

Articles of Association of

XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD

(Approved and became effective at the inauguration meeting, being the first shareholders' general meeting of the Company on 13 May 2005, and amended for the fifth time at the annual general meeting of the Company in 2019 held on 21 May 2020)

The Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (the "Securities Law"), the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (the "Special Regulations"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the "Mandatory Provisions"), the Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong (Zheng Jian Hai Han [1995] No.1) (the "Zheng Jian Hai Han"), Further Standardizing Operations and Reform of Companies Listed Outside China Opinion (the "Opinion"), the Guidelines on Articles of Association of Listed Companies (as amended in 2019) (the "Guidelines"), the Regulations for Convening of General Meetings of Listed Companies (Zheng Jian Fa [2016] No. 22) (the "Regulations for Convening of General Meetings"), the Standards for the Governance of Listed Companies (Zheng Jian Fa [2018] No. 29) (the "Standards for the Governance"), the Certain Provisions on Strengthening the Protection of the Rights and Interests of General Public Shareholders (Zheng Jian Fa [2004] No. 118) (the "Provisions on Public Shareholders"), the Guiding Opinion on the Establishing Independent Director System by Listed Companies (Zheng Jian Fa [2001] No. 102) (the "Opinion on Independent Director System"), the Notice on the Standardization of the External Guarantee for Listed Companies (Zheng Jian Fa [2005] No. 120) (the "Notice on External Guarantee") and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules").

* Note: This is only a translation of the original Chinese Articles of Association. In case of any discrepancies between the Chinese and English version, the former shall prevail.

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Articles of Association of XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.

CHAPTER 1 GENERAL PROVISIONS

Article 1

The Articles of Association are formulated by the Company pursuant to the Company Law, the Securities Law and other relevant requirements to protect the legal interests of Xinhua Winshare Publishing and Media Co., Ltd (the “Company”), its shareholders and creditors, and to govern the Company’s organizational structure and behavior.

Article 2

The Company is a joint-stock limited company incorporated pursuant to the Company Law, the Securities Law, the Special Regulations and other relevant requirements under the laws, administrative rules and regulations.

The Company was established by way of promotion upon the approval by the People’s Government of Sichuan Province with approval document Chuanfuhan [2005] No. 69, and was registered at Sichuan Provincial Administration of Industry and Commerce on 11 June 2005 and obtained the Enterprise Legal Person Business License with the registration number of 5100001822585. Then the registration number was changed to 510000000035653, because of the upgrade for the Enterprise registration number. As a result of the “Combination of Three Licenses” into One”, the registration number was changed to the unified social credit code, 915100007758164357.

Promoters of the Company are 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co., Ltd.), 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co., Ltd.), 四川出版集團有限責任公司 (Sichuan Publication Group Co., Ltd.), 四川日報報業集團 (Sichuan Daily Newspaper Group), 四川少年兒童出版社有限公司 (Sichuan Youth and Children’s Publishing House Co., Ltd.), and 遼寧出版集團有限公司 (Liaoning Publication Group Co., Ltd.).”

Article 3

The registered name of the Company
in Chinese: 新華文軒出版傳媒股份有限公司
in English: Xinhua Winshare Publishing and Media Co., Ltd

Article 4

The Company’s registered address: Unit 1, 1/F, Block 4, No. 239, Jinshi Road, Jinjiang District, Chengdu, Sichuan Province

Telephone: (8628) 83157033
Facsimile: (8628) 83157000
Postcode: 610000

Article 5

The Chairman of the Board is the legal representative of the Company.

Article 6

The Company is a joint stock limited (listed) company in perpetual existence.

The Company's assets shall be all divided into shares of equal value. Shareholders shall be liable to the Company to the extent of the shares subscribed for. The Company shall be liable for its debts and shall cover such debts with all its assets.

Article 7

From the effective date onwards, the Articles of Association shall be the legally binding document governing the Company's organizational structure and behavior, and the rights and obligations between the Company and shareholders, and among the shareholders.

Article 8

The Articles of Association are binding on the Company and its shareholders, Directors, supervisors, general manager and other senior management, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

In accordance with the Articles of Association, shareholders may sue the Company and the Company may sue the shareholders, the Directors, supervisors, general manager and other senior management; shareholders may sue other shareholders, the Directors, supervisors, general manager and other senior management of the Company

The term "sue" in the preceding paragraph shall refer to and include court proceedings and arbitration proceedings.

The "senior management" in the Articles of Association shall include deputy general managers, chief financial officer and the secretary to the Board and other senior management officers confirmed by the Board of Directors.

The Articles of Association is also enforceable against any other major business management officers employed by or dismissed by the Board of Directors, the aforementioned officers' shall perform their obligations honestly, diligently and loyally in accordance with laws, administrative regulations and the provisions in the Articles of Association.

Article 9

The Company may invest in other enterprises. However, unless stipulated by laws otherwise, the Company shall not be jointly and severally liable to such enterprise(s) for their liabilities as their investor.

Article 10

In accordance with the relevant regulations of the Constitution of the Communist Party of China, the Company Law and other related regulations, the Company has established an organisation under the Party. The organisation under the Party of the Company is an organic component of the corporate governance structure of the Company, which shall play a leading role, supervising the direction of development, monitoring the whole picture and facilitating implementation.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 11

The business objectives of the Company are: to further adapt to the needs of socialist market economy, set up modern corporate system, operate in accordance with laws, adapt to the marketized and globalized environment for surviving and developing, and create satisfactory economic benefits and social benefits.

Article 12

The business scope of the Company includes: sales of books, newspapers, journals, electronic publications; wholesale of audio-visual products (chainstore); manufacture of electronic publications and audio-visual products; production of audio tapes, video tapes; logistics; and wholesale and retail of pre-packaged food, dairy products (not including infant formula, limits branch office management); printing of publications, printed matters of package and decoration and other printed matters; (the valid period of the above business scope is subject to the approval of licences). Plate-leased printing and supply of textbooks; investments in publications and assets management; leasing of properties; business services; wholesale and retail of goods; import and export business; vocational skills training and education ancillary services; catering business; ticketing agency (the items above (not including the aforesaid permitted items) are subject to the approval of licences and shall be operated according to the licences).

The business scope of the Company shall be in accordance with the items approved by the registration authorities with which the Company is registered.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Article 13

The Company shall have ordinary shares at all times. It may provide other kinds of shares according to its need, upon approval of the relevant law and administrative regulations.

Article 14

The shares of the Company adopt equity form. The issue of the Company's shares shall be in an open, fair and impartial manner. Each share of the same category shall have equal rights. For stocks of the same categories issued at the same time, the issue conditions and price for each share shall be the same; the same price shall be paid for each of the shares subscribed by any unit or individuals.

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

The term "RMB" in the preceding paragraph shall refer to the legal currency of the People's Republic of China.

Article 15

Subject to the approval of China Securities Regulatory Commission, the Company may issue shares to domestic and foreign investors.

For the purposes of the preceding paragraph, the term “foreign investors” shall refer to investors from foreign countries or from Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan that subscribe for shares issued by the Company, and the term “domestic investors” shall refer to investors within the People’s Republic of China, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

Article 16

Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas listed foreign shares.

The term “foreign currency” in the preceding paragraph shall refer to a legal currency (other than Renminbi) of other countries or regions which is recognized by the foreign exchange administration authority of the State and can be used for payment of the Company’s shares.

Overseas listed foreign shares issued by the Company in Hong Kong shall be referred to as H shares for short. H shares refer to the shares approved to be listed on The Stock Exchange of Hong Kong Limited, the par value of which is denominated in Renminbi (RMB), and are subscribed for and traded in Hong Kong dollars. The aforesaid H shares of the Company were issued to the public respectively on 30 May 2007 and 7 June 2007, the actual proceeds in the amount of HK\$2,330,213,800.00 (equivalent to RMB2,279,774,553.73), the net proceeds was in the amount of RMB2,109,969,994.82 after deducting other issuance expenses of RMB76,554,287.27, in which the registered capital (the paid-in capital) was RMB401,761,000.00.

Ordinary shares firstly issued by the Company to the public in RMB and listed on the Shanghai Stock Exchange shall be referred to as A shares for short. The par value of A shares was denominated in RMB, and were issued to the public on 27 July 2016 with actual proceeds in the amount of RMB702,815,200.00, the net proceeds was in the amount of RMB645,175,098.06 after deducting other issuance expenses of RMB57,640,101.94, in which the registered capital (the paid-in capital) was RMB98,710,000.00.

Article 17

With the approval of the reviewing and approving department authorized by the State Council, the Company could, upon its establishment, issue a total of 733,370,000 ordinary shares, and 733,370,000 shares were issued to the promoters when the Company was established, representing 100% of the total issued ordinary shares of the Company. Among these shares, 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co., Ltd.) held 630,031,500 shares, representing 85.909% of the total issued ordinary shares of the Company; 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co., Ltd.) held 53,336,000 shares, representing 7.273% of the total issued ordinary shares of the Company; 四川出版集團有限責任公司 (Sichuan Publication Group Co., Ltd.) held 25,667,950 shares, representing 3.500% of the total issued ordinary shares of the Company; 四川日報報業集團 (Sichuan Daily Newspaper Group) held 10,000,500 shares, representing 1.364% of the total issued ordinary shares of the Company; 四川少年兒童出版社有限公司 (Sichuan Youth and Children’s Publishing House Co., Ltd.) held 7,333,700 shares, representing 1.000% of the total issued ordinary shares of the Company and 遼寧出版集團有限公司 (Liaoning Publication Group Co., Ltd.) held 7,000,350 shares, representing 0.954% of the total issued ordinary shares of the Company.

Article 18

Upon approvals from the China Securities Regulatory Commission, the Company made an initial public offering of 401,761,000 H shares listed on Hong Kong Stock Exchange. Following completion of the initial public offering of H shares, the capital structure of the Company comprises 1,135,131,000 ordinary shares, of which 592,809,525 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co., Ltd.), representing 52.224% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co., Ltd.), representing 4.699% of the total ordinary shares of the Company in issue; 24,151,499 shares will be held by 四川出版集團有限責任公司 (Sichuan Publication Group Co., Ltd.), representing 2.128% of the total ordinary shares of the Company in issue; 9,409,675 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group), representing 0.829% of the total ordinary shares of the Company in issue; 6,900,428 shares will be held by 四川少年兒童出版社有限公司 (Sichuan Youth and Children's Publishing House Co., Ltd.), representing 0.608% of the total ordinary shares of the Company in issue; 6,586,773 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co., Ltd.), representing 0.580% of the total ordinary shares of the Company in issue.

Upon approval from China Securities Regulatory Commission, the Company made an initial public offering of 98,710,000 A shares listed on the Shanghai Stock Exchange. Following completion of the initial public offering of A shares, the capital structure of the Company will comprise 1,233,841,000 ordinary shares, of which 592,809,525 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co., Ltd.), representing 48.046% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co., Ltd.), representing 4.323% of the total ordinary shares of the Company in issue; 30,572,893 shares will be held by 四川出版集團有限責任公司 (Sichuan Publication Group Co., Ltd.), representing 2.478% of the total ordinary shares of the Company in issue; 9,264,513 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group), representing 0.751% of the total ordinary shares of the Company in issue; 6,485,160 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co., Ltd.), representing 0.525% of the total ordinary shares of the Company in issue; 99,435,809 shares will be held by other domestic investors, representing 8.059% of the total ordinary shares of the Company in issue; 441,937,100 shares will be held by holders of H shares, representing 35.818% of the total ordinary shares of the Company in issue.

Upon the approvals from the security supervision authorities of the State Council, the holders of domestic shares of the Company may transfer its shares to overseas investors for listing and dealing on the overseas stock exchanges. The listing of transferred shares on overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of such overseas stock exchanges. Voting by separate class shareholder meetings is not required for the listing and dealing of the transferred shares on overseas stock exchanges.

Article 19

Upon approval of the plan of issuing overseas listed foreign shares and domestic shares of the Company by the securities regulatory authority under the State Council, the Board of the Company may make the share issue arrangements.

As to the plan of the respective issue of overseas listed foreign shares and domestic shares in accordance with the provisions of the preceding paragraph, the Board of the Company may proceed with the issue of the respective overseas listed foreign shares and domestic shares within 15 months after it is approved by the securities regulatory authority under the State Council.

Article 20

Where the Company issues overseas listed foreign shares and domestic shares respectively within the total number of shares as stated in the issuance proposal, the respective shares shall be subscribed for in full at one time. If the requirement of subscription in full at one time cannot be met under special circumstances, such issue may be made in several tranches subject to the approval by the securities regulatory authority under the State Council.

Article 21

The Company's registered capital is RMB1,233,841,000.00. The paid-in capital is RMB1,233,841,000.00.

Article 22

The Company may, based on its operational and development needs and in accordance with the relevant provisions of the Articles of Association, approve an increase of capital.

The Company may increase its capital in the following manners:

- (1) by public offering of new shares;
- (2) by non-public offering of shares;
- (3) by distributing bonus shares to its existing shareholders;
- (4) by enlarging the share capital with capital reserve;
- (5) by any other means which are required under laws and administrative regulations and are approved by the securities regulatory authorities of the State Council.

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

Article 23

Unless otherwise provided by laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien. Any charge or pledge over the shares of the Company is not acceptable.

Article 24

In compliance with the Articles of Association and other applicable provisions, upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names being entered in the register of members.

Article 25

The domestic shares of the Company shall be centralized and held in custody by the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited. All issues and transfers of overseas listed foreign shares of the Company shall be registered in the register of members of overseas listed foreign shares kept in the place of shares listing in accordance with Article 41.

Article 26

The Company shall ensure that all overseas listed foreign shares carry the following representations, and instruct and cause the share registrar of the Company to refuse to register any person as shareholder of any shares of the Company subscribed, purchased or transferred unless and until the person has produced to the registrar a share certificate carrying the following representations and has signed proper forms:

- (1) The purchaser agrees with the Company and each shareholder, and the Company agrees with each shareholder, to observe and comply with the Company Law and other relevant laws, administrative regulations as well as the Articles of Association;
- (2) The purchaser agrees with the Company, each shareholder, Director, supervisor and general manager and other senior management of the Company, and the Company on behalf of itself and each Director, supervisor and general manager and other senior management, agrees with each shareholder, to refer to arbitration against all the disputes and claims concerning the Articles of Association or any rights or obligations provided for in the Company law and other relevant laws and administrative regulations, and to authorize the arbitration to be exposed to public hearing and the result of the arbitration to be publicly announced;
- (3) The purchaser and the Company and the shareholders of the Company have agreed that shares of the Company can be transferred freely by shareholders;
- (4) The purchaser authorizes the Company to represent him/her to enter into an agreement with the Directors and senior management of the Company whereby the Directors and senior management promise to bear and comply with their duties to shareholders provided for in the Articles of Association.

Article 27

In compliance with the following conditions, the Company shall sell the shares of a shareholder of overseas listed foreign shares who is untraceable in a way should the Board consider appropriate:

- (1) Within a period of twelve (12) years at least three (3) dividends in respect of the shares in question have become payable by the Company and no dividend during that period has been claimed by the member; and
- (2) on expiry of the twelve (12) years the Company gives notice upon approval of China Securities Regulatory Commission under the State Council of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the authority and the relevant foreign securities regulators of the place of the shares listing such intention.

CHAPTER 4 REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 28

In accordance with the provisions of the Articles of Association, reduction of its registered capital by the Company shall be dealt with in accordance with the procedures required by the Company Law, other relevant regulations and the Articles of Association.

Article 29

Without violating laws, administrative regulations and regulatory rules, the Company may repurchase its shares in accordance with the procedures required in the Articles of Association subject to obtaining approval of the relevant PRC regulatory authorities in the following circumstances:

- (1) reducing its registered capital;
- (2) in connection with a merger between itself and another entity that holds its shares;
- (3) shares shall be used for employee stock ownership scheme or as share incentive;
- (4) the repurchase is made at the request of its shareholders to repurchase their shares who disagree with shareholders' resolutions passed at a shareholders' general meeting in connection with a merger or division; or
- (5) shares shall be used to convert corporate bonds issued by a listed company that can be converted into stocks;
- (6) when it is necessary for the Company to safeguard the corporate value and the interests of its shareholders.

Any repurchase of shares by the Company due to the circumstances set out in items (1) and (2) above shall be approved by the shareholders of the Company in a shareholders' general meeting; any repurchase of shares by the Company due to the circumstances set out in items (3), (5) and (6) above may be resolved by more than two-thirds of directors present at a meeting of the board of directors in accordance with the provisions of the Articles of Association or the authorisation of the shareholders' general meeting.

After the Company repurchases its shares in accordance with the first paragraph of this Article, it shall, in the case of item (1), cancel such repurchased shares within ten (10) days of the repurchase; in the case of items (2) and (4), shall within six (6) months of the repurchase either transfer such repurchased shares or cancel such repurchased shares; in the case of items (3), (5) and (6), the total shares of the Company held by the Company shall not exceed 10% of its total amount of the issued shares and shall within three (3) years of the repurchase either transfer such repurchased shares or cancel such repurchased shares.

For any repurchase of its shares by the Company, the obligation of information disclosure shall be fulfilled in accordance with the provisions of the Securities Law of the People's Republic of China.

Article 30

The Company may conduct the repurchase of its shares by the way of public centralisation trading, or through other ways approved by the laws and regulations and China Securities Regulatory Commission. For any repurchase of its shares by the Company due to the circumstances set out in items (3), (5) and (6) in the first paragraph of Article 29 of this Articles of Association, the repurchase of its shares shall be conducted by way of public centralisation trading.

Article 31

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

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

The Company shall not assign a contract for repurchasing its shares or any of its right thereunder.

Article 32

Where the Company has the power to purchase for redemption a redeemable share, purchases not made through the market or by offer shall be limited to a maximum price; if purchases are by offer, the offer shall be made available to all shareholders alike.

Article 33

After the Company repurchased its shares pursuant to the laws, it shall cancel such part of the shares within the term specified by the laws and administrative rules and apply to the registry of the Company for registration of alteration of the registered capital.

Article 34

Unless the Company is in the course of liquidation, it shall comply with the following provisions in respect of repurchase of its outstanding shares:

- (1) where the Company repurchases its shares at par value, payment shall be made out of book balance of the distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose;
- (2) where the Company repurchases its shares at a premium to their par value, payment representing the par value shall be made out of the book balance of 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 are issued at par value, payment shall be made out of the book balance of the distributable profits of the Company;
 2. if the shares repurchased are issued at a premium to the par value, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased nor the amount of the Company's share premium account (or capital reserve account) (including the premiums on the fresh issue) at the time of such repurchase;
- (3) payment by the Company in consideration of the following shall be made out of the Company's distributable profits:
 1. acquisition of rights to repurchase shares of the Company;
 2. variation of any contract for repurchasing shares of the Company;
 3. release of any of the Company's obligation under any contract for repurchasing its shares.
- (4) after the Company's registered share capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value portion of the shares repurchased shall be transferred to the Company's capital reserve account.

CHAPTER 5 FINANCIAL ASSISTANCE FOR ACQUISITION OF THE COMPANY'S SHARES

Article 35

The Company and its subsidiaries shall not, by any means at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly assumes any obligations due to the acquisition of shares of the Company.

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

This provision shall not apply to the circumstances stated in Article 37.

Article 36

The financial assistance referred to in this Chapter includes (but not limited to) the following means:

- (1) gift;
- (2) advanced amounts;
- (3) compensation;
- (4) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of the Company's own default) or release or waiver of any rights;
- (5) provision of loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights arising under, such loan or agreement, etc.
- (6) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

The expression "assuming an obligation" referred to in this Chapter includes the assumption of obligations by the changing of the obligor's financial position by way of contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by any other means.

Article 37

The following activities shall not be deemed to be activities as prohibited in Article 35:

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

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF MEMBERS

Article 38

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

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

Article 39

The share certificates shall be signed by the Chairman of the Board. Where the stock exchange(s) on which the shares of the Company are listed requires the share certificates to be signed by the Company's relevant senior management, the share certificates shall also be signed by such relevant senior management. The share certificates shall take effect after being affixed with the seal of the Company or the securities seal of the Company. The share certificates shall only be affixed with the Company's seal under the authorization of the Board. The signatures of the Chairman of the Company or the relevant senior management on the share certificates may also be in printed form.

In the event that paperless shares of the Company are issued and traded, separate requirements of laws and regulators of the places of listing shall apply.

Article 40

The Company shall establish the register of members including registration of the following particulars:

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

The register of members shall be sufficient evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.

Article 41

The Company shall create a register of members based on the evidence provided by a securities registry. The register of members shall be sufficient evidence substantiating that the shareholders hold the shares of the Company. Shareholders enjoy rights and have obligations according to the class of shares held by them. Shareholders holding shares of the same class enjoy equal rights and have equal obligations.

The Company may keep the register of members of the overseas listed foreign shares overseas in accordance with the understanding and agreement between the organ under the State Council in charge of securities and the overseas securities regulatory authority and appoint an overseas agent for management. The original of the register of members of the H Shares shall be kept in Hong Kong.

The Company shall maintain a duplicate of the register of members 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 of the register of members of overseas listed foreign shares at all times.

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

Article 42

The Company shall keep a complete register of members.

The register of members shall include the following:

- (1) the register of members maintained at the Company's domicile (other than those parts as described in items (2) and (3) of this Article);

- (2) the register of members in respect of the holders of overseas listed foreign shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located;
- (3) the register of members maintained at such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 43

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

Alternation or rectification of each part of the register of members shall be made in accordance with the laws of the place where that part of the register of members is maintained.

Article 44

All fully-paid H shares of the Company shall be freely transferable in accordance with the Articles of Association and any other documents relating to or affecting the title to any shares of the Company shall be registered. Nevertheless, unless the following conditions are satisfied, the Board of Directors is entitled to refuse to register any transfer instruments, without providing any reasons, relating to the overseas listed foreign shares (that is, the H shares of the Company) of the Company listed on Hong Kong Stock Exchange:

- (1) pay a fee of HK\$2.5, or the maximum fee prescribed by Hong Kong Stock Exchange, for each of the transfer instruments, to the Company, for the registration of any transfer instruments and any other instruments relating to or affecting the title to any shares;
- (2) the transfer instruments and any other instruments relating to or affecting the title to any shares are only in respect of the foreign listed shares of the Company on Hong Kong Stock Exchange;
- (3) stamp duty is duly paid in respect of the transfer instruments and any other instruments relating to or affecting the title to any shares;
- (4) provide the relevant share certificate and other proof of title as reasonably requested by the Board of Directors;
- (5) if the shares of the Company are proposed to be registered by more than one (1) person jointly as the shareholders, the maximum number of joint shareholders is four (4) persons;
- (6) the relevant shares shall be free from all liens.

If the Company refuses to register any transfer of shares, the Company shall provide to the transferor(s) and the transferee(s) of the shares a notification of refusal in relation of registration of shares within two (2) months from the application for registration.

The shares held by the promoter of the Company are not transferable within one (1) year since the incorporation of the Company.

The shares in issue of the Company prior to the public offering of the shares (other than H shares) are not transferable within one (1) year from the listing of the shares of the Company on a stock exchange.

The Directors, supervisors, general manager and other members of the senior management of the Company shall make disclosure to the Company of the shares held by them and the change of such shareholding; every year during the term of their office, they shall not transfer shares exceeding 25% of the total number of shares he/she held; the shares they held are not transferable within one (1) year from the listing of the shares of the Company. They, within six (6) months from their resignation or termination of their office, shall not transfer the shares of the Company.

Where any Director, supervisor, senior management or shareholder holding 5% or above of the Company's shares (other than H shares) sell his/her shares in the Company within a period of six (6) months after their purchase, or purchase shares in the Company again within a period of six (6) months after their disposal, the gains so earned shall belong to the Company, and the Board may forfeit such gains for the benefit of the Company. However, if a securities company holds 5% or more of the Company's shares as a result of its underwriting of the untaken shares in an offer, the sales of those shares shall not be under the said six (6)-month restriction. If the Board does not act in accordance with the provisions of the above paragraph, shareholders shall have the right to request the Board to take action within thirty (30) days from the date of request. If the Board does not take such action within the said period, then the shareholders shall be entitled to commence proceedings in the People's Court directly in their own names for the benefit of the Company

Where the Board does not act in accordance with the provisions of the above paragraph, the responsible Directors shall assume joint and several liabilities.

Any shareholder of the overseas listed foreign shares is entitled to transfer some or all shares by way of effecting the normal written document of transfer or signed or printed document of transfer. Such transfer can be effected by way of adopting the standard registration form prescribed by The Stock Exchange of Hong Kong Limited. The signature to the document of transfer shall be written or printed by the transferor(s) and the transferee(s).

Article 45

Transfers may not be entered in the register of members within thirty (30) days prior to the date of a shareholders' general meeting or within five (5) days before the record date set by the Company for the purpose of distribution of dividends. Amendments to the register of members of A shares shall be made in accordance with the domestic laws and regulations of the PRC.

Article 46

When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board or the convener of a general meeting shall decide on a date as the record date for the determination of rights attaching to shares in the Company. Shareholders whose names appear in the register of members at the close of the record date are considered shareholders of the Company entitled to relevant rights and interests.

Article 47

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

Article 48

Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of members may (if his/her share certificates (the “original certificates”) are lost) apply to the Company for a replacement share certificate in respect of such shares (the “relevant shares”).

If a holder of A shares loses his/her share certificates and applies for the replacement, it shall be dealt with in accordance with the provisions of Section 143 of the Company Law.

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

The issue of replacement share certificates to holders of H shares shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarial act or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as declaring that no other person shall be entitled to request to be registered as the shareholder in respect of the relevant shares.
- (2) No statement has been received by the Company from a person other than the applicant for having his/her name registered as a holder of the relevant shares before the Company comes to a decision to issue the replacement share certificate.
- (3) The Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate in such newspapers designated by the Board. The announcement shall be made at least once every thirty (30) days in a period of ninety (90) days.
- (4) The Company shall have, prior to the publication of its announcement of intention to issue a replacement certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety (90) days.

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

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

Article 49

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

Article 50

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

CHAPTER 7 SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Article 51

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

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he/she holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

For joint holding of any shares, if one of the joint shareholders is deceased, only the other existing shareholders of the joint shareholder shall be deemed as the persons who have the ownership of the relevant shares. But the Board has the power to require them to provide a certificate of death of the relevant shareholder as necessary for the purpose of modifying the relevant register of members. In respect of any of the joint shareholders of the shares, only the joint shareholder ranking first in the register of shall have the right to accept certificates of the relevant shares from the Company, receive notices of the Company, attend and vote at shareholders' general meetings of the Company of all the relevant shares. Any notice which is delivered to the aforesaid shareholder shall be considered as all the joint shareholders of the relevant shares who have been delivered.

Article 52

The ordinary shareholders of the Company shall be entitled to the following rights:

- (1) the right to dividends and other forms of distribution in proportion to the number of shares held;
- (2) the right to propose, convene and preside over, to attend or appoint a proxy to attend shareholders' general meetings and to exercise the corresponding voting right thereat in accordance with laws;
- (3) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (4) the right to transfer, donate, or pledge shares held by them in accordance with the laws, administrative regulations and provisions of the Articles of Association;
- (5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
 1. to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;
 2. to inspect the following documents in the domicile of the Company and a certain place in Hong Kong at no charge and copy, subject to payment of a reasonable charge:
 - (i) all parts of the register of members;
 - (ii) personal particulars of each of the Company's Directors, supervisors, general manager and other senior management including:
 - (a) present name and alias and any former name and alias;
 - (b) principal address (domicile);
 - (c) nationality;
 - (d) primary and all other part-time occupations;
 - (e) identification document and its number;
 - (iii) report on the state of the Company's share capital;
 - (iv) 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 end of the last accounting year and the aggregate amount incurred by the Company for this purpose (separated by domestic shares, foreign shares and H shares);

- (v) minutes of shareholders' general meetings, resolutions of the Board and resolutions of the meetings of Supervisory Committee;
 - (vi) special resolution of the Board; (vii) corporate bond counterfoils;
 - (viii) the latest audited financial statement and reports of the Board of Directors, auditors and Supervisory Committee;
 - (ix) the copy of the latest annual returns submitted for filing to the authorities of industry and commerce or other competent authorities.
- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
 - (7) with respect to the shareholders who vote against any resolution adopted at the shareholders' general meeting on merger or division of the Company, the right to demand the Company to acquire the shares held by them;
 - (8) other rights conferred by laws, administrative regulations and the Articles of Association.

The Company shall not freeze or otherwise impair any right of any persons for reason that the person fails to disclose that he/she directly or indirectly enjoys rights attached to the shares of the Company.

Article 53

Shareholders demanding inspection of the relevant information or copies of the materials mentioned in Article 52 shall provide to the Company written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request.

The shareholders of the Company are entitled to petition to the People's Court of the PRC to declare any resolution passed at the shareholders' general meeting and the Board meeting which is in breach of laws, administrative rules and regulations, is invalid.

The shareholders of the Company are entitled to petition to the People's Court of the PRC to cancel any resolutions passed at the shareholders' general meeting and the Board meeting, any procedures of convening the shareholders' general meeting and the Board meeting and passing the relevant resolutions in breach of laws, rules and regulations within sixty (60) days from the passing of the relevant resolutions.

Any shareholders who individually or collectively hold 1% or more of the issued share capital of the Company for a consecutive period of one hundred and eighty (180) days is entitled to request the Supervisory Committee of the Company in writing to commence the relevant legal proceedings to claim against any Directors, members of senior management of the Company in the People's Court of the PRC for any loss caused to the Company in performance of their duties in the Company in breach of laws, administrative rules and regulations. The above shareholders are also entitled to request the Board of Directors in writing to commence the relevant legal proceedings to claim against the Supervisory Committee of the Company in the People's Court of the PRC for any loss caused to the Company in performance of its duties in the Company in breach of laws, administrative rules and regulations.

If the Supervisory Committee of the Company or the Board of Directors, within thirty (30) days upon receiving the above request from the shareholders, refuses to commence the relevant legal proceedings, or in times of emergency not commencing legal proceedings would cause irreparable loss to the Company, the above shareholders are entitled to directly commence the relevant legal proceedings to claim against the relevant persons in the People's Court of the PRC in their own names for the interests of the Company.

The above shareholders are entitled to commence the relevant legal proceedings to claim against any third party for any loss caused to the Company by damaging the legal interests of the Company in accordance with the requirements of the preceding two paragraphs at the People's Court of the PRC.

The shareholders are entitled to commence the relevant legal proceedings to claim against the Directors and members of senior management who are either in breach of laws, administrative rules and regulations or the requirements of the Articles of Association at the People's Court of the PRC for any loss caused to the shareholders' interests.

Article 54

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

- (1) to abide by the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw shares unless as required by the laws and regulations;
- (4) not to abuse its rights to prejudice the interests of the Company or other shareholders and not to abuse the status of the Company as an independent legal person and the limited liability of a shareholder to prejudice the interests of the creditors of the Company;

where a shareholder of the Company abuses his/her rights and causes losses to the Company or other shareholders, he/she shall assume the liability of compensation in compliance with the law.

where a shareholder of the Company abuses the status of the Company as an independent legal person and the limited liability of a shareholder to avoid his/her liabilities and severely impairs the interests of the creditors of the Company, he/she shall assume vicarious liability for the liabilities of the Company.

- (5) other obligations imposed by the laws, administrative regulations and the Articles of Association.

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

Article 55

Where a shareholder holding 5% or more voting shares of the Company pledges his/her shares in his/her possession, he/she shall report the same to the Company in writing on the day on which he/she pledges his/her shares.

Article 56

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

- (1) to relieve a Director or supervisor of his/her duty to act honestly in the best interests of the Company;
- (2) 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 assets, including (without limitation) opportunities beneficial to the Company;
- (3) 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 of other shareholders, including (without limitation) rights to distributions and voting rights save for a restructuring of the Company submitted to the general meeting of shareholders for approval in accordance with the Articles of Association.

The controlling shareholder and the de facto controller of the Company shall not use their connected relationship to act in detriment to the interests of the Company. If they have violated the provision and caused damage to the Company, they shall be liable for such damages. The controlling shareholders and de facto controllers of the Company have fiduciary duties towards the Company and its public shareholders. The controlling shareholders shall exercise its rights as an investor in strict compliance with the laws. The controlling shareholders shall not jeopardize the lawful interests of the Company and its public shareholders by way of profit appropriation, asset reorganization, external investments, misappropriation and provision of guarantee for loans, nor shall they jeopardize the interests of the Company and its public shareholders by utilizing its controlling position.

Article 57

The term “controlling shareholder” referred to in Article 56 means a person who satisfies any one of the following conditions:

- (1) a person who, acting alone or in concert with others, has the power to elect more than half of the Board members;
- (2) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;
- (3) a person who, acting alone or in concert with others, holds 30% or more of the issued and outstanding shares of the Company;
- (4) a person who, acting alone or in concert with others, has de facto control of the Company in any other way.

CHAPTER 8 SHAREHOLDERS’ GENERAL MEETINGS

Article 58

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

Article 59

The shareholders’ general meeting may exercise the following functions and powers:

- (1) to decide on the development plans, operating policies and investment plans of the Company;
- (2) to elect and replace Directors who are not employees’ representatives of the staff and decide on matters relating to the remuneration of Directors;
- (3) to elect and replace the supervisors who are not representatives of the staff and decide on matters relating to the remuneration of supervisors;
- (4) to examine and approve reports of the Board;
- (5) to examine and approve reports of the Supervisory Committee;
- (6) to examine and approve the Company’s proposed annual preliminary and final financial budgets;
- (7) to examine and approve the Company’s profit distribution plans and plans for making up losses;

- (8) to examine matters relating to the connected transactions and other transactions which require approval by the shareholders' general meeting;
- (9) to decide on increases or reductions in the Company's registered capital;
- (10) to decide on matters such as merger, division, change of the corporate form, dissolution and liquidation of the Company;
- (11) to decide on the issue of bonds and other securities or listing and initiative of delisting by the Company;
- (12) to adopt resolutions on the Company's appointments, dismissals or non-reappointments of accounting firms;
- (13) to amend the Articles of Association;
- (14) to examine matters relating to the change of use of proceeds from the issue of A Shares;
- (15) to examine share based award schemes of the Company;
- (16) to examine matters relating to the purchases and disposals of the Company's material assets within one (1) year, which exceed 30% of the Company's latest audited total assets;
- (17) to resolve matters relating to external guarantees which require approval by the shareholders' general meeting as required by laws, administrative regulations and the Articles of Association
- (18) to examine the proposal raised by shareholders individually or jointly holding not less than 3% of the Company's voting shares;
- (19) to examine other matters required by laws, administrative regulations and the Articles of Association to be resolved by general meeting of shareholders.

Matters which require approval by shareholders' general meeting as required by laws, administrative regulations and the Articles of Association, shall be considered at the shareholders' general meeting so as to protect the decision-making power of the shareholders of the Company on such matters. Under necessary and reasonable circumstances, the general meeting may authorize the Board of Directors to determine, within the scope of authorization granted by such general meeting, specific issues relating to matters which shall be resolved but cannot be decided upon immediately at such general meeting.

An authorization to the Board of Directors by shareholders' general meeting in relation to matters to be decided by ordinary resolutions shall be passed by shareholders (including their proxies) representing more than half of the voting rights present at the shareholders' general meeting; an authorization to the Board of Directors in relation to matters to be decided by special resolutions shall be passed by shareholders (including their proxies) representing more than two-thirds of the voting rights present at the shareholders' general meeting. The contents of the authorization shall be clear and specific.

Article 60

The following external guarantees to be given by the Company shall be considered and approved by the general meeting:

- (1) any external guarantee to be given by the Company and its controlling subsidiaries, the total amount of which reaches or exceeds 50% of their latest audited net assets;
- (2) any external guarantee to be given by the Company and its controlling subsidiaries, the total amount of which reaches or exceeds 30% of its latest audited total assets;
- (3) provision of guarantee to anyone whose liability-asset ratio exceeds 70%;
- (4) provision of guarantee whose cumulative amount in twelve consecutive months exceeds 30% of the latest audited total assets of the Company;
- (5) provision of guarantee whose cumulative amount in twelve consecutive months exceeds 50% of the latest audited net assets of the Company or RMB50 million;
- (6) provision of a single guarantee whose amount exceeds 10% of the latest audited net assets;
- (7) provision of guarantee to shareholders, effective controllers and their connected parties;
- (8) other guarantees required to be submitted to the shareholders' general meetings for examination and approval as required by the Listing Rules.

Article 61

Except for special circumstances such as a crisis, without approval by the shareholders' general meeting in special resolution, the Company shall not conclude a contract with other people than the Directors, supervisors, general manager and other senior management officers or delegating management of all or the Company's important operation to such people.

Article 62

General meetings of shareholders include annual general meetings of shareholders and extraordinary general meetings of shareholders. Except for otherwise provided in the Articles of Association, a general meeting of shareholders shall be convened by the Board. The annual general meeting of shareholders shall be held once (1) every year within six (6) months after the end of the previous accounting year.

The Company shall hold an extraordinary general meeting of shareholders within two (2) months upon the occurrence of one of the following circumstances:

- (1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (2) the uncovered losses are in excess of one third of the Company's total share capital;

- (3) shareholders (individually or jointly) holding not less than 10% of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting;
- (4) the Board considers as is necessary or the Supervisory Committee proposes to hold such a meeting;
- (5) other circumstances as required by the laws, administrative regulations, departmental rules or the Articles of Association.

Article 63

In the event that the Company is unable to convene a general meeting within the period mentioned above, the Company shall report to the relevant local office of CSRC at the place where the Company is located and the stock exchange(s) (if necessary) on which its shares are listed for trading, explain the reasons and make public announcement.

Article 64

The independent directors have the right to request the Board to convene extraordinary general meetings. The Board shall reply in written form regarding the acceptance or refusal to convene an extraordinary general meeting within 10 days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the Board agrees to convene an extraordinary general meeting, notice convening the meeting shall be issued within 5 days after the Board reached the resolution to do so. If the Board does not agree to convene an extraordinary general meeting, reasons shall be explained and announced.

Article 65

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

When the general meeting votes for election of Directors or Supervisors, the cumulative voting system may be adopted according to relevant laws, regulations, Listing Rules and the Articles of Association or the resolution of the general meeting. When a single shareholder and parties acting in concert with him hold equity interests of 30% or above, the cumulative voting system shall be adopted.

The cumulative voting system as referred to in the preceding paragraph means that when a general meeting elects Directors or Supervisors, each share carries the same number of voting right as the number of Directors or supervisors to be elected, and the voting rights owned by shareholders may be cumulatively used. The Board shall announce biography and basic information of candidates for Directors and Supervisors.

Article 66

Where the shareholders require the holding of an extraordinary general meeting or a class meeting, it shall be performed in accordance with the following procedures:

- (1) Shareholders individually or jointly holding more than 10% of the Company's shares carrying the right to vote at the general meeting sought to be held shall be entitled to require the Board to convene a Shareholders' extraordinary general meeting or a class meeting thereof in writing. The Board shall provide its feedbacks and opinions in writing as to agreeing or disagreeing the convening of the Shareholders' extraordinary general meeting or class meeting thereof within 10 days upon the receipt of the said written requisition in accordance with the laws, administrative regulations and provisions of the Articles of Association. If the Board agrees to convene a Shareholders' extraordinary general meeting or a class meeting thereof, a notice convening the Shareholders' general meeting or class meeting shall be issued within 5 days from the date of the Board's resolution. Any changes to the original requisitions in the notice shall be subject to the consent from the relevant Shareholders. The amount of shareholdings referred to above shall be calculated as at the date of deposit of the requisition in writing.
- (2) If the Board disagrees with the proposal to convene the Shareholders' meeting upon receipt of the said written requisition or does not make any feedbacks within 10 days therefrom, Shareholders individually or jointly in aggregate holding more than 10% shares of the Company shall be entitled to require the Supervisory Committee to convene a meeting in writing. If the Supervisory Committee agrees to convene the meeting, a notice convening the meeting shall be issued within 5 days from the date of receiving the written requisition. Any changes to the original requisitions in the notice shall be subject to the consent from the relevant Shareholders. If no notice of meeting is issued by the Supervisory Committee within the stipulated period, no meeting shall be deemed to be convened and presided over by the Supervisory Committee. Shareholders individually or jointly holding more than 10% shares of the Company for 90 consecutive days may convene preside over the meeting on their own in the same manner as which Shareholders' general meetings are convened by the Board (Shareholders convening the meeting shall hold no less than 10% of shares before the announcement of the resolutions at the general meeting).

Article 67

The Supervisory Committee and shareholders convening such meeting shall submit relevant supporting documents to the relevant regulatory authority according to applicable provisions when issuing the notice of shareholders' general meeting and the resolution announcement.

If the Supervisory Committee or convening shareholders propose to convene a shareholders' general meeting on their own, the Board of Directors shall be informed in writing and the relevant documents shall be filed with the relevant regulatory authority according to applicable provisions.

Article 68

The Board of Directors and the secretary to the Board of Directors shall provide assistance as necessary for shareholders' general meeting convened by the Supervisory Committee or convening shareholders. The Board of Directors shall provide the register of shareholders as at the record date. All reasonable costs arising out of the meetings convened by shareholders or the Supervisory Committee shall be borne by the Company.

Article 69

The venue of a shareholders' general meeting of the Company shall be either the domicile of the Company or such other venue as specified in the notice of such general meeting. If the Company intends to convene the general Committee via internet or by other means for shareholders' convenience, the time of and procedures for voting via internet or by other means and the procedure for identification of shareholders shall be set forth in the notice of general meeting. Any shareholder who participates in the meeting in the aforesaid manner shall be deemed as present. Online internet voting is not applicable to the holders of H Shares.

Article 70

When the Company convenes a shareholders' general meeting, it shall issue a written notice and make announcement forty-five (45) days prior to the meeting informing all the registered shareholders of the matters to be examined at the meeting as well as the date and place of the meeting. Shareholders that intend to attend the shareholders' general meeting shall, within twenty (20) days prior to the meeting, deliver a written reply to the Company on meeting attendance.

Article 71

When the Company convenes a general meeting, the Board, the Supervisory Committee, and shareholders individually or jointly holding not less than 3% of the Company's shares shall have the right to submit proposals to the Company in relation to the general meeting of shareholders to be convened by the Company. The Company shall include the proposed matters which are within the terms of reference of the shareholders' general meeting as matters to be considered at the shareholders' meeting.

When the Company convenes a general meeting, shareholders individually or jointly holding not less than 3% of the Company's shares have a right to submit an ex tempore proposal to in writing the convener in writing ten (10) days prior to date of the meeting. The convener shall dispatch a supplementary notice of the general meeting and announce the contents of such ex tempore proposal within two (2) days upon receipt of the proposal, and inform other shareholders. If there are other requirements in the listing rules of the listing places, these requirements should also be satisfied.

Save as provided in the preceding Article, the convener shall not amend the proposals set forth in the notice of general meeting or add new resolutions thereto after the issue of such notice.

No voting or resolution shall be effected or adopted at the general meeting for proposals that have not been stated in the notice of general meeting or that do not comply with the requirements set out in Article 72 of the Articles of Association.

Article 72

The motion of shareholders shall satisfy the following conditions:

- (1) The content shall comply with provisions of the laws, administrative regulations and the Articles of Association and shall fall within the scope of business of the Company and terms of reference of a general meeting;
- (2) The proposal shall have a clear subject for discussion and specific issues for resolution; and
- (3) The proposal shall be submitted or delivered to the convener in written form.

Article 73

The nomination list of Directors and supervisors candidates shall be submitted by a written proposal to the shareholders' meeting for approval.

Article 74

Means and procedures of nomination of Director and supervisor are as follows:

- (1) During the election of the Board of Directors and the Supervisory Committee, supervisors who are Directors and employee representatives may be put forward on the proposed list of candidates by the previous Board of Directors and Supervisory Committee, provided that the number of nominees must comply with the provisions of the Articles of Association and shall not be more than the number of proposed candidates.
- (2) The existing Board of Directors and Supervisory Committee shall propose the recommended candidate list according to the numbers of Directors and supervisors subject to provisional addition and re-election.
- (3) Shareholder(s) severally or jointly holding more than 3% of the Company's shares may nominate candidates for Directors and supervisors (shareholders individually or jointly holding more than 1% of issued shares of a listed Company are entitled to nominate candidates for independent non-executive Directors). Nomination made by the above persons together with the biography and general information of the nominated candidates to be provided to the Board ten (10) days before the meeting, if submitted as an ex tempore proposal, shall be examined by the Board of Directors and the Supervisory Committee pursuant to item (4) of this Article.
- (4) The qualifications and conditions of Directors are reviewed by the Board of Directors. The qualifications and conditions of supervisors are reviewed by the Supervisory Committee. After the list of candidates for Directors and supervisors is determined according to the examination by the Board and the Supervisory Committee and the adoption of a resolution, it shall be proposed at a general meeting by way of a written proposal. The Board of Directors and the Supervisory Committee shall provide the shareholders with the biography and general information of such Director and supervisor candidates.

- (5) Director and supervisor candidates shall give written undertaking before the convening of general meeting to give consent to their nomination, under taking that the information of Director and supervisor candidates disclosed is true and complete, and ensuring that the obligations of Director and supervisor are duly performed after being elected.
- (6) With respect to the election of Directors and supervisors at the general meeting, resolutions shall be made separately, except when the cumulative voting system applies.
- (7) Where the motion of reelecting the directors and supervisors has been approved, the newly appointed directors and supervisors shall hold the post immediately after the shareholders' general meeting.

Article 75

The Company shall, based on the written replies received twenty (20) days before the date of the shareholders' general meeting from the shareholders, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches not less than one half of the Company's total voting shares, the Company may hold the meeting. If not, the Company shall within five (5) days notify the shareholders again by public notice of the matters to be considered, the place and the date of the meeting. The Company may then hold the meeting after such publication of such notice.

A general meeting shall not decide on any matter not stated in the notice of the meeting and supplementary notice or any proposal that is not in compliance with Article 72 of the Articles of Association.

Article 76

A notice of a shareholders' general meeting shall comply with the following requirements:

- (1) shall be in writing or in other forms as permitted by the listing rules of the stock exchange on which the shares of the Company are listed;
- (2) shall specify the venue, date and time of the meeting;
- (3) shall contain the share registration date of shareholders who are entitled to attend the meeting;
- (4) shall state the matters to be discussed at the meeting;
- (5) shall provide such information and explanations as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital structure or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;

- (6) shall contain a disclosure of the nature and extent, if any, of the material interests of any Director, supervisor, general manager or other member of the senior management in the transaction proposed and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;
- (7) shall contain the full text of any special resolution proposed to be passed at the meeting;
- (8) shall contain conspicuously a statement that all shareholders are entitled to attend the general meeting, and any shareholder entitled to attend and vote is entitled to appoint one or more proxies in writing to attend and vote for and on his/her behalf and that a proxy need not be a shareholder;
- (9) shall specify the time and address for lodging the proxy forms for the relevant meeting; and
- (10) shall state the name and telephone number of the regular contact person of the meeting.

Where the opinions of independent Directors are required on matters to be discussed, the opinions of independent Directors and the reasons are to be disclosed when the notice of the general meeting or supplementary notice is published.

The period between the record date and the date for the meeting may not be more than 7 working days. No changes may be made once the record date is confirmed.

If the general meeting is to be held through internet or other means, the notice of the general meeting is to clearly include time and procedure for online voting or voting in other means.

Article 77

Where election of any Director or supervisor is to be discussed at the general meeting, the notice of the general meeting is to fully disclose detailed information of each candidate for Directors or supervisors and at least include the followings:

- (1) personal particulars including education background, working experience and part-time jobs;
- (2) whether the person is related with the Company, its controlling shareholders or de facto controller;
- (3) shareholding in the Company;
- (4) whether the person was subject to any punishment by the CSRC and other competent authorities or censorship by any stock exchanges.

Apart from election of Directors and supervisors through cumulative voting, a single proposal is to be made for each candidate for Directors and supervisors.

Article 78

Notice of a shareholders' general meeting shall be served on each shareholder, whether or not entitled to vote thereat, by personal delivery or prepaid mail to the shareholder at his/her address, as shown in the register of members.

The Company may send or supply corporate communications, including notices of shareholders' general meetings, of the Company to the shareholders of overseas listed foreign shares by making such corporate communications available on the Company's own website, subject to the following conditions:

- (1) the shareholder of overseas listed foreign shares has been asked individually by the Company to agree that the Company may send or supply corporate communications generally, or the corporate communication in question, to him/her by means of the Company's own website twenty-eight (28) days earlier; such request of the Company has stated clearly what the effect of a failure to respond would be; such request of the Company was not sent less than twelve (12) months after a previous request made to the shareholder for the purposes of asking him/her to agree that the Company may send or supply the same class of corporate communications to him/her by means of the Company's own website; and
- (2) the Company has not received a response indicating objection from the shareholder of overseas listed foreign shares within the period of twenty-eight (28) days beginning with the date on which the Company's request was sent.

The Company must notify the shareholders of overseas listed foreign shares of the presence of the corporate communication(s) on the website, the address of the website, the place on the website where it may be accessed, and how to access the corporate communication(s).

The corporate communication(s) is/are taken to be sent:

- (1) on the date on which the notification required above is sent; or
- (2) if later, the date on which the corporate communication first appears on the website after that notification is sent.

For holders of A shares, notices of the shareholders' general meetings may be given by public announcement.

The public announcement mentioned above shall be published in one or more newspapers designated by the securities regulatory authority of the State Council within the interval between forty-five (45) days and fifty (50) days before the date of the meeting; after the publication of the public announcement, the holders of A shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

Article 79

After a notice of general meeting is sent out, the general meeting may not be postponed or cancelled and the proposals included in the notice may not be cancelled without justifiable causes. In case of any postponement or cancellation, the convener(s) shall make an announcement and explain the reasons at least two (2) working days prior to the original date for holding the meeting.

Article 80

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

Article 81

All the shareholders whose names appear in the register on the record date or their proxies are entitled to attend a general meeting. They are entitled to vote in accordance with relevant laws, regulations and the Articles of Association. Any shareholder entitled to attend and vote at the general meeting shall have the right to appoint one (1) or several persons (who may not be shareholders) to act as his/her proxy to attend, speak and vote at the meeting on his/her behalf. The proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

- (1) the right of the shareholder to speak at the meeting;
- (2) the right of the shareholder to demand or join in demanding a poll; and
- (3) unless otherwise required by the listing rules of the stock exchange of the place the shares listed and other relevant legal regulations, the right to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

If the said shareholder is a recognized clearing house as defined under the laws of Hong Kong (hereinafter referred to as the “Recognized Clearing House”, or its nominees), the shareholder may authorize one (1) or more suitable person to act as his/her representative at any shareholders’ general meeting or at any class meeting; however, if more than one (1) person are authorized, the power of attorney shall clearly indicate the number and types of the stocks involved by way of the said authorization. The persons after such authorization may represent the Recognized Clearing House (or its nominees) to exercise the rights, as if they were the individual shareholders of the Company.

Article 82

The instrument appointing a proxy must be in writing under the hand of the shareholder or his/her attorney duly authorized in writing; for a corporate shareholder, the proxy must be affixed with the common seal or signed by its Director or attorney or officer duly authorized in writing. Such letter of attorney shall state the number of shares represented by the proxy. If several proxies are appointed, such letter of attorney shall clearly indicate the number of shares represented by each proxy.

Article 83

Proxy forms shall be lodged at the domicile of the Company or other places specified in the notice of meeting twenty-four (24) hours before the relevant meeting for voting according to the proxy form, or twenty-four (24) hours before the designated time of voting. Where the proxy form is signed by a person under a power of attorney on behalf of the appointer, the power of attorney or other authorization documents authorized to be signed shall be notarized.

A notarially certified copy of that power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

Where the appointer is a legal person, its legal representative or other persons authorized by the resolutions of the Board or other decision-making organ to act as its representatives may attend the general meeting of the Company as a representative of the appointer.

Article 84

Any form issued to a shareholder by the Board for use by him/her for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote in favor of, against or abstain from each resolution dealing with the businesses to be transacted at the meeting. Such letter of authorization shall contain a statement that in the absence of instructions by the shareholder, his/her proxy may vote as he/she thinks fit.

Article 85

Individual shareholders who attend the meeting in person shall present their personal identity cards or other valid document or proof of their identity and the proof of shareholding. The Company has the right to request proxies (representing individual shareholder) attending the meeting to present their personal identity cards, the authorization letters from the shareholder and the proof of shareholding.

If corporate shareholders (other than Recognize Clearing House or their proxies) appoint its legal representative attending the meeting, the Company has the right to request such legal representative to present their personal identity cards, valid documents that can prove its identity as the legal representative and proof of shareholding. Proxies who attend the meeting shall present their personal identity cards, the authorization letters from the legal representative of the corporate shareholder and the proof of shareholding.

Article 86

Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the letter of authorization shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

Article 87

Register of attendees is to be prepared by the Company. The register contains matters such as names of attendees (or names of units), identity card number, residential address, number of shares carrying the voting right held or represented, and names of persons represented (or names of units represented).

Article 88

The convener and the lawyers engaged by the Company shall verify the validity of the qualifications of shareholders based on such shareholders' register 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 89

All Directors, supervisors and the secretary to the Board shall attend shareholders' general meeting of the Company, while the general manager, the general counsel and other senior management shall be present at the meetings.

Article 90

The Company shall formulate rules of procedure for shareholders' general meeting defining the convening and voting procedures thereof, covering notification, registration, consideration of proposals, voting, counting of ballots, announcement of voting results, formation of resolutions, meeting minutes and signing thereof and announcement, and the principles and contents of the authorization of the Board on the shareholders' general meeting. The rules of procedure for shareholders' general meeting are an appendix to the Articles of Association and shall be formulated by the Board and approved at the shareholders' general meeting.

Article 91

The Board and the Supervisory Committee shall report on their work during the preceding year at the annual general meeting. Every independent non-executive Director shall also prepare his/her work report.

Article 92

The chairman of the meeting shall, prior to voting, announce the number of attending shareholders and their proxies as well as the total number of their voting shares, and the number of attending shareholders and their proxies and the total number of their voting shares shall be subject to registration of the shareholders' general meeting.

Article 93

There shall be two types of resolutions of shareholders' general meetings, namely ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing more than one-half of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

Article 94

A shareholder (including his/her proxy) when voting at a shareholders' general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one (1) vote. However, the shares held by the Company have no voting rights, and that part of the shareholding is not counted as the total number of shares with voting rights held by shareholders attending the meeting. When the shareholders' general meeting considers significant matters that could affect the interests of medium and small investors, the votes by medium and small investors shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.

The soliciting of voting rights can be carried out by the Board of Directors, independent non-executive Directors, and shareholders who satisfy relevant requirements. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights. The public solicitation of the voting rights of shareholders of a listed company shall be in compliance with the requirements of the relevant regulatory authority and the stock exchange(s) on which the shares of the Company are listed.

Article 95

Any vote of shareholders at a general meeting must be taken by poll.

The Company must announce the results of the poll after the meeting including:

- (1) the total number of shares entitling the holder to attend and vote for or against the resolution at the meeting;
- (2) the total number of shares entitling the holder to attend and vote only against the resolution at the meeting; and
- (3) the number of shares represented by votes for and against the relevant resolution by way of an announcement.

Article 96

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

Article 97

Shareholders who attend the general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain, unless securities registration and settlement institutions, as the nominal holders of shares that can be traded through the Mutual Market Access model (內地與香港股票市場互聯互通機制), make declarations according to the intention of actual holders.

Any votes which are uncompleted, erroneously completed or illegible or uncasted votes are to be counted as an abstention of voting rights and the outcome of votes is to be counted as “abstain”.

Article 98

On a poll taken at a meeting, a shareholder (including proxy) entitled to two (2) or more votes need not cast all his/her votes in the same way.

Article 99

Where any shareholder is, under the Company Law, other laws, administrative regulations, or the listing rules of the place where the Company’s shares are listed, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction are not counted.

Article 100

When the general meeting votes for election of Directors or Supervisors, the cumulative voting system may be adopted according to relevant laws, regulations, the Articles of Association or the resolution of the general meeting.

The cumulative voting system as referred to in the preceding paragraph means that when a general meeting elects Directors or Supervisors, each share carries the same number of voting right as the number of Directors or Supervisors to be elected, and the voting rights owned by shareholders may be cumulatively used. The Board shall announce biography and basic information of candidates for Directors and Supervisors.

Article 101

When considering a proposal at the general meeting, such proposal may not be amended; otherwise, the relevant amendment is to be treated as a new proposal and may not be voted at that general meeting.

Article 102

Except for the cumulative voting system, all proposals shall be voted one by one at the shareholders' general meeting. In the case where different proposals are made on the same matter, votes shall be cast in accordance with the sequence of the proposals presented. Unless the shareholders' general meeting is suspended or no resolution may be passed due to exceptional reasons such as force majeure, the proposals shall not be set aside and voting shall take place.

Article 103

Any voting right may be exercised through only one means: on site, online or any other means. The first voting result is to prevail where one voting right is repeatedly exercised.

Article 104

The on-site general meeting may not end earlier than the end of the meeting held online or by any other means, and the chairman of the meeting is to announce the voting result on each proposal at the on-site meeting and whether the proposal is adopted based on the voting result.

All parties involved in the voting on-site, online or by any other means at the general meeting, including the listed company, vote counters, scrutineers, major shareholders and network service providers, are obliged to keep the voting confidential before the voting results are formally announced.

Article 105

The following resolutions shall be adopted as ordinary resolutions at a general meeting:

- (1) working reports of the Board and the Supervisory Committee;
- (2) profit distribution proposals and plans for making up losses formulated by the Board;
- (3) the appointment and removal of members of the Board and their remuneration and payment methods;
- (4) annual financial budgets and final accounts of the Company;
- (5) annual report of the Company; and
- (6) other matters unless otherwise required to be adopted as special resolutions in accordance with the applicable laws and administrative regulations, or the Articles of Association.

Article 106

The following resolutions shall be adopted as special resolutions at a general meeting:

- (1) increase in or reduction of registered capital and issuance of shares of any class, warrants and other similar securities of the Company;
- (2) issuance of debentures or other securities and listing or initiative of delisting of the Company;
- (3) division, merger, dissolution and liquidation or change in corporate form of the Company;
- (4) amendments to the Articles of Association;
- (5) purchase or disposal of material assets or any guarantee made within a year, and the amount of which exceeds 30% of the latest audited total assets of the Company;
- (6) equity incentive scheme; and
- (7) other matters, as provided by laws, administrative regulations or these Articles of Association or as considered and approved by the shareholders' general meeting, by way of an ordinary resolution, to have a substantial impact on the Company and to require approval by a special resolution.

Article 107

In the shareholders' meeting, the Directors, supervisors, general manager and other senior management present at the shareholders' general meeting shall provide an explanation and description in response to inquiries raised by shareholders, unless such queries are connected with the Company's trade secrets that shall not be released on the shareholders' general meeting.

Article 108

The Board and other conveners of the Company will take action when necessary to ensure the regular order of the general meeting and to prevent the act of disturbing the general meeting, picking a quarrel and infringing the shareholders' lawful interest and report to the competent authority for investigating on time.

The convener shall ensure the continuance of the general meeting until the final resolution is formed. Necessary measure are to be taken to renew or terminate the general meeting and make an announcement on time in the event that the general meeting could not continue or resolution could not be formed due to some special reasons such as force majeure. At the same time, the convener shall report to relevant department in accordance with applicable provisions.

Article 109

Shareholders' general meetings shall be presided over by the Chairman of the Board who shall act as the chairman of the meeting. If the Chairman of the Board cannot or fails to fulfill the duty thereof, the vice Chairman of the Board shall preside (where the Company has two (2) or more vice Chairmen of the Board, one (1) vice Chairman shall be elected to convene or preside over the meeting with the approval of not less than half of the Directors); if the vice Chairman cannot or fails to fulfill the duty thereof, one (1) Director shall be elected to convene or preside over the meeting with the approval of not less than half of the Directors; if it fails to elect a Director from not less half of the Directors to preside over the meeting, one (1) shareholder shall be elected to preside over the meeting from shareholders attending the meeting. If, for any reason, the attending shareholders fail to elect one to be the chairman, the attending shareholder (or his/her proxy) who holds the most voting shares shall be the chairman of the meeting.

A general meeting convened by the Supervisory Committee is to be presided over by the chairman of the Supervisory Committee. Where the chairman of the Supervisory Committee is unable or fails to perform the duty, the meeting is to be presided over by the vice chairman of the Supervisory Committee; where the vice chairman of the Supervisory Committee is unable or fails to perform the duty, the meeting is to be presided over by a supervisor jointly elected by a simple majority of the supervisors.

A general meeting convened by shareholders is to be presided over by one representative appointed by conveners.

In the event that the general meeting cannot proceed due to violation of the rules of procedure by the chairman of the meeting, the general meeting may appoint one person as the chairman of the meeting upon consent of a simple majority of the voting shareholders present at the meeting.

Article 110

The chairman of the meeting shall determine whether or not a resolution of the shareholders' general meeting shall be adopted. His/her decision shall be final and conclusive and shall be announced at the meeting and recorded in the minutes.

Article 111

The general meeting is to, prior to the voting on any proposal, elect two representatives from shareholders to take part in vote counting and polling scrutiny. In case any shareholder is involved in any matter to be reviewed, the shareholder and his/her proxy may not take part in vote counting and polling scrutiny

When the general meeting votes on any proposals, lawyers, and representatives of shareholders and supervisors are to be jointly responsible for vote counting and polling scrutiny, and the voting result is to be announced on-site. The voting result is to be recorded in the meeting minutes.

The listed company's shareholders or their proxies who vote online or by any other means are entitled to check their voting results via the relevant voting system.

In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he/she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

Article 112

In the event that the votes are counted at the shareholders' general meeting, the counting results shall be recorded in the minutes of the meeting.

Article 113

When connected transactions are voted at the general meeting, the connected shareholders shall not participate in voting. The voting shares represented by them shall not be counted in the total number of shares validly voted. Announcement on resolution of the general meeting is to fully disclose the voting of unconnected shareholders.

When provision of any guarantee by the Company to any shareholder or actual controller of the Company is considered at the general meeting, the said shareholder or any shareholder controlled by the said actual controller shall not vote on such matters. Any such matter shall be decided by a majority of the voting rights held by other shareholders attending the meeting.

Article 114

All resolutions passed at shareholders' meetings are to be kept in minutes of the meeting, which the secretary to the Board shall be responsible for. The minutes are to be signed by the chairman of the meeting and Directors, supervisors, secretary to the Board, convener or their proxies present at the meeting. The meeting minutes are to include the following contents:

- (1) the date, place and agenda of the meeting, and the name of the convener;
- (2) the name of the chairman of the meeting, and the Directors, supervisors, general manager and other senior management attend or present at the meeting;
- (3) number of the shareholders and proxies present at the general meeting, total number of shares with voting rights held by the shareholders and its proportion to total number of shares of the Company (with number of shareholders of A shares and H shares, total number of shares and their respective ratio);
- (4) discussing process, key points of speech and voting results of each resolution;
- (5) inquiries and suggestions of the shareholders, and corresponding replies or explanations;
- (6) names of the lawyers, vote counters and scrutineers; and

- (7) other contents to be included in the meeting minutes as required by these Articles of Association.

The minutes of the meetings, together with the attendance book for shareholders, power of attorney for proxies and valid material for online voting or voting by other means, are to be submitted to the secretary to the Board and kept at the domicile of the Company for a period of at least ten (10) years.

Article 115

Copies of the minutes of the meeting shall be available for inspection during business hours of the Company by any shareholder free of charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within seven (7) days after receipt of reasonable charges.

Article 116

The Company is to, in compliance with the applicable laws, regulations and relevant provisions of the place of the stock exchange where the Company's shares are listed, to publish announcements on resolutions passed at general meeting. Such announcement is to indicate the number of shareholders and proxies present at the meeting, the total number of shares with voting rights they hold and its proportion to the total number of shares with voting rights of the Company, the means of voting, the voting results of each proposals as well as the details of each resolution adopted.

Article 117

In the event that a proposal is not adopted, or the general meeting makes any modification to any resolution adopted at the previous meeting, a specific indication is to be made in the announcement on resolutions of the general meeting.

Article 118

Where any proposal on cash dividends, bonus shares or capital surplus into share capital is adopted at the general meeting, the Company shall implement the specific scheme within two months upon the conclusion of the general meeting.

Article 119

When holding a general meeting, the Company shall engage lawyers to advice on the following matters and make an announcement:

- (1) whether the procedures for convening and holding the meeting are compliant with the laws, administrative regulations and these Articles of Association;
- (2) whether the qualifications of the attendees and the conveners are lawful and valid;
- (3) whether the voting procedures and results of the meeting are lawful and valid; and
- (4) legal opinion on other relevant matters at the request of the Company.

CHAPTER 9 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 120

Shareholders holding different classes of shares shall be class shareholders.

Class shareholders shall be entitled to the rights and assume obligations pursuant to the provisions of the laws, administrative regulations and the Articles of Association.

Article 121

Any variation or abrogation of the rights of any class of shareholders proposed by the Company may only come into effect upon adoption of a special resolution at a shareholders' general meeting and approval by the affected shareholders of that class at a separate meeting held in accordance with Articles 123 to 127.

Article 122

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

- (1) to increase or decrease the number of shares of a particular class, or increase or decrease the number of shares of another class having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;
- (2) to effect an exchange of all or part of shares of such class into shares of other classes, or to effect an exchange or grant a right of exchange of all or part of the shares of other classes into shares of such class;
- (3) to remove or reduce rights to accrued dividends or cumulative dividends attached to the shares of such class;
- (4) to reduce or remove the rights to a dividend preference or a liquidation preference to distribution of property attached to the shares of such class;
- (5) to add, remove or reduce the rights to conversion, options, voting, transfer, pre-emptive rights to placement and acquire securities of the Company attached to the shares of such class;
- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to the shares of such class;
- (7) to create a new class of shares having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;
- (8) to restrict the transfer or ownership of the shares of such class or set more restrictions;
- (9) to issue subscription rights or share conversion rights for the shares of such class or other classes;

- (10) to increase the rights and privileges of the shares of other classes;
- (11) to restructure the Company where the proposed restructuring scheme will result in different classes of shareholders bearing a disproportionate burden of obligations of restructuring;
- (12) to vary or abrogate the terms provided in this Chapter.

Article 123

Shareholders of the affected class, whether or not having the right to vote at the shareholders' general meeting, shall nevertheless have the right to vote at class meetings on matters referred to in items (2) to (8) and items (11) to (12) of Article 122, but interested shareholders shall not be entitled to vote at class meetings.

The "interested shareholders" mentioned in the preceding paragraph shall have the following meanings:

- (1) in the case of a repurchase of its own shares by the Company by making offers to all shareholders on the same pro rata basis or through public dealing on a stock exchange in accordance with Article 30, "interested shareholders" shall refer to the controlling shareholders as defined in Article 57;
- (2) in the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 30, "interested shareholders" shall refer to the shareholders to which the proposed agreement relates;
- (3) in the case of a restructuring of the Company, "interested shareholder" shall refer to a shareholder within a class who bears liabilities less than the proportionate burden imposed on other shareholders of that class or who has interests different from those held by shareholders of the same class.

Article 124

A resolution of the class meeting shall be passed in accordance with Article 123 by shareholders present in the meeting representing not less than two-thirds of voting rights.

Article 125

Written notice of a class meeting convened by the Company shall be dispatched forty-five (45) days prior to the date of the class meeting to all shareholders of such class whose names appear on the register of members, specifying the matters to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend twenty (20) days prior to the date of the meeting. The quorum for any class meeting (other than adjourned meeting) convened for the purpose of altering the rights of such class shares shall be at least one-third of the holders of the issued shares of such class.

If the number of voting shares at such meeting held by shareholders who intend to attend such meeting reaches more than one-half of the total number of voting shares at such meeting, the Company may hold such class meeting; if this cannot be attained, the Company shall further notify the shareholders by way of announcement within five (5) days thereof specifying the matters to be considered and the date and place of the meeting. After such announcement has been given, the Company may then hold the class meeting. Such public announcement shall be published in newspaper.

Article 126

Notices of the class meeting only need to be served on shareholders entitled to vote thereat.

The procedures for holding the class meeting shall be similar to those for holding the shareholders' general meeting as far as possible, and the provisions in the Articles of Association relating to the procedures for a shareholders' general meeting shall apply to the class meeting.

Article 127

Save for holders of shares of other classes, the holders of A shares and holders of H shares are deemed to be different classes of shareholders.

The special procedures for voting by class shareholders shall not apply in the following circumstances:

- (1) any proposed issuance of A shares and H shares by the Company in every twelve (12) months, whether separately or together, if such proposed issuance of A shares and H shares are approved by the shareholders in a general meeting by way of special resolution, and the A shares and H shares proposed to be issued by the Company not exceeding 20% of the shares of such class in issue;
- (2) where the Company's plan to issue A shares and H shares at the time of its establishment is carried out within fifteen (15) months from the date of approvals of the securities regulatory authorities of the State Council.

CHAPTER 10 CORPORATE ORGANISATION UNDER THE PARTY

Article 128

In accordance with the regulations of the Constitution of the Communist Party of China and with the approval from the Party organisation at a higher level, the Committee of Communist Party of China of Xinhua Winshare Publishing and Media Co., Ltd. shall be established. Meanwhile, the Discipline Committee under the Party shall be established in accordance with related regulations.

Article 129

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 (5) years in general. Regular re-election shall be conducted upon the expiration of its term of office. Each term of office of the Discipline Committee under the Party shall be the same as the Party Committee.

Article 130

Member of the leading group of the Party organisation is five (5) to nine (9) people in general, consisting of one (1) secretary of the Party Committee, one (1) or two (2) deputy secretary(ies) of the Party Committee.

Article 131

Party Committee of the Company shall play a leading role, supervising the Company's direction of development, monitoring the whole picture and facilitating implementation, discussing and making decisions on significant matters of the Company in accordance with the regulations. Significant operating management matters shall go through investigation and discussion by the Party Committee before decisions are made by the Board of Directors or the management.

- (1) 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;
- (2) to thoroughly study and implement the 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 organisation at a higher level in the Company;
- (3) to investigate and discuss the significant operating management matters of the Company and support the shareholders' general meeting, the Board of Directors, the Supervisory Committee and the management to exercise their rights and perform their duties in accordance with the laws;
- (4) to strengthen the leadership and gate keeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, cadre and talents team;
- (5) to undertake the main responsibility in improving Party conduct and upholding integrity, lead and support discipline inspection institutions to fulfil its supervisory and disciplined responsibilities as well as exercise strict administrative discipline and political rules and promote Seeing Party self-governance exercised fully and with rigor into the grassroots level;
- (6) to strengthen the building of grass-root Party organisation and Party members, unit and lead officials and employees to devote themselves into the reform and development of the Company;

- (7) to lead the Company's ideological and political work, the spirit and civilisation progress, the United Front work and lead mass organisations such as the Labour Union of the Company, Communist Youth League and Women's Organisation.

Article 132

By insisting on and improving a leading mechanism of "Dual Entry and Cross Appointment", eligible members of the Party Committee may take seats in the Board of Directors, the Supervisory Committee and the management through statutory procedures, while eligible members of the Board of Directors, the Supervisory Committee and the management may take seats in the Party Committee in accordance with related regulations and procedures.

Secretary of the Party Committee and chairman of the Board of Directors are held by one (1) person in general, while deputy secretary is assumed by the general manager of the Party member. A deputy secretary shall be designated to be responsible for the Party construction works for the Party Committee.

Article 133

The Company provides the necessary conditions for the Party's activities, establishes the Party's working organisation, guarantees the activities venue and funds of the Party organisation. The expenses for the work of the Party organisation shall be included in the budget of the Company at 1% of the total remuneration of employees of the Company in the previous year.

CHAPTER 11 BOARD OF DIRECTORS

Article 134

The Company shall have a Board, which shall comprise nine (9) Directors, among them, with one (1) Chairman and one (1) or more vice Chairman.

The Board is independent of the controlling organizations (herein meaning those corporations, enterprises or institutions which control the Company).

And external Directors (refer to Directors who do not hold an office in the Company) shall represent one-half or more of members of the Board and there shall at least one-third of members of the Board are independent non-executive Directors.

Article 135

The Directors not being employee representatives shall be elected by a shareholders' general meeting, and the employee representatives to serve as Directors shall be elected by employees of the Company through the employees' representatives meeting, employees' meeting or other forms. Directors are appointed with a term of office of three (3) years. A Director may be re-elected upon expiration of the term.

The term of office of a Director commences from the date of the resolution passed at shareholders' meeting, up to the maturity of the current term of office of the Board. Prior to the expiration of their term of office, Directors may not be removed from office without cause by a shareholders' general meeting.

Written notice of an intention to nominate a candidate for Director and willingness to accept the nomination by the candidate shall be delivered to the Company after the notice of shareholders' meeting relating to election of the relevant Director is dispatched by the Company and seven (7) days prior to the date of such meeting. The period of notification of written notice shall not be less than seven (7) days.

The Chairman and vice Chairman of the Board shall be elected or removed by more than one-half of all Directors. The term of office of the Chairman and vice Chairman shall be three (3) years, renewable upon re-election.

In the event that the terms of office of Directors fall upon maturity whereas new members of the Board are not re-elected in time, or the resignation of any Director during his/her term of office results in the number of members of the Board of Directors falling below the statutory minimum requirement, the said Directors shall continue to perform their duties in accordance with the laws, the administrative regulations and the Articles of Association until the re-elected Directors assume their office.

The shareholders' general meeting may by ordinary resolution remove any Director before the expiration of his/her term of office (but without prejudice to such Director's right to claim damages based on any contract), subject to full compliance with relevant laws and administrative regulations.

The chairman, vice chairman or executive directors of the controlling organization shall also hold office of the Company's Chairman and executive Directors of the Board, but the maximum number shall be two (2). Managers or other senior management may concurrently serve as Directors, provided that the number of Directors concurrently served by managers or other senior management and those served by employee representatives shall aggregately not exceed one-half (1/2) of the total number of Directors of the Company.

The Directors are not required to hold shares of the Company.

The qualification, nomination and resignation of independent non-executive Directors shall comply with relevant provisions of laws, regulations and departmental rules.

Article 136

Where a Director has failed to, personally or entrust another Director to, attend the Board meeting twice consecutively, he/she shall be deemed to be unable to perform his/her duties, in which circumstance the Board is to recommend the replace of such Director by the shareholders' general meeting.

Article 137

Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. The Board shall disclose such resignation within two (2) days.

Unless otherwise specified in the 5th paragraph of Article 135 of the Articles of Association, the resignation of such Director shall take effect on the receipt of the resignation report by the Board.

Article 138

Upon approval of his/her resignation or expiry of his/her term of office, a Director shall complete his/her hand-over procedures with the Board. The fiduciary obligations of a Director to the Company and the shareholders are not necessarily released upon the expiry of his/her term of office, and shall remain valid within a reasonable period as provided in the Articles of Association.

Article 139

The Board shall formulate the rules of procedures for Board meetings to ensure the Board to implement the resolutions approved at the shareholders' general meeting, work efficiently and be scientific in decision making.

Article 140

No Directors shall act, in their personal capacity, on behalf of the Company or the Board in contravention of provisions of this Articles of Association or without appropriate authorization by the Board. The Director shall, when acting in his/her personal capacity, state his/her standings and identities in advance if a third party has reasons to believe that the said Director is acting on behalf of the Company or the Board.

Article 141

Any Director who violates provisions of any laws, administrative regulations, departmental rules or this Articles of Association during the course of performing his/her duties and causes losses to the Company, shall be liable for compensation for any loss.

Article 142

The Board shall report to the shareholders' general meeting and carries out the following duties and powers:

- (1) to convene shareholders' general meetings and report its work to the shareholders' general meeting;
- (2) to implement the resolutions of shareholders' general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's plans on annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;

- (6) to formulate the proposals for increase or decrease of the registered capital of the Company and issue of bonds of the Company or other bonds and listing plan or initiative of delisting;
- (7) to formulate plans for major acquisitions of the Company and redeem the Company's own shares or plans for merger, division, alteration of corporate form of the Company and dissolution;
- (8) to resolve on external guarantees other than those requiring approval of the general meeting in accordance with provisions of relevant laws, administrative regulations and the Articles of Association;
- (9) to resolve on the connected transactions and other transactions requiring deliberation and approval of the Board of the Company;
- (10) to resolve on (among others) external investment, purchase and sale of assets, assets mortgage, external guarantees, entrustment of financial services and connected transactions of the Company within the authorization of the general meeting;
- (11) to determine the establishment of the Company's internal management structure;
- (12) to appoint or remove the general manager, secretary to the Board of the Company, and to appoint or remove the deputy general manager, chief financial officer and other senior management of the Company upon nomination by the general manager and to decide on their remunerations, rewards and punishments;
- (13) to formulate the basic management system of the Company;
- (14) to formulate proposals for amendment to the Articles of Association;
- (15) to manage information disclosure of the Company;
- (16) to propose the appointment or removal of the Company's auditors to the general meetings of the shareholders;
- (17) to hear the work report and inspect the work of the general manager of the Company;
- (18) to appoint or remove other key management personnel other than the senior management of the Company upon nomination by the general manager and to decide on their remunerations;
- (19) laws and regulations of the State and relevant regulatory requirements and the provisions of the Articles of Association, or other duties delegated by general meeting.

Except for the Board resolutions in respect of the matters specified in items (6), (7) and (14) of this Article of Association which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the Directors, of which, Board resolutions in respect of the matters specified in items (8) require the affirmative vote of not less than two-thirds of all the Directors attending, in addition to the affirmative vote of a simple majority of all the Directors.

Article 143

The Board of Directors shall determine the approval authority for (among others) external investments, purchases and sales of assets, assets mortgage, external guarantees, entrustment of financial services and connected transaction, and establish strict examination and decision-making procedures; for material investment projects, it shall arrange for them to be evaluated by experts and professionals and submit the same to the general meeting for approval.

Article 144

In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets disposed within four (4) months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet considered by the shareholders' general meeting, the Board shall not dispose or consent to dispose such fixed assets without prior approval by the shareholders' general meeting.

The term "fixed assets disposal" referred to in this Article represents (among other things) transferring certain interests in assets, but not including provision of guarantees by way of fixed assets.

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

Article 145

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

- (1) to preside over shareholders' general meetings and to convene and preside over Board meetings;
- (2) to supervise and check on the implementation of resolutions of the Board;
- (3) to sign the securities certificates issued by the Company;
- (4) without violating any applicable laws, regulations, the Listing Rules and this Articles of Association, to resolve on external investments and borrowings issues of the Company within the following scope:
 1. a single operating capital of external investment projects with a value exceeding 2.5% and below 5% of the latest audited net assets of the Company;

2. a single amount of borrowing with a value exceeding 1% and below 5% of the latest audited net assets of the Company;
- (5) to represent the Company to deal with single business transaction in an amount exceeding RMB10 million and enter into contract in relation thereof in compliance with any applicable laws, regulations, listing rules and the Articles of Association;
- (6) to exercise the powers of the legal representative;
- (7) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and provide post-event reports to the Board and the general meeting;
- (8) to exercise other powers conferred by the Board.

The vice chairman of the Company shall assist the Chairman of the Board in his/her work. If the Chairman of the Board is unable to or does not perform his/her duties, the vice Chairman designated by the Chairman shall perform his/her duties (should the Company has two or more vice chairmen, the vice Chairman jointly elected by not less than half of the members of the Board shall perform the duties of the Chairman); where the vice Chairman is unable to or does not perform his/her duties, a Director jointly elected by not less than half of the members of the Board shall perform the duties of the vice Chairman.

Article 146

Regular meetings of the Board shall be held at least four (4) times every year and shall be convened by the Chairman of the Board. All of the Directors and supervisors shall be notified about the meeting fourteen (14) days in advance.

Under one of the following circumstances, the Chairman of the Board shall convene and chair a special Board meeting within ten (10) days after the proposal is received.

- (1) when it is jointly proposed by not less than 10% of the Directors;
- (2) when not less than one-third of the Directors jointly propose;
- (3) when the Supervisory Committee requests;
- (4) when the Company's general manager requests;
- (5) when more than one-half (1/2) of the independent non-executive Directors jointly propose;
- (6) when the Chairman considers necessary;
- (7) when it is required by securities regulatory authorities.

The Chairman shall notify all of the Directors about the extraordinary Board meeting three (3) days beforehand. In case of emergency, the manner of notification for the meeting as specified under the preceding paragraph shall not apply; however, a reasonable notice shall be issued.

Notices of the Board meetings shall be delivered to all the Directors, supervisors, general managers and the secretary to the Board by hand, facsimile, electronic mail, courier, registered mail or other methods. If service is made indirectly, confirmation shall additionally be made by telephone and the appropriate record thereof shall be made. In case of urgent situation that the interim meeting of the Board of Directors shall be convened as soon as possible, the meeting notice may be sent via telephone or in other oral forms, but the convener shall explain at the meeting.

Article 147

The notice of Board meetings shall include the following:

- (1) the venue, date and time of the meeting;
- (2) the duration of the meeting;
- (3) the meeting procedure, subject, agenda and the relevant information;
- (4) the date of the notice was issued.

Article 148

Directors who are present at a meeting and have not raised objection concerning their failing to have received the notice of the meeting before or at the meeting shall be deemed to have been served and notice of meeting.

Article 149

The meetings of the Board may be held by way of on-site meetings or telecommunication meetings such as telephone conferences, video conferences, written resolution meetings or by any other means of telecommunications.

If the meetings of the Board are telephone conferences or video conferences, it shall be ensured that the participating Directors are able to hear clearly other Directors' speeches and are able to communicate with each other. Sound records and video records shall be made for such meetings and kept permanently. Where the Directors are not able to sign the meeting minutes immediately at such meetings, they shall cast their votes orally and complete the signing on written resolutions as soon as possible. Oral voting by the Directors shall have the same effect as signature in writing, but the signature in writing shall comply with the earlier oral voting at the meetings. If there is any discrepancy between such signature and oral voting, the oral voting shall prevail.

Under emergency, the meetings of the Board may be held by way of written resolution meetings, which means the proposals are served, separately or in sequence, to the Directors for their review and resolution, and the Directors shall state clearly their affirmative or negative opinions on the resolutions. Where a written resolution meeting is to be held, the notices of voting shall state the time limit for the voting, which shall be no shorter than five (5) days following the day of service of such notices, unless all the Directors agree to waive in writing the time limit requirement of such notices. If the Directors vote in advance, they are considered to waive the time limit requirement of such notices.

Article 150

Save as otherwise required by the Articles of Association, a Board meeting shall only be held if more than half of the Directors are present.

Each Director shall have one (1) vote. Save as otherwise required by the Articles of Association, resolutions of the Board of Directors shall be decided by a majority of votes.

According to the Articles of Association, all Directors must receive prior notice of any major items that requires decision by the Company's Board of Directors, and be given adequate information. The Directors may request additional information and proceed in accordance with the requirements as stipulated. When more than a quarter of the Directors or more than two (2) of the external Directors or more than two (2) independent non-executive Directors consider the information as inadequate or the proof inaccurate, they may jointly propose to postpone the Board meeting, or to postpone discussion on some of the items listed in the agenda, and the Board of Directors shall accept.

Any Director connected ((as defined under the listing rules, as amended from time to time, of the stock exchanges where the Company's shares are listed) to the enterprises being discussed at the Board meeting shall abstain from voting on the resolution, and is forbidden to vote on the related items, and is forbidden to vote on the item on behalf of other Directors. The meeting can effectively convene when more than half of the unconnected Directors attend, and the resolution shall be approved by votes from more than half of the unconnected Directors. Should there be fewer than three (3) unconnected Directors at the Board meeting, the item shall be submitted for consideration at the general meeting.

Article 151

Directors shall attend Board meetings in person. If they for some reason cannot attend, they may authorize other Directors in writing to attend on their behalf. The letter of authorization shall indicate the name of the proxy, the matters entrusted to the proxy, the scope of authorities, and the effective period, and shall be signed or sealed by the principal. The Director attending the meeting on other's behalf shall exercise their authorities within the scope they are authorized to.

A Director who does not attend the Board meeting and fails to appoint a representative is deemed to have given up his/her voting rights at that particular meeting.

Article 152

Detailed minutes shall be prepared for the matters discussed and decided in the Board meeting and all the Directors, secretary to the Board and the recorder present at the meeting shall sign on the minutes. The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations, the Articles of Association or resolutions of shareholders' general meeting, resulting in serious losses to the Company, the Directors involved in approving the resolution are liable to compensate the Company. However, if it can be proven that a Director expressly objected to the resolution during voting and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability.

Opinions expressed by independent non-executive Directors shall be stated in the resolution of the Board.

Minutes of Board meetings shall be recorded as company file to be kept by the secretary to the Board for a period of not less than ten (10) years.

Article 153

Minutes of the Board meetings shall include the following information:

- (1) the date and venue of the meeting, and the name of the convener;
- (2) the names of Directors that attend the meeting personally, and the names of Directors (proxies) that attend the meeting on behalf of other Directors;
- (3) the agenda of the meeting;
- (4) the key points of the speeches of Directors;
- (5) the voting method for and result of each resolution on the agenda (with the voting result to include the number of ballots that vote "FOR", "AGAINST" or "ABSTAINED").

Article 154

The Audit Committee, the Remuneration and Review Committee and the Nomination Committee shall be established by the Board of Directors of the Company pursuant to the Listing Rules. The Audit Committee shall comprise at least three (3) Directors who shall be non-executive Directors only. The majority of the Audit Committee shall be independent non-executive Directors and one (1) of them shall act as the convener with at least one (1) independent non-executive Director having professional qualifications in accounting. The Remuneration and Review Committee shall comprise at least three (3) Directors, with a majority of its members being independent non-executive Directors and one (1) of them acting as the convener. The Nomination Committee shall comprise at least three (3) Directors, with a majority of its members being independent non-executive Directors and one (1) of them acting as the convener.

The Strategy and Investment Planning Committee and the Editorial and Publication Committee may also be established by the Board of Directors as required.

The main responsibilities of the Audit Committee are: (1) to recommend the engagement or removal of external audit institutions; (2) to supervise the internal audit system and its enforcement; (3) to be responsible for the communications between internal audit and external audit; (4) to audit the Company's financial information and its disclosure; (5) to review the Company's internal control system; and (6) to control and daily manage connected transactions.

The Board of Directors shall make assessment on the work performance of the Audit Committee on a yearly basis, so as to ensure its responsibilities are effectively fulfilled.

The main responsibilities of the Remuneration and Review Committee are: (1) to examine the assessment criteria of Directors and managers, conduct assessment and provide recommendations; and (2) to examine the remuneration policies and packages applicable to the Directors and senior management officers.

The main responsibilities of the Strategy and Investment Planning Committee are to examine and advise on the Company's long-term development strategies and major investment decisions. The main responsibilities of the Nomination Committee are: (1) to formulate the standards and procedure for selecting Directors, managers, and making proposals in connection therewith;

(2) to identify for competent candidates of Directors and managers; and (3) to evaluate candidates of Directors and managers, and to make proposals in connection therewith; and (4) to assess the independence of independent non-executive Directors.

The special committees may engage intermediaries for professional advice. The expenses incurred there from shall be borne by the Company.

Each of the special committees shall report to the Board of Directors and submit its proposals to the Board of Directors for consideration and approval.

CHAPTER 12 SECRETARY TO THE BOARD

Article 155

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

Management officers of the holding company cannot hold a concurrent position of the secretary to the Board.

Article 156

The secretary to the Board shall be a natural person who has acquired requisite professional knowledge and experience. He/she shall be appointed by the Board of Directors and meets all the qualifications stipulated under the Listing Rules, and the major duties of whom include:

- (1) to assist the Directors in dealing with daily work of the Board; to provide, remind and ensure the Directors to acquaint with the laws, administrative regulations, policies and requirements by relevant regulatory authorities regarding the Company's operations; to be responsible for communications between the Directors and relevant parties of the Company; to ensure the Directors be provided with necessary information and documents for fulfillment of their authority and functions; to assist Directors and general manager in abiding by laws, administrative regulations, listing rules of the stock exchanges on which the Company's shares are listed, the Articles of Association and other relevant provisions in their exercise of authority and functions;
- (2) be responsible for the organization and preparation works for the Board of Directors, shareholders, meeting records, minutes of meetings, and to ensure the resolutions reached at these meetings comply with the legal procedures and reply to Directors in respect of questions concerning relevant meeting procedures and applicable rules;
- (3) be responsible for the organization of and arrangement for every newly appointed Director of the Company to receive a comprehensive, formal and tailored induction on the first occasion of his/her appointment, and subsequently such briefing and professional development as is necessary, to ensure that he/she has a proper understanding of the operations and business of the Company and that he/she is fully aware of his/her responsibilities under the laws, administrative regulations, statute, listing rules of the stock exchanges on which the Company's shares are listed and other regulatory requirements and the business and governance policies of the Company;
- (4) be responsible for coordinating information disclosure and enhance transparency of the Company's information;
- (5) be responsible for coordinating market publicity, reception of visitors, managing investor relations, maintaining relationships with regulatory authorities, investors, intermediaries and the mass media and public relation coordination;
- (6) to ensure that the Company has maintained complete constitutional documents and records;
- (7) to ensure that the Company shall prepare and submit reports and documents requested by competent authorities in accordance with the laws;
- (8) be responsible for the organization, preparation and timely submission of the files requested by the stock exchange on which the Company's shares are listed; to be acknowledged of and complete the relevant requirements stipulated by the stock exchange on which the Company's shares are listed;

- (9) to ensure that the Company's registers of members are properly maintained, and that persons who are entitled to receive the relevant records and documents of the Company receive the relevant records and documents in a timely manner;
- (10) to ensure all corporate communications that contain the names of the Directors clearly identify the independent non-executive Directors;
- (11) to deal with other matters as authorized by the Board.

Article 157

The Company's directors or the senior management of the Company can serve concurrently as secretary to the Board. The registered accountants from accounting agencies appointed by the Company must not serve concurrently as the secretary to the Board.

When the Company's Director serves concurrently as the secretary to the Board, and an action must be conducted by the Director and the secretary to the Board respectively, the abovementioned Director is forbidden to conduct such action with dual identities.

CHAPTER 13 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

Article 158

The Company has one (1) general manager, several deputy general managers who shall be appointed or dismissed by the Board of Directors.

The general manager, deputy general managers, financial controller, secretary to the Board and other senior management of the Company as determined by the Board comprise the senior management of the Company.

Persons holding administrative positions at the controlling shareholder and de facto controller of the Company other than directorship and supervisorship may not serve concurrently as the Company's general manager, deputy general manager and other senior management.

The general manager and other senior management shall serve as such for a term of three (3) years and be eligible for re-election.

Article 159

The restriction on the eligibility for serving as a Director under Article 183 hereof shall be applicable to senior management.

The requirements of duty of loyalty of Directors under Article 185 and fiduciary duty under Article 185 hereof shall be applicable to senior management.

Article 160

The general manager reports to the Board of Directors, and has duties and powers listed below:

- (1) to be responsible for the production and operation management of the Company, and report to the Board of Directors;
- (2) to organize the implementation of resolutions by the Board of Directors, annual plans and investment projects of the Company;
- (3) to draft internal management organization plans of the Company;
- (4) to draft basic management systems for the Company;
- (5) to formulate detailed concrete regulations for the Company;
- (6) subject to any applicable laws, regulations, listing rules and these Articles of Association, to decide the Company's external investment and borrowing issues within the power scope as specified below:
 1. an external investment amounting to less than 2.5% of the latest audited net asset value of the Company;
 2. a single amount of borrowing accounting for less than 1% of the latest audited net asset value of the Company;
- (7) subject to any applicable laws, regulations, listing rules and these Articles of Association, to represent the Company to deal with the business and sign the relevant contracts with the amount less than RMB10,000,000;
- (8) submitting to the Board of Directors for the appointment or dismissal of the Company's deputy general managers, financial controllers or any other senior management officers, and submitting to the Board for the appointment or dismissal of major business person in charge;
- (9) to appoint or dismiss senior management other than the staff which shall be appointed and dismissed by the Board of Directors or the Chairman of the Board;
- (10) to decide the salaries, welfare, rewards and punishments of employees of the Company, to determine the appointment and dismissal of employees of the Company;
- (11) to propose convening of extraordinary Board meetings;
- (12) to perform any other duties and powers authorized by the Articles of Association and the Board of Directors.

Article 161

The general manager shall attend the Board meetings as observer, but the general manager who is not one of the Directors does not have voting rights at the meeting.

Article 162

The general manager shall, in accordance with the requirements of the Board of Directors or the Supervisory Committee, report to the Board of Directors or the Supervisory Committee on major contracts signed, the progress, use of funds and profit and loss. The general manager must ensure the authenticity of the report.

Article 163

The general manager shall formulate his/her terms of reference, which shall come into force upon being approved by the Board of Directors. The terms of reference shall include the following:

- (1) Criteria and procedures for convening and eligibility for attending a general managers' meeting;
- (2) Responsibilities of and relations between the general manager and other senior management;
- (3) The authority to use capital and assets of the Company and to enter into material contracts on behalf thereof, and the mechanism of reporting to the Board of Directors and the Supervisory Committee; and
- (4) Other matters as the Board of Directors deems fit.

Article 164

The general manager may tender his/her resignation before the expiry of his/her term of office. Particulars and the method of such resignation shall be subject to the employment contract between the general manager concerned and the Company.

Article 165

The general manager shall perform their obligations honestly, diligently and loyally in accordance with laws, administrative regulations and the provisions in the Articles of Associations.

The general manager and senior management are liable for damages for any loss suffered by the Company due to their performance of duties in the Company in breach of any laws, administrative rules, departmental rules or these Articles of Association.

CHAPTER 14 SUPERVISORY COMMITTEE

Article 166

The Company shall have a Supervisory Committee.

Article 167

The Supervisory Committee is composed of six (6) persons, including one (1) as chairman of the Supervisory Committee. They have a term of three (3) years, and are eligible for re-election and re-assignment.

The appointment and dismissal of the chairman of the Supervisory Committee is subject to adoption by over two-thirds of the supervisors by voting.

The meeting of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee. In the event that the chairman of the Supervisory Committee is incapable of performing or fails to perform his/her duties, a supervisor jointly recommended by half or above of the supervisors shall be appointed to convene and preside over the meeting.

In the event that the terms of office of supervisors fall upon maturity whereas new members of the Board are not re-elected in time, or the resignation of any supervisors during his/her term of office results in the number of members of the Supervisory Committee falling below the statutory minimum requirement, the said supervisors shall continue to perform their duties in accordance with the laws, the administrative regulations and the Articles of Association until the re-elected supervisors assume their office.

Article 168

Members of the Supervisory Committee shall consist of two (2) supervisors representing the shareholders, two (2) independent supervisors (independent from the Company and not having any position in the Company) and two (2) supervisors representing the staff and workers of the Company. The shareholder representatives shall be elected and removed by a general meeting, the employee representatives shall be elected and removed by employees of the Company through the employees' representatives meeting, employees' meeting or other form.

The term of each supervisor shall commence from the date on which the resolution related thereto is adopted at a general meeting of shareholders or at a democratic election for employees and ending on the expiration of the term of the then Supervisory Committee.

In the Supervisory Committee of the Company, external supervisors (not holding any post in the Company, same below) shall account for more than one half of all the supervisors, and external supervisors are entitled to report the fiduciary and due diligence of the senior management of the Company at the general meeting independently.

The proportion of employees' representative in the Supervisory Committee shall not be lower than one-third.

Article 169

The Directors, general manager and other senior management of the Company shall not act as supervisors concurrently.

Article 170

Meetings of the Supervisory Committee shall be held once (1) every six (6) months, and shall be convened by the chairman of the Supervisory Committee and notify all supervisors in writing ten (10) days before the meeting.

Supervisors may propose to convene extraordinary meetings of the Supervisory Committee. The chairman of the Supervisory Committee shall convene an extraordinary meeting of the Supervisory Committee within ten (10) days after receipt of the supervisors' proposal.

The chairman of the Supervisory Committee shall notify all supervisors in writing three (3) days before the extraordinary meeting. In case of emergency, the convening of an extraordinary meeting of the Supervisory Committee is not subject to the aforementioned notification time, but reasonable notice shall be given.

Notice of the meeting shall be delivered in person, by facsimile, express delivery service or registered mail.

Article 171

The Supervisory Committee shall be responsible to the general meetings and shall exercise the following duties and powers in accordance with law:

- (1) to inspect the financials of the Company, examine periodic reports of the Company prepared by the Board of Directors and issue written opinion thereon;
- (2) to supervise conducts of the Company's Directors, general manager and other senior management during the performance of their duties, and shall make recommendations for removal for any violation of the law, rules and regulations, Articles of Association or resolution passed at general meetings of the Company;
- (3) to request the Company's Directors, general manager and other senior management to rectify any act that is harmful to the interest of the Company;
- (4) to review financial reports, business reports and profit distribution plans and other financial documents that are to be submitted to general meetings by the Board of Directors, and if questions are raised, may commission certified accountants and practicing auditors in the Company's name to assist in verification and examination;

- (5) to propose the convening of an extraordinary general meeting, and convene and chair a general meeting if the Board of Directors is unable to fulfil its duties in convening and chairing general meetings in accordance with the Articles of Association;
- (6) to make proposals to the general meetings;
- (7) to initiate litigation against the Company's Directors, general manager and other senior management in accordance with Section 152 of the Company Law;
- (8) to conduct investigations upon irregularities of the operation of the Company, if necessary, engaging accountants, lawyers and other professionals;
- (9) other duties and powers as designated by the Articles of Association.

Supervisors shall attend the meeting of the Board of Directors and raise questions or suggestions on Board resolutions.

Article 172

The supervisory records of the Supervisory Committee and the results of financial inspections or other special inspections shall form an important basis for evaluating the performance of Directors, general manager and other senior management.

Article 173

Notice of a meeting of the Supervisory Committee shall bear the following contents:

- (1) place, date and time of the meeting;
- (2) duration of the meeting;
- (3) agenda, reason for convening the meeting, matters to be discussed and the relevant information thereof;
- (4) date of the notice.

Article 174

If a supervisor has attended a meeting and has not prior to the meeting or at the time of his/her attendance protests that notice of the meeting had not been received, a notice shall be deemed to have been sent to him/her.

Article 175

The requirements of meetings of the Board of Directors stipulated in Article 149 are applicable to meetings of the Supervisory Committee.

Article 176

A Supervisory Committee meeting shall not be conducted unless it is attended by two-thirds or more of the supervisors. Each supervisor has one (1) vote. Resolutions of the Supervisory Committee shall be passed by two-thirds or more of the supervisors.

Article 177

Supervisors shall attend meetings of the Supervisory Committee in person. In case a supervisor is unable to attend for reason, another supervisor may be appointed as a proxy to attend the meeting. The power of attorney shall set out the scope of authorization. The authorized supervisor shall exercise the power as authorized.

A supervisor not attending the meeting of the Supervisory Committee nor appointing a proxy to do so shall be regarded as waiving the right to vote at such meeting.

Article 178

The Supervisory Committee may request the Company's Directors, general manager and other senior management, internal and external auditing personnel of the Company to attend the meeting of the Supervisory Committee and give answers to the issues in which the committee is interested.

Article 179

All reasonable expenses incurred by the Supervisory Committee in the appointment of professionals such as lawyers, registered accountants and practicing auditors, etc. shall be borne by the Company.

Article 180

Minutes shall be kept for Supervisory Committee meetings. The Supervisory Committee members and recorder who have attended the meeting shall sign on the minutes. The Supervisory Committee member shall be entitled to request recording of his/her remarks in such specific explanatory manner. The secretary to the Board shall keep the minutes in safe custody as an important document of the Company for at least ten years.

Article 181

The Supervisory Committee shall formulate rules for its meetings defining procedures therefor and the voting mechanism thereof to ensure its efficiency and scientific decision making.

Article 182

The supervisors shall loyally perform the oversight duties pursuant to applicable laws, regulations and the Articles of Association. They must not abuse their authorities to obtain bribes or other illegal incomes, nor illegally occupy the Company's assets. They shall ensure the truthfulness, accuracy and completeness of information disclosed by the Company. They shall not act contrary to the interest of the Company as a related party thereto and shall be liable for damages for any loss so caused to the Company.

**CHAPTER 15 QUALIFICATIONS AND DUTIES OF THE DIRECTORS,
SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR
MANAGEMENT MEMBERS OF THE COMPANY**

Article 183

Persons who fall under any of the following conditions must not act as the Company's Directors, supervisors, general manager and other senior management:

- (1) persons who are incapable of performing civil actions or with limited capacity of performing civil actions;
- (2) persons who have been sentenced for penalties for corruption, bribery, illegal occupation of assets, embezzlement or destruction of economic orders of a socialist market environment, and less than five (5) years have elapsed since the expiry of such penalty, or persons who have been stripped of political rights because of criminal activities, and less than five (5) years have elapsed since the expiry of such penalty;
- (3) persons who have served as director, head of factory or manager of a company or enterprise that has become bankrupt and been liquidated, and have personal responsibility to the bankruptcy of the company or enterprise, and less than three (3) years have elapsed since the date of the end of the liquidation of the abovementioned company or enterprise;
- (4) persons who have been legal representatives of a company or enterprises of which the license has been invalidated, and have personal responsibility to the invalidation of the license, and less than three (3) years have elapsed since the date of the invalidation of the license;
- (5) persons with a relatively large personal debt that has not been cleared upon the due date;
- (6) persons who are under investigation by judiciary in a case that has not been closed;
- (7) persons who are forbidden by law or administrative regulations to become leaders of any enterprise;
- (8) non-natural persons;
- (9) persons who have been judged by related regulatory bodies to have violated the securities laws and regulations, in which deceit or dishonesty is involved, and less than five (5) years have elapsed since the date of the judgement;
- (10) persons under a prohibition of the CSRC in the securities market where such prohibition is not expired; and
- (11) other persons under laws, administrative regulations or departmental rules.

Article 184

The effectiveness of any action conducted by the Company's Directors, general manager and other senior management towards any third person with good intention on the behalf of the Company shall not be affected by their actions that violate regulations in relation to their work in office, elections or qualifications.

Article 185

Apart from the obligations required by laws, administrative regulations and regulations of the stock exchange in which the Company's shares are listed, the Company's Directors, supervisors, general manager and other senior management shall bear the following obligations to each and every shareholder when performing their liabilities:

- (1) must not expand the Company's operation into areas that are not set out in the license of operation;
- (2) to act in good faith in the best interests of the Company;
- (3) must not strip assets from the Company, including (but not limited to) opportunities that are beneficial to the Company;
- (4) must not damage personal rights and interest of shareholders, including (but not limited to) distribution rights and voting rights, but excluding restructuring plans of the Company submitted to and approved by the general meeting according to the Articles of Association.

Article 186

The Company's Directors, supervisors, general manager and other senior management bear the responsibility, when exercising their authorities or performing their obligations, to perform discreetly, diligently and skillfully as a reasonable, discreet person shall bear under similar conditions.

Article 187

The Company's Directors, supervisors, general manager and other senior management, when exercising their authorities or performing their obligations, must obey the principle of honesty. They shall not place themselves into situations that may cause conflicts between their personal interests and their obligations. This principle includes (but not limited to) the performance of the following obligations:

- (1) to act sincerely with the best interest of the Company in mind;
- (2) to exercise their authorities within the scope that is granted to them, and not to overstep their authorities;
- (3) to exercise in person the discretion authorized to them, not to be controlled by others; shall not transfer the discretion right to other persons unless it is approved by law, administrative regulations or the general meeting in which the shareholders are fully informed of such transfer;

- (4) treat shareholders in the same class equally, and treat shareholders in different categories fairly;
- (5) must not establish contracts, transactions or arrangement with the Company, unless such action is stipulated in the Articles of Association or approved at the general meeting in which the shareholders are fully informed of the transactions;
- (6) must not make use of the Company's assets in any ways for personal gains and interests, unless such actions is approved at the general meeting in which the shareholders are fully informed of such actions;
- (7) must not abuse their authorities to obtain bribes or other illegal incomes, must not illegally occupy the Company's assets, including (but not limited to) opportunities that are beneficial to the Company;
- (8) must not accept commissions generated from transactions between other persons and the Company, unless it is approved at the general meeting in which the shareholders are fully informed of such actions;
- (9) must comply with the Articles of Association, perform their liabilities honestly, defend the interest of the Company, and must not make personal gains by the means of their positions and authorities in the Company;
- (10) unless approved at the general meeting in which the shareholders are fully informed, must not use their positions to take any business opportunity of the Company, must not operate, on their own behalf or on others' behalf, businesses that are of the same kind business with the Company, must not compete with the Company in any ways;
- (11) must not embezzle the funds of the Company, must not deposit the assets of the Company in accounts under personal name or other names;
- (12) unless approved at the general meeting or by the Board of Directors, must not lend the funds of the Company to others or pledge for others with the assets of the Company;
- (13) must not act contrary to the interest of the Company as a related party thereto;
- (14) unless approved at the general meeting in which the shareholders are fully informed, must not disclose confidential information obtained while holding the abovementioned positions; must not make use of such information unless it is for the interest of the Company; however, under the following circumstances, may disclose such information to courts or other governmental regulatory departments:
 1. the law stipulates;
 2. demanded by public interests;
 3. demanded by self-interests of the Company's Directors, supervisors, general manager and other senior management.

Article 188

The Company's Directors, supervisors, general manager and other senior management must not order the following personnel or organizations (the "Related Parties") to perform actions that are forbidden for the Directors, supervisors, general manager and other senior management:

- (1) spouses or minor children of the Company's Directors, supervisors, general manager and other senior management;
- (2) trustees of the Company's Directors, supervisors, general manager and other senior management or persons mentioned in item (1) above;
- (3) partners of the Company's Directors, supervisors, general manager and other senior management, and of persons mentioned in items (1) and (2) above;
- (4) companies that are actually controlled by any single person amongst the Company's Directors, supervisors, general manager and other senior management, or companies that are jointly controlled by the Company's Directors, supervisors, general manager and other senior management with persons mentioned in items (1), (2), (3) above or with other Directors, supervisors, general manager and other senior management of the
- (5) directors, supervisors, general manager and other senior management of the companies mentioned in item (4) above.

Article 189

The obligations of honesty and loyalty of the Company's Directors, supervisors, general manager and other senior management shall not terminate at the end of their services. The obligation of keeping the Company's confidential commercial secret remains effective upon the end of their services. The duration of the other obligations shall be decided according to the principle of fairness, depending on the duration between the event and the end of the services, and according to how and under what circumstances the relations between the Company and them terminate.

Article 190

Responsibilities borne by the Company's Directors, supervisors, general manager and other senior management who have violated certain regulations can be released through approval by the general meeting in which the shareholders are fully informed of the situation; but this shall not include the situation stipulated in Article 56.

Article 191

If there is any serious direct or indirect serious conflict of interests occurred between the Company's Directors, supervisors, general manager and other senior management and the contracts, transactions and arrangements entered or planned to be entered into by the Company (excluding the appointment contracts between the Company and the Directors, supervisors, general manager and other senior management), it must be reported the nature and level of conflict to the Board of Directors as soon as possible, regardless of whether such issues require reports to the Board of Directors under the normal circumstances.

Directors are not allowed to vote at the Board meetings on the contracts, transactions, arrangements or other proposals involving major interests of their own or of their associates (as defined by the applicable listing rules in force from time to time of the stock exchange on which the shares of Company are listed). The abovementioned Director shall not be counted as the quorum.

The Company reserves the right to cancel the abovementioned contract, transaction or arrangement, unless the Company's Directors, supervisors, general manager and other senior management with the conflict of interests have disclosed such conflict to the Board of Directors according to the abovementioned regulations, and such arrangements are approved at the Board meeting when he/she is not included into the quorum and has not voted at the meeting. This shall not include the situation that the contracts or transactions involving an individual with good intention that has no knowledge of violation of rules by the Directors, supervisors, general manager and other senior management.

If a conflict of interests arises in the contracts, transactions or arrangements entered into and between the connected persons of the Company's Directors, supervisors, general manager and other senior management, such Directors, supervisors, general manager and other senior management are considered to have a conflict of interests.

Article 192

If any Directors, supervisors, general manager and other senior management of the Company have submitted a written notification to the Board of Directors before the Company firstly considers entering into any related contracts, transactions or arrangements, announcing that, due to the content listed in the notification, any contract, transaction, or arrangement entered into by the Company thereafter may cause conflict of interests, then it is considered that, within the content listed in the notification, the related Directors, supervisors, general manager and other senior management shall be deemed to have preformed the disclosures as required under Article 191.

Article 193

The Company is forbidden to pay any tax for its Directors, supervisors, general manager and other senior management in any way.

Article 194

The Company is forbidden to directly or indirectly provide loans or loan guarantees to the Directors, supervisors, general manager and other senior management of the Company and its parent company. The Company is also forbidden to provide loans or loan guarantees to the associates of the abovementioned persons.

The foregoing provision shall not apply to the following circumstances:

- (1) the Company provides loans or loan guarantees to its subsidiaries;
- (2) according to the appointment contracts approved by the general meeting, the Company provides loans, loan guarantees or other funds to the Directors, supervisors, general manager and other senior management, so as to cover the costs incurred when they work for the goal of the Company or perform their duties to the Company;

- (3) if the Company's normal scope of business includes provision of services of loan or loan guarantee, the Company may provide loans or loan guarantees to the Directors, supervisors, general manager and other senior management. Conditions set out in these transactions shall be in accordance with normal business conditions.

Article 195

If the Company violates Article 194 and provides a loan, the receiver of the loan shall reimburse the Company immediately, regardless of the terms and conditions of the loan.

Article 196

If the Company agrees to provide guarantee for loan that are in violation of item (1) of Article 194, the Company must not be forced into implementation of such guarantee, except for the following conditions:

- (1) when providing loans to the Directors, supervisors, general manager and other senior management of the Company or its parent company, the loan provider is unaware of such violation of regulations;
- (2) the guaranteed object provided by the Company is legally sold by the loan provider to the buyers with good intention.

Article 197

The guarantee mentioned in the foregoing Article, includes actions conducted by the guarantor to bear responsibilities or provide assets to ensure the obligor to perform their obligations.

Article 198

In the event that any Director, supervisor, general manager and other senior management of the Company violate their obligations to the Company, apart from rights and remedial measures stipulated in laws and administrative regulations, the Company reserves the right to take the following measures:

- (1) to demand the relevant Director, supervisor, general manager and other senior management to compensate for the losses incurred to the Company due to their breach of duty;
- (2) to cancel any contract or transaction entered into and between the Company and the relevant Director, supervisor, general manager and other senior management, and any contract or transaction between the Company and a third party (when the third party has knowledge or shall have knowledge that the actions of the Director, supervisor, general manager and other senior management who represented the Company had violated their obligations to the Company);

- (3) to demand the relevant Director, supervisor, general manager and other senior management to hand over any interests obtained through their violation of obligations;
- (4) to recover any funds obtained by the relevant Director, supervisor, general manager and other senior management, but shall belong to the Company, including (but not limited to) the commissions;
- (5) to demand the relevant Director, supervisor, general manager and other senior management to return the interests or possible interest that could be earned by the Company from the funds in concern.

Article 199

The Company shall conclude written contracts on the issues regarding the remuneration with the Company's Directors and supervisors, and submit such contract to the general meeting for approval. The abovementioned remuneration includes:

- (1) remuneration for the Company's Directors, supervisors or senior management;
- (2) remuneration for the directors, supervisors or senior management of the subsidiaries of the Company;
- (3) remuneration for other services offered for the management of the Company and its subsidiaries;
- (4) funds that serve as compensation for loss of position as a Director or supervisor or for retirement from such positions.

Apart from the abovementioned contracts, the Directors and supervisors must not take the Company into law suits for the reason that the interests mentioned in the above items are their rightful interests.

The Company shall disclose the remuneration of Directors, supervisors and senior management of the Company to shareholders on a regular basis.

Article 200

In the contract between the Company and Directors or supervisors, it shall stipulate provisions regarding the remuneration that when the Company becomes a target of acquisition, the Company's Directors or supervisors shall have the right to obtain compensation or other funds for the loss of their positions as Company's Directors or supervisors or for retirement, subject to the fact that such compensation has the prior approval by the general meeting.

Such acquisition of the Company refers to one of the following situations:

- (1) anyone proposing an acquisition offer to all of the shareholders;
- (2) anyone proposing an acquisition offer, with the aim of making the offeror a controlling shareholder. Definition of a "controlling shareholder" is the same as defined in Article 57.

If the Director or supervisor concerned violates the provisions of this Article, any funds given to them shall be under the possession of persons who sell their shares after accepting the acquisition offer. The abovementioned Director or supervisor shall bear the costs incurred in the distribution of such funds according to ratio of shares held by these persons. Such costs shall not be deducted from the funds.

CHAPTER 16 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 201

The Company shall establish its financial accounting system according to the laws, administrative regulations and the PRC accounting rules issued by the financial department of the State Council.

Article 202

The Company shall issue a financial report at the end of each financial year, and such financial report shall be audited by the accountants according to laws.

The financial year of the Company is based on the Gregorian calendar, it means that the financial year commences on the 1st of January and ends on the 31st of December of each year.

Article 203

The Board of Directors shall put forward to shareholders, at every annual general meeting, a financial report prepared by the Company in accordance with the related laws, administrative regulations, and regulatory documents announced by the local governments and departments in charge.

Article 204

The financial report of the Company shall be kept in the Company no later than twenty days before the annual general meeting convenes for shareholders' review. Each and every shareholder of the Company has the right to obtain a financial report mentioned in this Chapter.

The Company must send a copy of the Board of Directors report together with the aforementioned financial report to holders of H shares not less than twenty-one (21) days before the annual general meeting by pre-paid postal mail. The receivers' addresses shall be the same as recorded in the register of members.

Article 205

The financial statement of the Company shall be issued in accordance with the accounting standards and laws and regulations of the PRC.

Article 206

The interim report or financial information announced or disclosed by the Company shall be issued according to the accounting standards and regulations of the PRC.

Article 207

The Company shall submit its annual report to relevant regulatory authorities within four (4) months following the end of every fiscal year and make publicly available such a report within three (3) months following the same. It shall submit its interim report to relevant regulatory authorities within two (2) months following the end of the sixth (6) month of every fiscal year and make publicly available such a report within sixty (60) days following the same. It shall submit its quarterly report to relevant regulatory authorities within one (1) month following the end of the third (3) month and the ninth (9) month of every fiscal year.

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

Article 208

Save and except for the statutory book of accounts, the Company must not maintain any other sets of accounts.

The assets of the Company must not be registered in the accounts of any person in his/her individual capacity.

Article 209

Profit after taxation of the Company is used in the following order:

- (1) to offset losses;
- (2) to provide for statutory reserve;
- (3) to provide for discretionary reserve as resolved at shareholders' meeting;
- (4) to pay for dividends of ordinary shares.

When distribution of after-tax profit within a financial year, the Company shall extract 10% of the profit into the Company' statutory reserve fund. Extraction of profit may not be required, after the accumulated amount of the Company's statutory reserve fund reaches more than 50% of the registered capital.

If the Company's statutory reserve fund fails to cover losses incurred in the previous financial year, after-tax profit of the current financial year shall be used to offset the losses before the extraction of statutory reserve fund as mentioned above.

Upon extraction of after-tax profit from statutory reserve fund, if approved at the general meeting, the Company may again extract arbitrary reserve fund.

After offsetting losses of previous financial year and extraction from statutory reserve fund, the remaining after-tax profit may be distributed to shareholders according to the shareholding.

Should the general meeting or the Board of Directors violate the abovementioned regulation by distributing profits to shareholders prior to offsetting losses and extraction from statutory reserve fund, shareholders must return the profits obtained which violates regulations to the Company.

The Company's shares held by the Company are not included in the distribution of profits.

Article 210

Capital reserve fund includes the following monies:

- (1) premium exceeding issued shares;
- (2) other incomes that must be put into the capital reserve fund as required by financial regulatory bodies under the State Council.

Article 211

Reserve funds of the Company shall be used for recovering losses of the Company, expanding scale of operation of the Company or increasing the Company's share capital. But capital reserve fund shall not be used in this manner.

When transferring statutory reserve fund into registered capital, the remaining value in the statutory reserve fund must not be less than 25% of the registered capital before the transfer.

Article 212

Dividends are distributed to shareholders within six (6) months after the end of each financial year according to their respective shareholding. Dividend distribution proposal shall be passed by shareholders by an ordinary resolution.

Any paid share capital before the notice of the collection of share capital can enjoy interest. However, the shareholder is not entitled to be declared dividends of such pre-paid share capital.

In relation to the receipt of dividends by shareholders, the Company is entitled to forfeit unclaimed dividends, provided that such power shall only be exercised in accordance with the relevant PRC laws, administrative rules and regulations and after six (6) years from the date on which dividends are declared or after six (6) years or the expiration of the applicable limitation period (whichever is longer).

The Company has the right to terminate the issue of dividend coupons to holders of overseas listed foreign shares by post but the Company shall exercise such right only after the dividend coupons have not been exercised twice (2) consecutively. The Company may exercise such right when the dividend coupons have failed to be delivered initially and after the dividend coupons have been returned.

Article 213

Profit distribution policies of the Company is as follows:

(1) Principles

The Company adopts a sustainable and steady profit distribution policy to provide reasonable and stable investment return to investors while maintaining its sustainable development of the Company. When the Company has the condition for profit distribution while profit distribution in cash has not been conducted, reasons shall be fully disclosed.

(2) Decision Making and Procedures

The profit distribution policy and the dividend distribution proposal shall be prepared, considered and passed by the Board of Directors before submitting to the general meeting for approval.

When considering the profit distribution policy and the dividend distribution proposal, the Board of Directors shall pay due regard to opinions of independent Directors and the Supervisory Committee and, through various channels for communication and interaction (including but not limited to telephone calls, facsimile, post, visits and attendance in meetings), those of minority shareholders.

(3) Means of Distribution

The Company may make its dividends by means of cash, shares, a combination of both or otherwise as permitted by laws and regulations, where priority is given to cash.

(4) Intervals

The Company shall basically distribution its distributable profits annually and may make interim dividends in cash.

(5) Conditions and Payout of Cash Dividends

1. Save for exceptional circumstances, priority shall be given to cash dividends when the Company recorded profits and positive undistributed profits accrued for the year. Subject to laws, regulations and regulatory provisions, profit distribution of the Company in cash for a given year shall not be less than 30% of its distributable profits for such a year.
2. Save for exceptional circumstances, profit distribution of the Company in cash shall not be less than 80% of such distribution.
3. Under exceptional circumstances, profit distribution of the Company in cash shall not be less than 40% of such distribution.

Exceptional circumstances abovementioned refer to circumstances where there is significant investment, cash payment or other matters (excluding fund raising), which in turn refers to matters subject to approval at a general meeting under relevant regulations or these Articles of Association.

(6) Formulation of Proposal

When formulating cash dividends distribution plan of the Company, the Board of Directors shall fully take into account the timing, conditions and minimum ratio, conditions for adjustment and decision-making procedures. The independent Directors shall explicitly give their views. The independent Directors may seek the opinions of the minority shareholders, prepare a dividend distribution proposal accordingly and present it directly to the Board of Directors for consideration.

Prior to the consideration of cash dividends distribution plan at a general meeting, the Company shall communicate with its shareholders, in particular, minority shareholders, through various channels for communication and interaction (including but not limited to telephone calls, facsimile, post and visits) to receive their opinions and request and respond to their concerns in a timely manner.

If the Company fails to determine its proposal of profit distribution of the year to which it relates as prescribed above or the lowest proportion of cash dividends under exceptional circumstances, the Company shall disclose the specific reasons therefor and opinions of independent Directors. The profit distribution proposal of the Company for the year shall be submitted to a general meeting for approval at which online voting is available.

The Supervisory Committee shall monitor the execution of policies on cash dividend and shareholder return plans, the compliance with relevant decision-making procedures and information disclosure requirements and other matters.

(7) Criteria for making dividends

Where the Company is under a good operating condition, and the Board of Directors expects the Company to have a satisfactory growth rate and considers that its net asset per share is high, its share price does not reflect its share capital size and distributing dividends in shares will be in the interest of all its shareholders as a whole, the Company may propose profit distribution in share.

(8) Changes to the Profit Distribution Policies

If the Company adjusts its profit distribution policies in response to the economic environment or its operations, the adjusted policies shall comply with the relevant requirements of the CSRC and stock exchanges. Any proposed adjustments to such policies shall be discussed and considered at a meeting of the Board of Directors over a report examining the reasons therefor compiled by the Board of Directors and independent opinions from the independent Directors and thereafter proposed as a special resolution at a general meeting for approval providing the option of online voting. The Supervisory Committee shall examine such adjustments and reach a resolution thereon in accordance with procedures for its meetings.

Article 214

Should a resolution be passed on distribution of profits at the general meeting, the Board of Directors shall complete distribution of dividend (or shares) within two (2) months after the general meeting.

Article 215

Distribution of cash dividend and other sums calculated and announced in Renminbi to shareholders of domestic shares are paid in Renminbi. Distribution of cash dividend and other sums calculated and announced in foreign currencies to shareholders of overseas listed foreign shares in Renminbi are paid in the currencies of the places where the overseas listed foreign shares are listed.

Article 216

The distribution of cash dividend and other sums to shareholders of overseas listed foreign share will be paid in accordance with the related foreign currency exchange rules of the State.

Article 217

The Company shall, in accordance with the taxation laws of China, deduct and pay taxes on dividend income on behalf of the shareholders.

Article 218

The Company shall appoint receiving agents for shareholders of H shares to collect the declared dividend and other payables of its shares listed on The Stock Exchange of Hong Kong Limited. The receiving agent shall receive on behalf of the related shareholders the dividend distributed according to the Company's overseas listed foreign shares and other sums for the payment to the respective shareholders.

The receiving agent appointed by the Company shall conform to demands stipulated under the regulations of the overseas market where the company is listed or regulations of the related stock exchange.

For shareholders of H shares, the receiving agent appointed by the Company shall be a trust company registered according to Hong Kong Trustee Ordinance.

Article 219

The Company shall have in place an internal audit system operated by designated personnel to conduct internal audits of the financial position and economic activities of the Company.

Article 220

The internal audit system and terms of reference of the auditing personnel shall be approved by the Board of Directors before implementation. The chief auditor shall be accountable and make relevant reports to the Board of Directors.

CHAPTER 17 APPOINTMENT OF ACCOUNTANTS' FIRM

Article 221

The Company shall employ independent audit firm as stipulated under related regulations of the State to audit the Company's annual report and audit other financial reports of the Company.

The first auditor of the Company may be appointed at its inaugural meeting before the first annual general meeting and the auditor so appointed shall hold office until the conclusion of the first annual general meeting.

If the first auditor is not appointed by the Company at its inaugural meeting, those powers may be exercised by the Board of Directors.

Article 222

The period of appointment of the audit firm begins from the end of an annual general meeting and ends at the end of the next annual general meeting. Reappointment may be made upon expiry of such appointment.

Article 223

The audit firm appointed by the Company enjoys the following rights:

- (1) to study the Company's account statements, records and accounting documents at any time, and has the right to request the Directors, general manager or other senior management of the Company to provide related information and clarifications;
- (2) to demand the Company to take every reasonable measures to obtain any information and clarification from the subsidiaries required by the audit firm to perform its duties;
- (3) to attend the general meeting, has equal access to notification of the meeting or any information related to the meeting as all other shareholders, and speak at any general meeting on matters involving the Company's appointed audit firm.

The Company shall provide to the engaged certified accountant office true and complete accountant certificates, accountant books, financial statements and other relevant documents, without refusal, concealment and false report.

Article 224

Should there be a vacancy in the audit firm, the Board of Directors may entrust the firm Mandatory Provisions in filling this vacancy before the general meeting convenes. But during the period in which the vacancy exists, the Company may request another appointed audit firm to exercise the related liabilities, if any.

Article 225

In spite of any terms stipulated in the appointment contract between the audit firm and the Company, the general meeting may, before the end of the tenure of the audit firm, pass an ordinary resolution to dismiss the audit firm. The abovementioned audit firm's right to claim for compensation from the Company for early dismissal remains unaffected.

Article 226

The remuneration or confirmed remunerations for the audit firm is determined by the general meeting. In the case of appointment of an audit firm by the Board of Directors to fill up a vacancy, the Board of Directors determines the remuneration.

Article 227

The decision to appoint, dismiss or discontinue re-appointment with an audit firm shall be made by the general meeting, and reported to securities regulatory bodies under the State Council for record.

Should the general meeting wish to pass a resolution to appoint an audit firm which is not currently employed by the Company to fill an vacancy left by the currently appointed audit firm, or to continue the appointment of an audit firm previously appointed by the Board of Directors to fill a vacancy, or to dismiss an audit firm that has not yet completed its tenure, the decision made shall comply with the following regulations:

- (1) before the notification calling for a general meeting is dispatched, the related appointment or dismissal proposal shall be delivered to the audit firm that the Company plans to appoint, or plans to allow to leave the position, or have already left the position during the related accounting year.

“Leaving the position” includes dismissal, resignation and termination of employment.

- (2) should the potential leaving audit firm wish to make a written statement and request the Company to inform the shareholders of the statement, unless there is a delay in delivery of the written statement to the Company, the Company shall take the following measures:
 1. on the notice calling for a general meeting to discuss the issue regarding the audit firm, a note shall be made that the audit firm has made a written statement;
 2. a copy of the written statement shall be made as an appendix to the notice, and sent to shareholders in accordance with regulation stipulated in the Articles of Association.
- (3) Should the Company fail to deliver to shareholders the written statement by the audit firm as stipulated in item (2) above, the audit firm in concern may request the statement be read out at the general meeting, and may make further request.

- (4) The audit firm that has left the position has the right to attend the following meetings:
1. the general meetings held before the end of the original tenure;
 2. the general meetings that are called to fill the audit firm vacancy left because of the dismissal;
 3. the general meetings that are called because of the audit firm's resignation.

The audit firm that has left the position has the right to receiving all notifications and other information related to the abovementioned meetings, and speak at the abovementioned meetings on issues related to itself as the previously appointed audit firm of the Company.

Article 228

Should the Company wish to dismiss or discontinue re-appointment of an audit firm, the Company shall serve a prior notice thirty (30) days in advance to the audit firm. The audit firm has the right to state its opinions at the general meeting. Should the audit firm resign from the position, it shall clarify at the general meeting whether there is any improper affair within the Company.

The audit firm may resign by sending the written resignation notification to the Company's statutory registration authority. Such notice shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. The notification shall include one of the following statements:

- i. the statement that the resignation does not involve any situation that requires clarification to the shareholders or creditors of the Company; or
- ii. the statement on any situations that requires clarification.

Within fourteen (14) days of receiving the abovementioned notification, the Company shall end photocopies of the notification to related supervisory departments. Should the notification contain the abovementioned item (2), the Company shall place photocopies of the abovementioned notification at the Company for shareholders' examination. The Company shall also send the abovementioned notification by post-free mail to each shareholder of overseas listed foreign shares, their addresses shall be the same as listed in the register of members.

Should the resignation notification by the audit firm contain any statement that requires clarification, the audit firm may request the Board of Directors to call for an extraordinary

CHAPTER 18 MERGER, DIVISION AND CAPITAL INCREASE AND DECREASE OF THE COMPANY

Article 229

On any merger or division of the Company, the Board of Directors shall submit proposals to be approved in accordance with the procedures as stipulated in the Articles of Association, before processing the relevant approval procedures as set out under laws and regulations. Any shareholder who objects to the proposal of merger or division shall have the right to make a request to the Company or shareholders who agree to the proposal in purchasing his/her shares with a fair price. Resolutions on merger or division shall be kept as a special file for examination by shareholders.

The abovementioned documents shall be sent by mail to the shareholders of H shares to the registered address of such shareholders as appeared in the register of members.

Article 230

Merger of the Company may take the two forms either absorption or consolidation.

In a merger, the two parties of the merger shall sign a merger agreement and produce balance sheets and inventory. The Company shall, within ten (10) days from the day when the agreement is signed, inform creditors of the merger, and, within thirty (30) days from the day when the agreement is signed, make announcement of the merger on newspapers. Within thirty (30) days after receipt of the notices or for those not receiving the notices, within forty-five (45) days after publication of the announcement, the creditors are entitled to require the Company to repay the loans or to provide corresponding guarantees.

After the merger, the credits and debts of both parties of the merger will be borne by the company that continues to exist upon the merger or by the newly established company from the merger.

Article 231

In a division, the Company shall divide its assets accordingly.

In a division, the various parties of the division shall sign a division agreement and produce balance sheets and inventory. The Company should, within ten (10) days from the day when the agreement is signed, inform creditors of the division, and, within thirty (30) days from the day when the agreement is signed, make announcement of the division on newspapers.

Companies that emerge from the division shall bear related responsibilities to debts of the Company prior to the division, unless the Company reaches a written agreement with the creditor prior to the division regarding reimbursement which states otherwise.

Article 232

Where the Company reduces its registered capital, it shall produce balance sheets and inventory. The Company should, within ten (10) days from the day of the adoption of the resolution to reduce its registered capital, inform creditors of the decrease, and, within thirty (30) days from the same, make announcement of the decrease on newspapers. Within thirty (30) days after receipt of the notices or, for those not receiving the notices, within forty-five (45) days after publication of the announcement, the creditors are entitled to require the Company to repay the loans or to provide corresponding guarantees.

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

Article 233

Any changes in connection with the registration issues due to a merger or division shall be registered with the relevant business registration authorities in accordance with laws. The Company's records at the business registration authorities shall be cancelled, should the Company cease to exist due to the merger or division. Registration shall be made for any newly established company that form from the merger or division.

Where the Company increases or reduces its registered capital, it shall register the changes with the company registration authority in accordance with laws.

CHAPTER 19 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 234

Should one of the following conditions arise, the Company shall be dissolved:

- (1) the general meeting passed a resolution to dissolve the Company;
- (2) a merger or division requires dissolution of the Company;
- (3) the Company, being unable to reimburse outstanding debt, declares bankrupt;
- (4) the Company's operation license is cancelled, the Company is ordered to close or rescinded due to actions violating laws and administrative regulations;
- (5) the Company is dissolved by the People's Court according to Section 182 of the Company Law.

Article 235

Should the Company be dissolved due to conditions mentioned in items (1), (4) and (5) of Article 234, the Company shall establish a liquidation committee within fifteen (15) days. Members of the liquidation committee shall be selected at general meeting in the form of ordinary resolution, failing which creditors may apply to the People's Court for establishment of a liquidation committee from specified persons.

Should the Company be dissolved due to the condition mentioned in item (3) of Article 234, bankruptcy and liquidation shall be carried out in accordance with laws relating to corporate bankruptcy.

Article 236

Should the Board of Directors decide to order liquidation of the Company (except when the Company has declared bankrupt), the Board of Directors shall declare, in the notification calling for a general meeting, that the Board has conducted a comprehensive investigation the situations of the Company, and believes the Company is able to reimburse all debts within twelve (12) months upon beginning of the liquidation.

Once the general meeting approves the resolution on liquidation of the Company, the authority of the Board of Directors ceases immediately.

The liquidation committee shall follow the instructions of the general meeting, report at least once (1) a year to the general meeting the income and expenditure of the liquidation committee, the operation of the Company and the progress of the liquidation and submit a final report to the general meeting at the end of the liquidation.

Article 237

The liquidation committee shall notify creditors within ten (10) days of its establishment, and, within sixty (60) days of its establishment, make announcement of the division on newspapers.

Creditors shall, within thirty (30) days of receipt of the notice, or for creditors who have not personally received such notice, within forty-five (45) days of the date of the first announcement, contact the liquidation committee to claim their rights. Failure of declaration within the required period shall be deemed as a waiver. In claiming their rights, the creditors shall provide a statement and evidence with respect thereof. The liquidation committee shall register creditor's rights. During such a period, the liquidation committee shall not settle any debt with the creditors.

Article 238

During the period of liquidation, the liquidation committee has the following authorities:

- (1) to dispose of the Company's assets, produce a balance sheet and inventory;
- (2) to notify creditors or make related announcements;
- (3) to process any transactions of the Company that are related to the liquidation;
- (4) to clear any outstanding taxes and taxes incurred during the liquidation process;
- (5) to clear credits and debts;
- (6) to process any remaining assets of the Company when all debts are cleared;
- (7) to represent the Company in any civil procedures.

Article 239

After disposing of the Company's assets, conducting the balance sheet and asset inventory, the liquidation committee shall draft proposal on the liquidation and submit to the general meeting or related regulatory organizations for confirmation.

The assets of the Company shall be distributed in the following sequence: payment of the liquidation expenses, wages, social insurance premiums and statutory compensation of the employees, payment of overdue taxes, and discharge of the corporate obligations.

Assets that remain after completion of the above procedures shall be distributed to shareholders according to the share class and shareholding.

During the period of liquidation, the Company is forbidden to launch operational activities not related to liquidation. Assets of the Company shall not be distributed to any shareholders before settlement as prescribed in the preceding paragraphs.

Article 240

Should the Company liquidate due to dissolution and the liquidation committee, after liquidation of the Company assets, formulation of balance sheet and asset checklists, believes that there is insufficient of the Company's assets to clear debts, the committee shall apply for bankruptcy to the People's Court immediately.

After the People's Court declares the Company bankrupt, the liquidation committee shall handover liquidation affairs to the People's Court.

Article 241

Members of the liquidation committee shall be faithful in the discharge of their duties and perform their liquidation obligations according to law. They shall not abuse their authority to accept bribes or other illegal income and shall not seize company property.

Any member of the liquidation committee who willfully or through gross negligence causes losses to the company or its creditors shall be liable for compensation.

Article 242

At the end of the liquidation, the liquidation committee shall produce a liquidation report and statement of income and expenditure and financial accounts. The documents, upon verification by a registered accountant of the country, shall be submitted to the general meeting or related regulatory organizations for confirmation.

Within thirty (30) days of the confirmation of the liquidation report by general meeting or related regulatory organizations, the liquidation committee shall submit the abovementioned documents to company registration organizations for cancellation of the Company's registration, and announce that the Company ceases to exist.

CHAPTER 20 PROCEDURES FOR AMENDMENT TO THE ARTICLES OF ASSOCIATION

Article 243

The Company, according to laws, administrative regulations and Articles of Association, can amend the Articles of Association.

The Company shall make amendment to the Articles of Association upon the occurrence of any one of the following events:

- (1) the Company Law or the relevant laws or administrative regulations are amended and these Articles of Association are in conflict with the amended laws or administrative regulations;
- (2) any change in the Company's situation which leads to inconsistency with matters stated in these Articles of Association; and
- (3) a resolution regarding the amendment of these Articles of Association is passed at a general meeting.

Article 244

Following is the procedure for amending the Articles of Association:

- (1) the Board of Directors passes a resolution in accordance with the Articles of Association, suggesting that the general meeting shall revise the Articles of Association and formulate a revision scheme;
- (2) shareholders be notified of the amendments and a general meeting be convened to vote thereon;
- (3) provided that relevant requirements in these Articles of Association are followed, the amendments proposed at the general meeting shall be passed as a special resolution.

The general meeting may pass a special resolution to authorize the Board of Directors:

- (1) should the Company increase its registered capital, the Board of Directors has the authority to amend the related content on registered capital in the Articles of Association accordingly; and
- (2) should amendment on words or order of clauses of the Articles of Association approved by the general meeting be required by relevant regulatory organizations during the process of examination and approval, the Board of Directors has the authority to make corresponding amendments as requested by the relevant regulatory organizations.

Article 245

The amendments to the Articles of Association involving the content of the “Mandatory Provisions” shall be effected upon receiving approvals from the departments authorized by the State Council to examine and approve companies and the China Securities Regulatory Commission of the State Council; whereas such amendments involving company registration matters shall be registered according to law to register changes made thereof. Announcement of such amendments shall be made if required to be disclosed by laws or regulations.

CHAPTER 21 SETTLEMENT OF DISPUTES

Article 246

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

- (1) Any dispute regarding the rights and obligations set out in the Articles of Association, Company Law and any other related laws, administrative regulations between shareholders of overseas listed foreign share and the Company, between shareholders of overseas listed foreign share and the Company’s Directors, supervisors, general manager or any senior management, between shareholders of overseas listed foreign share and domestic shareholders, shall be submitted for arbitration by related parties.

The aforesaid disputes to be submitted shall be all claims or disputes related to the disputes. All parties for the same claim and all parties involved to the disputes, if they are the Company’s shareholder, Director, supervisor, general manager or other senior management, they shall comply with the arbitration.

Disputes on definition of shareholders or share register do not require resolution through arbitration.

- (2) The applicant may choose for the arbitration to be carried out by the China International Economic and Trade Arbitration Commission according to the Commission’s arbitration regulations. The applicant may also choose the arbitration to be carried out by the Hong Kong International Arbitration Centre according to the Centre’s arbitration regulations. Upon submission of the dispute or opinions about rights for arbitration by the applicant, the arbitration must proceed at the organization chosen by the applicant.

Should the applicant for arbitration choose the arbitration to be carried out at the Hong Kong International Arbitration Centre, all parties may, according to the Centre’s regulations on securities arbitration, request the arbitration be carried out in Shenzhen.

- (3) Laws of the People’s Republic of China apply to resolution through arbitration on disputes or opinions about rights stated in item (1) above; exceptions can be made should the laws, administrative regulations stipulate otherwise.
- (4) A ruling by the arbitration organization is the final decision, and is binding to all parties.

CHAPTER 22 NOTICES

Article 247

Unless otherwise required by the Articles of Association, notices, information or written statements issued by the Company to the holders of overseas listed foreign shares can be issued by way of announcement published on newspaper. In addition, the Company shall deliver the notices, information or written statements to the registered address of each holder of overseas listed foreign shares by personal delivery, or postage paid mail or email, so that the shareholders would have enough time to exercise his/her right or act in accordance with the notice.

As to the notices to be issued by the Company to the holder of A shares, the Company may publish an announcement on any newspaper in the PRC as stipulated under the laws and administrative regulations or designated by the securities authority of the State Council; once the announcement is published, the holder of A shares shall be deemed to receive the relevant notice.

Article 248

Where a notice from the Company is sent out by hand to be signed (or stamped) by the recipient on the receipt of delivery, the date of the recipient's signature shall be deemed to be the delivery date. Where the notice is sent out by post, it shall be duly addressed with fee pre-paid and sent in an envelope. Shareholders shall be deemed to have received notice after five (5) days following the dispatch of the same. Where the notice is made by way of public announcement, the delivery date shall be the first date of publication of such announcement.

Article 249

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

Article 250

Any notice, document, material or written statement given to the Company by the shareholders or Directors may be delivered either in personal or by registered mail delivered to the Company's legal domicile.

Article 251

Shareholders or Directors of the Company who want to prove that certain notices, documents, information or written statements have been served on the Company shall provide evidential materials showing the same has been served on the Company within the prescribed periods by common practice of delivery, or evidential materials showing that the mailing address is correct and the postage is fully paid.

CHAPTER 23 SUPPLEMENTARY PROVISIONS

Article 252

Definition of “audit firm” as stated in these Articles of Association is the same with “auditors”.

”Actual controlling person(s)” in these Articles of Association refers to person(s) not being shareholder(s) of the Company who through investment relationship, agreement or other arrangements can actually control the conduct of the Company.

Article 253

In these Articles of Association, phrases “over”, “within” include the number itself; phrases “higher than”, “below”, “above” and “fewer than” do not include the number itself.

Article 254

These Articles of Association is written in Chinese. In case of any discrepancy with any versions in any other languages, the Chinese version shall prevail.

Article 255

These Articles of Association shall include the procedures for general meetings, procedures for board meetings and procedures for supervisors’ meeting.

Article 256

The Articles of Association shall be interpreted by the Board of Directors. In case of any conflict with relevant laws, regulations, regulatory documents or listing rules in force in places where shares of the Company are listed, such laws, regulations, regulatory documents and listing rules shall prevail.