstances prescribed in Article 61 of the Articles of Association, a director, supervisor, general managers and other senior management of the Company may be relieved from liability for specific breaches of his/her duty by the informed consent of shareholders given at a general meeting.
- Article 196** Where a director, supervisor, general manager and other senior management of the Company has material interests, directly or indirectly, in an established or proposed contract, transaction or arrangement entered into by and with the Company (other than the service contract entered into by and between a director, supervisor, general manager and other senior management of the Company and the Company), he/she shall disclose the nature and extent of his/her interests to the board of directors promptly whether or not such contract, transaction or arrangement is subject to the approval of the board of directors under normal circumstances.

Save for the exceptions permitted by Note 1 as set out in Appendix 3 to the Hong Kong Listing Rules or the Hong Kong Stock Exchange, a director may not vote in respect of any board resolutions approving any contracts or arrangements or any other proposals in which he/she or any of his/her close associates (as defined in the Hong Kong Listing Rules) has material interests, nor shall he/she be counted in the quorum present at the meeting.

Unless the interested director, supervisor, general manager and other senior management of the Company has disclosed his/her interests to the board of directors as required by the preceding paragraph hereof and the matter has been approved by the board of directors at a meeting in which the interested director, supervisor, general manager and other senior management was not counted in the quorum and has abstained from voting, the Company shall have the right to revoke the contract, transaction or arrangement, unless the counterparty is a bona fide party acting without knowledge of the breach of obligations by such director, supervisor, general manager and other senior management.

A director, supervisor, general manager and other senior management of the Company shall be deemed to be interested in a contract, transaction or agreement in which an associate of such director, supervisor, general manager and other senior management is interested.

Article 197 Where a director, supervisor, general manager and other senior management of the Company gives a written notice to the board of directors 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, general manager and other senior management shall be deemed for the purposes of the preceding Articles of this Chapter to have declared his/her interest, insofar as attributable to the scope stated in the notice.

Article 198 The Company shall not in any manner pay tax for or on behalf of its directors, supervisors, general managers and other senior management.

Article 199 The Company shall not, directly or indirectly, provide a loan to, or a loan guarantee for, the directors, supervisors, general managers and other senior management of the Company and its parent company, nor shall the Company provide a loan to, or a loan guarantee for, the associates of the above-mentioned persons.

However, the preceding paragraph shall not apply if:

- (I) the Company provides a loan to, or a loan guarantee for, its subsidiaries;
- (II) the Company provides a loan to, a loan guarantee for, or any other funds to its directors, supervisors, general managers and other senior management to reimburse the expenditure incurred by him/her for the account of the Company or for the purpose of discharging his/her duties to the Company, in accordance with the service contract approved by the general meeting;

- (III) where the ordinary business scope of the Company includes the provision of loans and loan guarantees, the Company may provide loans to, or loan guarantees for, the relevant directors, supervisors, general managers and other senior management and their associates provided that such loans and loan guarantees are made on normal commercial terms.

Article 200 A loan made by the Company in breach of the preceding paragraph shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

Article 201 The loan guarantee which has been provided by the Company in breach of item (I) of Article 199 shall not be enforceable against the Company, save in respect of the following circumstances:

- (I) at the time the loan was made to a relevant person of any of the directors, supervisors, general manager and other senior management of the Company or the Company's parent company, the lender was not aware of the relevant circumstances;
- (II) the security provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 202 Guarantee mentioned in the preceding paragraph includes the assumption of liability or the provision of assets by the guarantor to secure the performance of obligations by the obligor.

Article 203 In the event of violation of obligations owed to the Company by the directors, supervisors, the general manager and other senior management of the Company, the Company shall have the right to take the following measures in addition to various rights and remedial measures stipulated in legal and administrative regulations:

- (I) Require related directors, supervisors, general manager and other senior management to compensate the Company for losses incurred as a result of their neglect of duty;
- (II) Cancel any contract or transaction entered into between the Company and related directors, supervisors, general manager and other senior management as well as any contract or transaction entered between the Company and any third person when the third person knew or should have known that the directors, supervisors, the general manager and other senior management acting on behalf of the Company violated their obligations owed to the Company;
- (III) Require related directors, supervisors, general manager and other senior management to turn over the proceeds obtained from the violation of their obligations;
- (IV) Recover funds collected by related directors, supervisors, general manager and other senior management that should have been collected for the Company, including but not limited to commissions;

- (V) Require related directors, supervisors, general manager and other senior management to return to the Company the interest earned or that may be earned from funds that should have been paid to the Company.

Article 204 The Company shall enter a written contract with the directors and supervisors in respect of emolument and such contract shall be approved by the general meeting in advance.

The written contract shall at least include the following provisions:

- (I) the directors, supervisors and senior management shall undertake to the Company to comply with the Company Law, the Special Provisions, the Articles of Association, the Code on Takeovers and Mergers and Share Repurchases and other provisions of Hong Kong Stock Exchange, and shall specify that the Company is entitled to take remedial measures as stipulated in the Articles of Association. Neither the contract nor his/her office is capable of assignment;
- (II) the directors, supervisors and senior management shall undertake to the Company to observe and perform their obligations to shareholders as stipulated in the Articles of Association;
- (III) the arbitration clauses as provided in Article 269.

The aforesaid emoluments shall include:

- (I) the emoluments in respect of service as a director, supervisor or senior management;
- (II) the emoluments in respect of service as a director, supervisor or senior management of any subsidiary of the Company;
- (III) the emoluments in respect of the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries;
- (IV) the payment for compensation for the loss of office or retirement from office of such director or supervisor.

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

Article 205 As provided in the contract entered into between the Company and its directors or supervisors in connection with their emoluments, they are entitled to compensation or other payments for loss of office or retirement as a result of the acquisition of the Company, subject to the prior approval of the shareholders at the general meeting. Acquisition of the Company in the preceding paragraph refers to any of the following circumstances:

- (I) an offer made by any person to all shareholders;
- (II) an offer made by any person such that the offeror will become the controlling shareholder. The term “controlling shareholder” has the same meaning as defined in Article 270 of the Articles of Association.

If the relevant director or supervisor fails to comply with the requirements in this Article, any payment received shall belong to the person who sells the shares for accepting the aforesaid offer. The director or supervisor shall bear all expenses arising from the distribution of such payments on a pro rata basis and such expenses shall not be deducted from these payments distributed.

Chapter 11 Financial Accounting System, Profit Distribution, and Auditing

Section 1 Financial Accounting System and Profit Distribution

Article 206 The Company shall establish its financial and accounting system in accordance with the law, administrative regulations and the requirement of relevant regulatory departments of the PRC.

Article 207 The fiscal year of the Company follows the Gregorian calendar and commences on January 1 and ends on December 31 each year. While the first fiscal year of the Company shall commence from the date of the establishment of the Company and ends on December 31 of the same year. The functional currency of the Company is RMB.

Article 208 The Company shall prepare a financial report at the end of each accounting year and the same shall be audited by an accounting firm in accordance with the relevant law.

The Company shall submit and disclose its annual reports to the CSRC and the stock exchange(s) in the place where the Company’s shares are listed within four months from the ending date of each fiscal year, submit and disclose interim reports to the local office of the CSRC and the stock exchange(s) in the place where the Company’s shares are listed within two months from the ending date in the first half of each fiscal year.

The aforesaid annual report and interim report shall be prepared in accordance with the relevant laws, administrative regulations, the rules of the CSRC and the stock exchange(s) in the place where the Company’s shares are listed.

Article 209 The board of directors of the Company shall submit the financial reports prepared by the Company as required by the laws, administrative regulations and statutory documents promulgated by local governments and competent authorities to the shareholders at every annual general meeting.

Article 210 The Company’s financial reports shall be made available for shareholders’ inspection at the Company twenty days before the date of every annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

Unless otherwise specified in the Articles of Association, the Company shall deliver or send to each shareholder of overseas listed shares by prepaid mail at the address registered in the register of shareholders the said reports, the report of directors, together with the balance sheet (including every document to be attached to the balance sheet as required by the law) and statement of profit or loss or the statement of income and expense not later than twenty-one days before the date of every annual general meeting. Such documents may also be delivered to shareholders of overseas listed shares through the Company's website, the website of the Hong Kong Stock Exchange and other websites as may be provided by the Hong Kong Listing Rules from time to time, provided that the laws, administrative regulations and requirements of the securities regulatory authority at the place where the shares of the Company are listed are observed.

Article 211 The financial statements of the Company shall, in addition to being prepared in accordance with the PRC Accounting Standards for Business Enterprises and regulations, be prepared in accordance with either international accounting standards, or those of the place outside China where the Company's shares are listed. If there is any material difference between the financial statements prepared in accordance with the two accounting standards, such difference shall be stated in the notes to the financial statements. When the Company is to distribute its after-tax profits for relevant accounting years, the lower of the after tax-profits as shown in the two financial statements shall be adopted.

Article 212 Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC Accounting Standards for Business Enterprises and regulations, and also in accordance with either international accounting standards or those of the place where the Company's shares are listed.

Article 213 The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article 214 The Company shall allocate 10% of the annual after-tax profits as the statutory reserve fund of the Company. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up the said losses before any statutory reserve fund is withdrawn as per the provision of the preceding paragraph.

After withdrawing the statutory reserve fund out of its after-tax profits, the Company may also allocate some of its after-tax profits into its discretionary reserve if so resolved by the general meeting.

After making up for the losses and making contributions to the common reserve fund, any remaining profits after tax shall be distributed to the shareholders in proportion to their respective shareholdings, except it is stipulated in the Articles of Association of the Company that profit distributions shall not be made in accordance with the shareholding proportion.

If the general meeting has, in violation of the provisions of the preceding paragraphs, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve fund, the shareholders must return the profits distributed in violation of the provision to the Company.

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

Article 215 Reserves of the Company are used for offsetting losses of the Company, expanding the Company's production and operation or increasing the capital of the Company. However, capital reserve shall not be used to offset losses of the Company.

Capital reserve fund includes the following items:

- (I) Premium on shares issued at a premium price;
- (II) Any other income designated for the capital reserve fund by the regulations of the finance regulatory department of the State Council.

Article 216 If the statutory reserve is converted into capital, the balance of the statutory reserve shall not fall below 25% of the Company's registered capital before the increase of the capital.

Article 217 After the profit distribution plan has been adopted at the Company's general meeting, the board of directors of the Company shall complete the dividend (or share) distribution within two months after the general meeting.

Article 218 The Company's profit distribution policy shall remain consistent and stable, and shall be in the interest of the Company in the long term and the interests of all shareholders as a whole and in line with the sustainable development of the Company.

The Company may distribute dividends in the form of cash or shares or a combination of both at the same time. The Company gives priority to profit distribution in cash.

Without affecting the Company's continued profitability, the Company will place an emphasis on the return to investors. When formulating the profit distribution plan, the Company shall take the distributable profit in the financial statements of the parent company as the basis, and distribute dividends to the shareholders in a certain proportion to the Company's distributable profit realized for the year as set out in that year's consolidated financial statements.

Article 219 The Company may distribute dividends in cash, shares or in a combination of cash and shares. Under certain conditions, the Company can make interim cash dividends.

Except for under special circumstances, if the Company has recorded a profit for the current year, the accumulated undistributed profit is positive and is capable to satisfy the actual needs for distribution, then a distribution by way of cash dividends shall be adopted. Distribution of profit by way of cash in each year shall not be less than 5% of distributable profit realized for the current year as set out in the consolidated financial statements of the Company, and the cumulative distribution of profit in the form of cash for every three consecutive years shall not be less than 30% of the average annual amount of distributable profit realized for such three years.

The aforesaid “special circumstances” shall include the following:

- (I) the Company has realized a relatively small amount of distributable profit for that year as set out in the consolidated financial statements, which is not sufficient to distribute in practice.
- (II) the audit firm appointed by the Company to audit the annual financial report for the current year has issued a non-standard audit report with qualified opinions.
- (III) the liability-to-asset ratio of the Company as at the end of that year has exceeded 70%.
- (IV) where the Company has major investment plan or significant cash expenditure, excluding fund-raising projects. Such major investment plan or significant cash expenditure including but not limited to the accumulated expenditure of external investment, asset acquisition, equipment acquisition, loan repayment and bond payment by the Company in that year or within the following 12 months reaching or exceeding 10% of the latest audited net assets of the Company.

When the Company is in a sound operating condition, and the board of directors considers that the Company’s stock price does not reflect its scale of capital, and distributing dividends in shares will be in the interests of all shareholders as a whole, the Company may propose the distribution of dividends in shares upon fulfilment of the above conditions concerning cash dividends.

Article 220

The profit distribution plan shall, after formulated by the general manager’s office of the Company, be submitted for consideration and approval to the board of directors and supervisory board. The board of directors shall conduct sufficient discussions on the reasonableness of the profit distribution plan and form a specific proposal, which shall be submitted to the general meeting for its consideration and approval.

If the Company is unable to determine the profit distribution plan in the current year according to the established cash dividend policies or the minimum cash dividend ratio due to special circumstances stated in Article 219, the Company shall consider the characteristics of the industry, the stage of development and its own business model, profitability and capital requirements in the announcement of the resolution of the board of directors in relation to the review and approval of profit distribution, and disclose in detail the reason for non-payment of cash dividends or lower level of cash dividend; the exact use and expected proceeds of the undistributed profits retained which are not distributed as dividends. Independent directors shall express clear opinions. The Company's profit distribution plan for current year must be passed by not less than two-thirds of the voting rights held by shareholders at a general meeting.

Article 221 The Company may adjust its profit distribution policy under the following circumstances:

- (I) occurrence of force majeure such as war and natural disasters;
- (II) in case of new laws, regulations or regulatory documents promulgated by the relevant departments of the state on the profit distribution policies of listed companies;
- (III) changes in the Company's external operating environment which have a significant impact on the Company's production and operation;
- (IV) there are material changes in the own operation of the Company which require the adjustment to the profit distribution policy;
- (V) the adjustment to the profit distribution policy is required in order to protect the interests of the shareholders or maintain the normal and sustainable development of the Company.

The board of directors shall make a thematic discussion on the adjustment or change of the Company's profit distribution policy, demonstrate the reasons for the adjustment in detail, form a written demonstration report, discuss thoroughly with independent directors, fully consider the opinions of minority investors and shall be reviewed and approved by the board of directors and then submitted to the general meeting of shareholders for approval by a special resolution.

Article 222 The company should disclose in detail the formulation and implementation of profit distribution policies in periodic reports, whether in compliance with the requirements of the Articles of Association and the resolutions of the general meeting, whether the dividend distribution criteria and proportion were well-defined and clear, whether the related decision-making process and mechanism were in place, whether independent directors fulfilled their duties and played their roles, whether the minority shareholders had the opportunities to sufficiently express their opinions and appeals and the legal interests of the minority shareholders were fully protected. If the cash dividend policy is to be adjusted or altered, it shall be disclosed in details whether the conditions and procedures of such adjustments or alternation is in compliance and transparent.

Article 223 The Company shall appoint a payment receiving agent for holders of overseas listed foreign shares. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed foreign shares.

The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.

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

Subject to the relevant laws and regulations of the PRC, the Company may exercise its right to confiscate the dividends which are not claimed by anyone, but such right can only be exercised after the expiration of 6 years after the dividend announcement date.

Section 2 Internal Auditing

Article 224 The Company shall conduct internal audit system, the internal audit organization works under the leadership of the Party Committee and the board of directors, the Company and assign full-time auditors to conduct internal audit and supervision on the revenues and expenditures, economic activities, internal control and risk management of the Company.

Article 225 The internal audit system and the duties of the auditing staff of the Company shall come into effect upon the approval of the board of directors. The officer-in-charge of the audit team shall be responsible to and report to the board of directors.

Section 3 Appointment of Accounting Firm

Article 226 The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of China such as the Securities Law to audit the annual financial reports and other financial reports, conduct verification of net assets and other relevant consultation services.

Article 227 Except as otherwise provided in the Articles of Association, the Company's appointment of an accounting firm shall be decided by the general meeting and the board of directors shall not appoint any accounting firm prior to a decision made by the general meeting. The accounting firm appointed by the Company shall hold office for a period commencing from the conclusion of this annual general meeting until the conclusion of the next annual general meeting. The appointment may be renewed.

Article 228 In the event of a vacancy in the accounting firm, the board of directors may appoint an accounting firm to fill the vacancy before the general meeting is convened, but the appointment shall be confirmed by the next general meeting. Such accounting firm may continue to act during the vacancy period if the Company has other incumbent accounting firms.

- Article 229** The accounting firm appointed by the Company shall have the following rights:
- (I) to inspect the accounting books, records and vouchers of the Company at any time; to require the directors, manager or other senior management of the Company to provide relevant information and explanation;
 - (II) to require the Company to take all reasonable steps to obtain from the Company's subsidiaries such information and explanation as are necessary for the purpose of discharging its duties;
 - (III) to attend the general meetings and to receive all notices of, and other information relating to, the meeting that any shareholder is entitled to, and to speak at any general meeting in relation to matters concerning its role as the Company's appointed accounting firm.
- Article 230** Notwithstanding the terms set out in the contract between the accounting firm and the Company, shareholders at the general meeting may, by way of ordinary resolution, resolve to remove such accounting firm before the expiration of its term of office, but without prejudice to the rights of the firm to claim for damages in respect of such removal.
- Article 231** The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any objection, omission or falsehood.
- Article 232** The remuneration or method of remuneration of an accounting firm shall be decided upon by the general meeting.
- Article 233** The removal and non-reappointment of an accounting firm shall be resolved by the general meeting.

Where it is intended to pass a resolution at a general meeting to appoint an accounting firm which is not holding a current position to fill any vacancy of the position of the accounting firm, or to renew the engagement of an accounting firm engaged by the board of directors to fill up the vacancy, or to dismiss an accounting firm before the expiry of its term of appointment, such matters shall be handled pursuant to the following provisions:

- (I) before the dispatch of the general meeting notice, the proposal on the appointment or dismissal is delivered to the accounting firm to be appointed or to leave its office or already retired in the relevant fiscal year.

Leaving office shall include the dismissal, resignation and retirement for an accounting firm.

- (II) 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;
 - 2. copies of such a statement as the annex to the notice shall be sent to shareholders in such manner set forth in the Articles of Association.
- (III) if the Company fails to deliver such statement made by the relevant accounting firm in accordance with the provisions in item (II) of this Article, the accounting firm concerned may require the statement to be read out at the general meeting and make further complaints.
- (IV) the accounting firm to leave office 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 the corresponding vacancy caused by its dismissal shall be filled;
 - 3. the general meeting convened for the resignation that it takes initiative to render.

The accounting firm to leave office is entitled to receive all notices or other information related to the foregoing meetings, and to speak at the foregoing meetings regarding such matters related to it as the former accounting firm of the Company.

30 days' prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the appointment thereof. The accounting firm shall be entitled to make representations when the resolution regarding the removal of the accounting firm is considered at the general meeting of the Company.

Where the accounting firm resigns, it shall make clear to the general meeting whether there is any impropriety existing in the Company.

An accounting firm may resign by depositing a written resignation notice at the legal address of the Company. The resignation notice shall become effective on the date of such deposit or on such later date stipulated in such notice. Such notice shall contain the following statements:

- (I) a statement to the effect that there are no circumstances in connection with its resignation which should be brought to the notice of the shareholders or creditors of the Company; or
- (II) a statement of other circumstances considered necessary.

The Company shall send a copy of the above written notice to the competent authority within 14 days after receiving such notice. If the notice contains the two statements abovementioned, a copy of such statements shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statements by prepaid mail to every holder of overseas listed foreign shares at the address registered in the register of shareholders.

Where the accounting firm's notice of resignation contains a statement regarding any accountable affair, it may require the board of directors to convene an extraordinary general meeting for the explanation of the circumstances regarding to its resignation.

Chapter 12 Democratic Management of Employees and Labor and Personnel System

- Article 234** In accordance with the laws and regulations, the Company improves the democratic management system with employee representative congress as its basic form, promotes the openness of factory affairs and business, and implements the rights of employees to know, participate, express and supervise. Major issues involving the vital interests of employees must be reviewed by the employee representative assembly or the employees' general meeting. Adhering to and improving the employee supervisor system to ensure the rights and interests of employee representatives to participate in corporate governance in an orderly manner.
- Article 235** The Company's employees may, in accordance with the Trade Union Law of the People's Republic of China, organize a trade union to carry out the trade union activities and protect the lawful rights and interests of the employees. The Company shall provide the trade union with the conditions necessary for the trade union to carry out its activities.
- Article 236** The Company shall comply with national laws and administrative regulations regarding labor protection and production safety, and implement relevant policies promulgated by the State to protect the legitimate rights and interests of the employees. The Company shall develop labor, personnel and salary system in accordance with the laws, administrative regulations and policies of the State regarding labor and personnel and based on the needs of production and operation, and flexibly carry out medium and long-term incentive plans through various means.
- Article 237** The Company establishes and implements a market-oriented employment system with labor contract management as the key and position management as the basis, and implements the open recruitment for employees, management personnel competition for posts, final adjustment and incompetent exit; the Company establishes and implements a remuneration distribution system for key core talents with competitive advantages in the market, flexibly carries out various medium and long-term incentives, and strengthens the incentives for core backbones.

Chapter 13 Notices and Announcements

Section 1 Notices

Article 238 A notice of the Company shall be sent by:

- (I) hand;
- (II) mail;
- (III) such electronic means as e-mail, fax, etc.;
- (IV) announcement;
- (V) other forms stipulated in this Articles of Association;
- (VI) other means agreed by the Company and the recipient of the notice in advance or agreed by the recipient of the notice after receiving such notice;
- (VII) other means recognized by regulatory authorities of the place where the shares of the Company are listed or stated in the Articles of Association.

Article 239 Under the precondition of conforming to laws, administrative regulations, departmental rules, normative documents, the rules of the stock exchange in the place where the Company's shares are listed and the 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.

Pursuant to the Hong Kong Listing Rules, and subject to the laws and regulations and listing rules of the place where the shares of the Company are listed as well as the Articles of Association, corporate communications may be provided or sent to holders of H Shares by making announcement on the websites designated by the Company and the websites of the Hong Kong Stock Exchange or by electronic means. Corporate communications referred to in the preceding paragraph means any document issued or to be issued by the Company for the information or action of the holders of H Shares of the Company or other individuals required under the Hong Kong Listing Rules, including but not limited to:

1. the annual report of the Company (including the report of the board of directors, annual financial accounts, the auditor's report and the financial summary of the Company) (if applicable);
2. the interim report and the summary of the interim report of the Company (if applicable);
3. notices of meetings;
4. listing documents;

5. circulars;
6. proxy forms (as defined in the listing rules of the stock exchange(s) on which the shares of the Company are listed).

Where notices are given by way of announcements under authorization conferred by the Articles of Association, such announcements shall be published by means specified in the Hong Kong Listing Rules. The Company may only deliver the English version or the Chinese version (according to the intention expressed by the shareholder) of any relevant document of the Company within the scope permitted in any applicable law or regulation and in accordance therewith if the Company is required in the listing regulations at the place where the stock of the Company is listed to deliver, mail, distribute, issue or publish both the English and Chinese versions of any such document or provide any such documents in any other way, and if the Company has made appropriate arrangements to determine whether a shareholder wishes to receive only the English version or only the Chinese version of any such document.

Article 240 The Company issues announcements and information disclosure to shareholders of domestic shares through the stock exchange's website and media satisfying the requirements prescribed by China Securities Regulatory Commission. If an announcement should be issued to shareholders of overseas listed foreign shares according to the Company's Articles of Association, the relevant announcement shall also be published in accordance with the method stipulated in the Hong Kong Listing Rules.

The information disclosed by the Company in other public media shall not precede designated newspapers and designated websites, and shall not replace the Company's announcements in other forms such as press releases or answering questions from reporters.

The Company should ensure that the designated newspapers and periodicals for information disclosure comply with the relevant laws and regulations and the qualifications and conditions stipulated by China Securities Regulatory Commission, overseas regulatory authorities and domestic and foreign stock exchange(s).

Article 241 The meeting notice of convening the general meeting shall be made by announcement; the notice of the meeting of the board of directors shall be delivered by hand, by mail, fax or e-mail, unless otherwise provided in the Articles of Association; the meeting notice of convening the meeting of the supervisory board shall be delivered by hand, by mail, facsimile or e-mail.

Article 242 Where a notice of the Company is delivered by hand, the addressee shall sign (or seal) on reply slip and the date of receipt shall be deemed as the date of service; where a notice of the Company is delivered by mail, the fourth working day from the date of delivery to the post office shall be deemed as the date of service; where a notice of the Company is delivered by announcement, the first day on which such announcement is published shall be deemed as the date of service; where a notice of the Company is delivered by facsimile, the date of which the facsimile is sent shall be deemed as the date of service, and the date of which the facsimile is sent shall be subject to the indication on the report form of the facsimile machine that sent the notice; where a notice of the Company is delivered by e-mail, the date of which the e-mail is sent shall be deemed as the date of service.

Article 243 If a notice of meeting is accidentally omitted to be sent to a person who is entitled to receive the notice or if such person has not received the notice of meeting, the meeting and any resolutions made therein shall not become void thereby.

Section 2 Announcements

Article 244 The Company designates the media that meets the requirements of the securities regulatory authorities in the place where the Company's shares are listed and the official website of the stock exchange where the Company's shares are listed as the media that issue the Company's announcements and other information required to be disclosed.

Chapter 14 Merger, Division, Capital Increase, Capital Reduction, Dissolution, and Liquidation

Section 1 Merger, Division, Capital Increase, and Capital Reduction

Article 245 The merger or division of the Company shall be proposed by the board of directors. Following the approval pursuant to the procedures provided in the Articles of Association, such proposal shall go through the relevant approval formalities in accordance with laws. A shareholder who opposes the proposed merger or division shall have the right to demand the Company or the shareholders who agree with the proposed merger or division to acquire his/her shares at a fair price. The resolution of merger or division of the Company shall be made as a special document for inspection by shareholders.

For holders of H Shares of the Company, the aforesaid documents shall also be delivered by mail.

Article 246 Merger of the Company may take the form of merger by absorption or merger by new establishment.

A company absorbing another company is called amalgamation where the absorbed company will be wound up. When two or more companies merge and a new company is established, this is called a newly established merger. The merged companies will be wound up. Members of the liquidation committee shall perform their duties with due diligence and carry out their liquidating obligations in accordance to the law.

Members of the liquidation committee shall not use their position to accept bribes or other illegal income, and they shall not expropriate the Company's property.

If a member of the liquidation committee causes loss to the Company or its creditors due to intentional misconduct or gross negligence, he/she shall be liable for damages.

Article 247 In the event of a merger, the parties to the merger shall execute a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days, and make an announcement through designated media within 30 days, from the date of the Company's merger resolution. A creditor may, within 30 days from receiving the notice from the Company, or within 45 days if the creditor does not receive the notice, from the date of the announcement, demand that the Company repay its debts or provide a corresponding guarantee for such debt.

Article 248 Upon the merger of the Company, credit and debt of each part shall be inherited by the company subsisting after the merger or by the newly established company.

Article 249 If the Company is to be divided, the Company's assets shall be divided up accordingly.

In the event of division of the Company, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days, and make an announcement through designated media within 30 days, from the date of the Company's division resolution.

Article 250 Unless otherwise agreed in writing between the Company and its creditors in relation to the repayment of debts before the division, the succeeding companies after the division shall jointly assume the debts of the company which has incurred before such division.

Article 251 When the Company needs to reduce its registered capital, it must prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days, and make an announcement through designated media within 30 days, from the date of the Company's resolution on reducing registered capital. A creditor have the right to, within 30 days from receiving the notice from the Company, or within 45 days if the creditor does not receive the notice, from the date of the announcement, demand that the Company repay its debts or provide a corresponding guarantee for such debt.

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

Article 252 Where the merger or division of the Company involves changes in the registered items, the Company shall register such changes with the company registration authority in accordance with the law. Where the Company is dissolved, it shall apply for the cancellation of its registration in accordance with the law. Where a new company is established, it shall have its incorporation registered in accordance with the law.

If the Company increases or decreases registered capital, the Company shall register such changes with the company registration authority in accordance with the law.

Section 2 Dissolution and Liquidation

Article 253 The Company shall be dissolved due to the following reasons:

- (I) expiry of the operation period as provided in the Articles of Association or the occurrence of other events resulting in winding up as provided in these Articles;
- (II) the general meeting resolves to wind up;
- (III) the Company needs to be wound up due to merger or division;
- (IV) its business license is revoked or it is ordered to close down or to be dissolved according to laws;
- (V) in the event that the Company has encountered serious difficulties in its operation and management and that its continuous existence will cause substantial loss to the interests of the shareholders, and such difficulties cannot be solved by any other means, the shareholders who hold 10% or more of the voting rights of all the shareholders of the Company may request the people's court to dissolve the Company;
- (VI) the Company is declared bankrupt according to laws since it is unable to pay its debts upon maturity.

Article 254 With regard to the occurrence of the situation described in item (I) of Article 253, the Company may continue to exist by amending the Articles of Association.

Amendments to the Articles of Association pursuant to the preceding paragraph shall be subject to the approval of shareholders representing two-thirds or above of the voting rights present at the general meeting.

Article 255 Where the Company is dissolved pursuant to item (I), (II), (IV) or (V) of Article 253, a liquidation team shall be formed, within 15 days from the occurrence of the events of dissolution, to commence liquidation. The liquidation team shall consist of the directors or any persons as determined by the general meeting. Where no liquidation team is formed within the stipulated period, the creditors may file an application with the people's court to designate relevant persons to form a liquidation team for liquidation.

Where the Company is dissolved pursuant to item (IV) of Article 253, the relevant authorities shall establish a liquidation team consisting of shareholders, relevant authorities and relevant professionals for liquidation.

Where the Company is dissolved pursuant to item (VI) of Article 253, the people's court shall establish a liquidation team consisting of shareholders, relevant authorities and relevant professionals for liquidation in accordance with the relevant laws.

Article 256 Where the board of directors decides to liquidate the Company for any reason other than the Company's declaration of its own bankruptcy, the board of directors shall include a statement in its notice convening a general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the board of directors is of the opinion that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation.

Upon the passing of the resolution on the liquidation of the Company in the general meeting, all functions and powers of the board of directors shall cease immediately.

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

Article 257 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify creditors by sending a notice or by making an announcement;
- (III) to dispose of and liquidate any unfinished businesses of the Company;
- (IV) to pay outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle claims and debts;
- (VI) to dispose of the remaining assets of the Company after the repayment of debts;
- (VII) to represent the Company in any civil proceedings.

Article 258 The liquidation committee shall notify its creditors within 10 days of the date of its establishment and publish an announcement in the designated media within 60 days. Creditors may declare their claims to the liquidation committee within 30 days of receipt of the notice or within 45 days of the announcement if no such notice is received.

When declaring such claims, the creditor shall provide an explanation of matters relevant to the creditor's rights and provide supporting evidence. The liquidation committee shall register the creditors' rights.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Article 259 After sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the general meeting or to the People's Court for confirmation.

After the assets of the Company is applied for liquidation in the payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, payment of the Company's debts accordingly, the remaining assets shall be distributed to the shareholders according to the class of shares held by them and in proportion to their respective shareholdings.

During the liquidation period, the Company is still in existence but shall not commence any business activities unrelated to the liquidation. No property of the Company may be distributed to the shareholders before making repayments stipulated in the preceding paragraph.

Article 260 If after sorting out the Company's assets and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company due to its dissolution, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the People's Court for a declaration of bankruptcy.

After the Company is declared bankrupt by a ruling of the People's Court, the liquidation committee shall transfer all matters arising from the liquidation to the People's Court.

Article 261 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses during the liquidation period and financial accounts, which shall be verified by PRC certified public accountants and then submitted to the general meeting or relevant competent authorities for confirmation. The liquidation committee shall, within 30 days after such confirmation given by a general meeting or the relevant competent authority, submit the documents to the company registration authority, apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

Article 262 Members of the liquidation committee shall perform their duties with due diligence and carry out their liquidating obligations in accordance to the law.

Members of the liquidation committee shall not use their position to accept bribes or other illegal income, and they shall not expropriate the Company's property.

If a member of the liquidation committee causes loss to the Company or its creditors due to intentional misconduct or gross negligence, he/she shall be liable for damages.

Article 263 When the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the laws relating to the enterprise bankruptcy.

Chapter 15 Amendments to Articles of Association

- Article 264** In any of the following circumstances, the Company shall amend its Articles:
- (I) after the amendment of the Company Law or relevant laws or administrative regulations, the matters as provided in the Articles conflict with the amended laws or administrative regulations;
 - (II) the circumstances of the Company have changed so that they are inconsistent with those provided in the Articles;
 - (III) the general meeting decides to amend the Article.
- Article 265** Where an amendment to the Articles of Association approved by the general meeting through a resolution shall be approved by competent authorities, such amendment shall be submitted to the competent authorities for approval. Where an amendment involves company registration, the registration shall be amended according to laws.
- Article 266** The board of directors shall amend the Articles of Association in accordance with the resolution of the general meeting on amendments to the Articles of Association and the opinions of relevant competent authorities.
- Article 267** Amendments to the Articles of Association related to the information required to be disclosed by law, administrative regulations, departmental rules and the rules of the stock exchange in the place where the Company's shares are listed shall be announced in accordance with the regulations.
- Article 268** Amendments to the Articles of Association involving the Mandatory Provisions shall become effective upon approval by the company approval authority authorized by the State Council and if applicable, the securities regulatory authority of the State Council. If company registration is involved, changes shall be registered in accordance with the law.

Chapter 16 Settlement of Disputes

- Article 269** The Company shall comply with the following principles of dispute resolution:
- (I) If any dispute or claim concerning the Company's business on the basis of the rights or obligations provided in the Articles of Association, the Company Law and other relevant laws and administrative regulations arises between a holder of overseas listed shares and the Company, between a holder of overseas listed shares listed and a director, a supervisor or other senior management of the Company, or between a holder of overseas listed foreign shares and a holder of domestic shares, the parties concerned shall resolve such dispute or claim through arbitration.

When the aforementioned dispute or claim is to be resolved through arbitration, such dispute or claim shall be in its entirety, and all persons (in the capacity of the Company or its shareholders, directors, supervisors or senior management) that have a cause of action due to the same events or whose participation is necessary for the settlement of such dispute or claim shall abide by the arbitration.

Disputes concerning the definition of shareholders and the register of shareholders shall not be required to be settled by means of arbitration.

- (II) 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 the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim for 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.

- (III) The laws of the PRC shall apply to the arbitration of disputes or claims described in item (I) of this Article unless otherwise provided by laws and regulations.
- (IV) The award of the arbitral body is final and shall be binding on all parties thereto.
- (V) For any agreements reached between a director, a senior management and the Company containing provisions on settlement of disputes herein, the Company shall represent itself and each shareholder.
- (VI) Any arbitration submitted shall be deemed as an authorization to the arbitral court to conduct public hearing and announce its judgment.

Chapter 17 Supplementary Articles

Article 270 Definition

- (I) A controlling shareholder refers to a person that satisfies any of the following conditions:
 - 1. a person acting alone or in concert with others, has the power to elect more than half of the number of the directors;
 - 2. a person acting alone or in concert with others, has the power to exercise or control the exercise of 30% or more of the Company's total voting rights;

3. a person acting alone or in concert with others, holds 30% or more of the total issued public shares of the Company;
 4. a person acting alone or in concert with others, has de facto control over the Company in any other manner.
- (II) An de facto controller refers to a person who is not a shareholder of the Company but can effectively control the Company through investments, agreements or other arrangements.
- (III) Connected relations refer to relations between a controlling shareholder, de facto controller, director, supervisor, senior management of the Company 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 connected relations only because they are owned by the State.

- Article 271** In the Articles of Association, the terms “not less than”, “within”, “not more than” and “previous” shall include the given figure, and the terms “under”, “beyond”, “exceeding”, “below”, “less than”, “not more than” and “more than” shall not include the given figure.
- Article 272** The board of directors of the Company shall be responsible for the interpretation of the Articles of Association.
- Article 273** The Articles of Association include the Rules of Procedure for the general meeting, Rules of Procedure for meetings of the board of directors and the Rules of Procedure for meetings of the supervisory board.
- Article 274** After the Articles of Association is approved in the general meeting, it shall come into force from the date of listing of H Shares on Hong Kong Stock Exchange. Upon the effective date of this Articles of Association, the original Articles of Association shall automatically become invalid. The Articles of Association and its appendices shall be formulated and amended by the board of directors of the Company and shall take effect from the date of approval at the general meeting of the Company.