Articles of Association of

XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD

Adopted at extraordinary general meeting on 29 September 2011

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 2006) (Zheng Jian Gong Si Zi [2006] No. 38) (the "Guidelines") 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 of the People's Republic of China (the "Company 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

Mandatory Provisions Article 1

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

The Company was established by way of promotion upon the approval by thePeople's Government of Sichuan Province with approval document Chuanfuhan [2005]No. 69, and was registered at Sichuan Provincial Administration of Industry andCommerce on 11 June 2005 and obtained the Enterprise Legal Person Business Licensewith the registration number of 5100001822585.

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 (SichuanYouth 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

Mandatory Provisions Article 2

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

Mandatory Provisions Article 3

The Company's legal address: "City Heart (城市之心)" No. 86 Section One, People's South Road, Chengdu, Sichuan

Telephone: (8628) 83157033
Facsimile: (8628) 83157000
Postcode: 610016

Article 5

Mandatory Provisions Article 4

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

Article 6

Mandatory Provisions Article 5

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

Article 7

The Articles of Association (the "Articles of Association") are formulated by the Company based on the amendments to the Articles of Association (the "Original Articles of Association") passed at the inauguration meeting of the Company and subsequently amended at the extraordinary general meeting held on 13 May 2005, the extraordinary general meeting held on 26 April 2006, the extraordinary general meeting held on 22 April 2007, the annual general meeting held on 16 June 2009, the annual general meeting held on 9 June 2010, the extraordinary general meeting held on 20 August 2010 and the extraordinary general meeting held on 18 January 2011 pursuant to the Company Law, the Securities Law and other laws and administrative regulations of the State.

Mandatory Provisions Article 6

The Articles of Association has become effective and supersede the Original Articles of Association from the date of passing the Articles of Association at the extraordinary general meeting held on 29 September 2011.

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

Mandatory Provisions Article 7

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, 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

Mandatory Provisions Article 8 Company Law Section 15

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.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 10

Mandatory Provisions Article 9

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 11

Mandatory Provisions Article 10

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 and logistics (the valid period of the above business scope is subject to the approval of licences). Plate-leased printing; investments in publications and assets management; leasing of properties; business services; wholesale and retail of goods; import and export business (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

Mandatory Provisions Article 11 Company Law Section 132 Hong Kong Listing Rules App. 3 Paragraph 9

Article 12

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 13

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

Mandatory Provisions Article 12

The term “RMB” in the preceding paragraph shall refer to the legal currency of the People’s Republic of China.

Article 14

Mandatory Provisions Article 13

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 15

Mandatory Provisions Article 14

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.

Hong Kong Listing Rules App. 3 Paragraph 9

Overseas listed foreign shares issued by the Company and listed 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.

Article 16

Mandatory Provisions Article 15

With the approval of the reviewing and approving department authorized by the State Council, the Company could issue a total of 733,370,000 ordinary shares, and733,370,000 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.) held630,031,500 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 10,000,500shares, 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 17

Mandatory Provisions Article 16 Hong Kong Listing Rules App. 3 Paragraph 9

Upon approvals from the security supervision authorities of the State Council, themaximum number of ordinary shares issued under the Company's capital raising initialpublic offering ("IPO") after its establishment shall not exceed 424,813,821 shares, allbeing overseas listed foreign shares (including those overseas listed foreign shares issuedpursuant to the exercise of Over-allotment Option), and account for 36.68% of theCompany's total ordinary shares to be issued at most.

Pursuant to the relevant PRC regulations on disposal of state-owned shares and afterobtaining approvals from competent authorities, the state-owned shareholders of theCompany will sell 36,940,332 state-owned shares to overseas investors when overseas listed foreign shares are issued. The state-owned shareholders of the Company will sellup to 42,481,382 state-owned shares to overseas investors if Over-allotment Option isexercised.

After the aforesaid capital raising IPO and the reduction in shareholding by state-owned shareholders, if the Over-allotment Option is not exercised, the shareholding structure of the Company will be: 1,102,770,000 ordinary shares, of which, 595,807,676shares will be held by 四川新華發行集團有限公司(Sichuan Xinhua Publishing Group Co., Ltd.), representing 54.03% 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 4.84% of the total ordinary shares of the Company in issue; 24,273,646 shares will be held by 四川出版集團有限責任公司 (Sichuan Publication Group Co., Ltd.), representing 2.2% of the total ordinary shares of the Company in issue; 9,457,265 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group), representing 0.85% of the total ordinary shares of the Company in issue; 6,935,327 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 0.63% of the total ordinary shares of the Company in issue; 6,620,085 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co., Ltd.), representing 0.6% of the total ordinary shares of the Company in issue; and 406,340,000 shares will be held by holders of the overseas listed foreign shares, representing 36.85% of the total ordinary shares of the Company in issue.

If the Over-allotment Option is exercised in full, the capital structure of the Company will comprise 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 52.22% 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 4.7% 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 2.13% 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 0.83% 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 0.61% 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 0.58% of the total ordinary shares of the Company in issue; 441,937,100 shares will be held by holders of the overseas listed foreign shares, representing 38.93% 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 18

Mandatory Provisions Article 17

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 19

Mandatory Provisions Article 18

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 20

The Company's registered capital is RMB1,135,131,000. The paid-in capital is RMB1,135,131,000.

Mandatory Provisions Article 19

Article 21

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.

Mandatory Provisions Article 20
Securities Law Article 10

The Company may increase its capital in the following manners:

(1) by offering new shares to unspecified investors for subscription;
(2) by placing new shares to its existing shareholders;
(3) by allotting bonus shares to its existing shareholders;
(4) by offering new shares to specified investors for subscription; or
(5) by any other means which are permitted under laws and administrative regulations.

Securities Law Article 10

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 22

Mandatory Provisions Article 21
Hong Kong Listing Rules App. 3 Paragraph 1(2)
Company Law Section 143 Clause 4

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 23

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 24

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 25

Hong Kong Listing Rules Rule 19A. 52

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 26

Hong Kong Listing Rules App. 3 Paragraph 13(2)

In compliance with the following conditions, the Company shall sell the shares of a member 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 27

Mandatory Provisions Article 22

In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.

Article 28

Mandatory Provisions Article 23

The Company must prepare a balance sheet and list of assets for reduction of registered capital.

Company Law Section 178 Clause 2

The Company shall notify its creditors within ten (10) days after the passing of the Company's resolution on reduction of registered capital and shall within thirty (30) days publish an announcement in newspaper for three (3) times. Within thirty (30) days after receipt of the notice or for those not receiving the notice within forty-five (45) days after the publication of the first announcement, the creditors are entitled to require the Company to repay its debt or provide a corresponding repayment guarantees for such debt.

The registered share capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

Article 29

Mandatory Provisions Article 24
Company Law Section 143 Clauses 1, 2, 3

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) for the purpose of reducing its registered capital;

(2) in connection with a merger between itself and another entity that holds its shares;

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

(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) in circumstances permitted by laws or administrative regulations.

Any repurchase of shares by the Company due to the reasons set out in items (1) to (3) above shall be approved by the shareholders of the Company in a shareholders' general meeting. The Company repurchases its shares in accordance with the above circumstances should, in the case of item (1), cancel such repurchased shares within ten (10) days from 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.

Pursuant to the requirement of the abovementioned item (3), the acquired shares of the Company shall not exceed 5% of the total amount of the issued shares of the Company. The fund used for acquisition shall be at the expenses of the Company's profit after tax. The acquired shares shall be transferred to employees within one (1) year.

Article 30

Mandatory Provisions Article 25

The Company may, with the approval of the relevant governmental authorities of the State for repurchasing its shares, conduct the repurchase in one of the following manners:

(1) to make a pro rata general offer of repurchase to all of its shareholders;
(2) to repurchase shares through public trading on a stock exchange;
(3) to repurchase through an off-market agreement.

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.

Mandatory Provisions Article 26

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

Hong Kong Listing Rules App.3 Paragraph s 8(1)&(2)

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.

Mandatory Provisions Article 27

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:

Company Law Section 143 Mandatory Provisions Article 28

(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. Mandatory Provisions Article 29

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. Mandatory Provisions Article 30

Article 36

The financial assistance referred to in this Chapter includes (but not limited to) the following means: Mandatory Provisions Article 30

(1) gift;

(2) 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;

(3) 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

(4) 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.

Mandatory Provisions Article 32

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

Mandatory Provisions Article 33 Zheng Jian Hai Han Article 1 Hong Kong Listing Rules App. 3 Paragraph 2(1) Mandatory Provisions Article 34

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.

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

Mandatory Provisions Article 35 Zheng Jian Hai Han Article 2 Hong Kong Listing Rules App. 13D Paragraph 1(b)

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

Mandatory Provisions Article 36

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

Mandatory Provisions Article 37

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

Zheng Jian Hai Han Article 12 Hong Kong Listing Rules App. 3 Paragraphs 1(1), (2) & (3)

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 The Stock Exchange of Hong Kong Limited:

(1) pay a fee of HK$2.5, or the maximum fee prescribed by The Stock Exchange of Hong Kong Limited, 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 The Stock Exchange of Hong Kong Limited;

(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.

Company Law Section 142

The shares in issue of the Company prior to the public offering of the 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.

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

Mandatory Provisions Article 38
Company Law Section 140 Clause 2

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

Mandatory Provisions Article 39

by the Company for the purpose of distribution of dividends.

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 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 end of the record date are considered shareholders of the Company.

Article 47

Mandatory Provisions Article 40

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

Mandatory Provisions Article 41

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 the domestic shares loses his/her share certificates and applies for the replacement, it shall be dealt with in accordance with the provisions of Section 144 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

Mandatory Provisions Article 42

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

Mandatory Provisions Article 43

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

Mandatory Provisions Article 44

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

Mandatory Provisions Article 45
Hong Kong Listing Rules App. 3 Paragraph 9
Company Law Section 98

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 place the following documents in a certain place in Hong Kong for shareholders to inspect at no charge; and copy, subject to payment of a reasonable charge:

Hong Kong Listing Rules Rule 19A.50

(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; Company Law Section 98

(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; Company Law Section 143 Clause 1 Item (4)

(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. Hong Kong Listing Rules App. 3 Paragraph 12

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.

Company Law Sections 22 & 152

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 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.

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

Mandatory Provisions Article 46
Guidelines Article 37

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) 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

Mandatory Provisions Article 47 Guidelines Article 39

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.

Article 56

Mandatory Provisions Article 48

The term "controlling shareholder" referred to in Article 55 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 57

Mandatory Provisions Article 49

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 58

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

Mandatory Provisions Article 50 Company Law Sections 100, 38 Items (2), (9) Section 103 Clause 2, Section 16 Clause 2, Section 122 Guidelines Article 40

(1) to decide on the development plans, operating policies and investment plans of the Company;

(2) to elect and replace Directors 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 decide on increases or reductions in the Company's registered capital;

(9) to decide on matters such as merger, division, change of the corporate form, dissolution and liquidation of the Company;

(10) to decide on the issue of bonds by the Company;

(11) to adopt resolutions on the Company's appointments, dismissals or non-reappointments of accounting firms;

(12) to amend the Articles of Association;

(13) 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;

(14) to examine shareholders individually or jointly holding not less than 3% of the Company's voting shares;

(15) to examine other matters required by laws, administrative regulations, departmental rules and the Articles of Association to be resolved by general meeting of shareholders.

Article 59

Mandatory Provisions Article 51

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 60

Mandatory Provisions Article 52

General meetings of shareholders include annual general meetings of shareholders and extraordinary general meetings of shareholders. 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 Board 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; Company Law Section 101

(4) the Board considers as is necessary or the Supervisory Committee proposes to hold such a meeting;

(5) two (2) or more independent non-executive Directors propose to hold such a meeting. Opinion No. 6

Article 61

Mandatory Provisions Article 53

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 62

Mandatory Provisions Article 54
Company Law Section 103 Clause 2
Guidelines Article 53

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 written 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 power 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, and shall include the proposed matters which are within the power of the shareholders' general meeting as matters to be considered at the shareholders' meeting.

Article 63

Company Law Section 103 Clause 2

The motion of shareholders shall satisfy the following conditions:

(1) The content shall comply with provisions of the laws, regulations 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 Board of Directors in written form.

Article 64

Guidelines Article 82

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

Article 65

Means and procedures of nomination of Director and supervisor areas 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 put forward a provisional proposal to the general meeting for review in respect of the candidates for Directors and supervisors and submitted the same together with the biography and general information of the nominated candidates to the Board ten (10) days before the meeting, and shall be examined and approved 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.

Article 66

Mandatory Provisions Article 55

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.

Company Law Section 103 Clause 3

A general meeting shall not decide on any matter not stated in the notice of the meeting and supplementary notice.

Article 67

Mandatory Provisions Article 56
Hong Kong Listing Rules Rule 2.07A

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 a shareholder entitled to attend and vote is entitled to appoint one or more proxies 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.

Article 68

Mandatory Provisions Article 57
Hong Kong Listing Rules App. 3 Paragraph 7(3)
Hong Kong Listing Rules Rule 2.07A(2A)

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 by making such corporate communications available on the Company's own website, subject to the following conditions:

(1) the shareholder 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 the shareholder's objection 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 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 domestic 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 domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

Hong Kong Listing Rules App. 3 Paragraph 7(1)

Article 69

Mandatory Provisions Article 58

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 70

Mandatory Provisions Article 59

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 71

Mandatory Provisions Article 60 Hong Kong Listing Rules App. 3 Paragraph 11(2)

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 72

Mandatory Provisions Article 61

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 73

Mandatory Provisions Article 62 Hong Kong Listing Rules App. 3 Paragraph 11(1)

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 favour of or against 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 74

The Company has the right to request proxies (representing individual shareholder) attending the meeting to present their personal identity cards and the authorization letters from the shareholder.

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 or valid documents that can prove its identity as the legal representative.

Article 75

Mandatory Provisions Article 63

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 76

Mandatory Provisions Article 64

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 favour 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 favour of the resolution in order for it to be passed.

Article 77

Mandatory Provisions Article 65 Company Law Section 104 Clause 1 Guidelines Article 78 Hong Kong Listing Rules Rule 13.39(4), (5)

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.

Article 78

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 79

Mandatory Provisions Article 67

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 80

Guidelines Article 89

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 81

Mandatory Provisions Article 68

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

Article 82

Mandatory Provisions Article 69

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

(1) working reports of the Board and the Supervisory Committee;

Mandatory Provisions Article 70

(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;

Hong Kong Listing Rules App. 3 Paragraph 4(3) Guidelines Article 76

(4) annual financial budgets, final accounts, balance sheets and profit and loss accounts and other financial statements of the Company; and

(5) 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 83

Mandatory Provisions Article 71
Company Law Section 104 Clause 2, Section 122
Guidelines Article 77

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 of the Company;

(3) division, merger, dissolution and liquidation or change in corporate form of the Company, as well as major acquisition or disposal;

(4) amendments to the Articles of Association; and

(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) considered 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 84

Mandatory Provisions Article 72
Company Law Section 102 Clause 2
Guidelines Article 48

Shareholders who request for the convening of an extraordinary general meeting or a class meeting shall comply with the following procedures:

(1) Two (2) or more shareholders holding in aggregate 10% or more of the shares carrying the right to vote at the meeting sought to be held shall sign one (1) or more counterpart requisitions stating the object of the meeting and requiring the Board to convene a shareholders' extraordinary general meeting or a class meeting thereof. The Board shall as soon as possible proceed to convene an extraordinary general meeting or a class meeting thereof after receipt of such requisition(s). The amount of shareholdings referred to above shall be calculated as at the date of deposit of the requisitions(s).

(2) If the Board fails to issue a notice of such a meeting within thirty (30) days from the date of receipt of the requisition(s), the shareholders may, with reference to the provision of the above paragraph (1), submit in writing to the Supervisory Committee and convene an extraordinary general meeting or class meeting; if the Supervisory Committee fails to comply with the law and convene and chair extraordinary general meeting or class meeting within five (5) days upon receipt of such written request, shareholders (individually or jointly) holding not less than 10% may themselves convene such a meeting after ninety (90)

days of such request, (in a manner as similar as possible to the manner in which shareholders' general meetings are convened by the Board) within four (4) months from the date of receipt of the requisition(s) by the Board.

Any reasonable expenses incurred by the shareholders by reason of failure by the Board to duly convene a meeting shall be repaid to the shareholders by the Company and any sum so repaid shall be set-off against sums owed by the Company to the defaulting Directors.

Article 85

Company Law Section 151

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 86

Mandatory Provisions Article 73 Company Law Section 102 Guidelines Article 67

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.

If the Board cannot or fails to fulfill the obligation to convene general meetings and the Supervisory Committee may in time convene and preside over the meeting on its own; if Supervisory Committee cannot or fails to convene or preside over the meeting, shareholders (individually or jointly) holding not less than 10% for consecutive ninety (90) days or more, may themselves convene such a meeting.

Article 87

Mandatory Provisions Article 74

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 88

Mandatory Provisions Article 75

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 89

Mandatory Provisions Article 76

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 90

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.

Company Law Section 16 Clause 3

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 91

Mandatory Provisions Article 76 Company Law Section 108 Guidelines Article 73

All resolutions passed at shareholders' meetings shall be kept in minutes of the meeting. The minutes shall be signed by the chairman of the meeting and Directors present at the meeting.

The minutes of the meetings, together with the attendance book for shareholders' signing and proxy forms for proxies attending the meeting, shall be submitted to the secretary to the Board and kept in the Company.

Article 92

Mandatory Provisions Article 77

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 93

Hong Kong Listing Rules App. 3 Paragraph 14

Where any shareholder who is required to abstain from voting on or may only vote for or against any particular resolution in accordance with the Company Law and other laws, administrative regulations or the listing rules of the stock exchange on which the Company's shares are listed and the shareholder or his/her/its proxy violates the rules or restrictions when voting, any vote by such shareholder or his/her/its proxy in violation of the relevant rules or restrictions referred to above shall not be counted.

CHAPTER 9 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 94

Mandatory Provisions Article 78

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 95

Mandatory Provisions Article 79

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 97 to 101.

Article 96

Mandatory Provisions Article 80 Hong Kong Listing Rules App. 3 Paragraph 6(1)

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 97

Mandatory Provisions Article 81

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 96, 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 56;

(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 98

Mandatory Provisions Article 82

A resolution of the class meeting shall be passed in accordance with Article 97 by shareholders present in the meeting representing not less than two-thirds of voting rights.

Article 99

Mandatory Provisions Article 83 Hong Kong Listing Rules App. 3 Paragraph 6(2)

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 100

Mandatory Provisions Article 84

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 101

Mandatory Provisions Article 85 ZhengJian Hai Han Article 3 Hong Kong Listing Rules App. 13D Paragraph(1)(f)

Save for holders of shares of other classes, the holders of domestic shares and holders of overseas listed foreign 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 domestic shares and foreign shares listed overseas by the Company in every twelve (12) months, whether separately or together, if such proposed issuance of domestic shares and foreign shares listed overseas are approved by the shareholders in a general meeting by way of special resolution, and the domestic shares and foreign shares listed overseas 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 domestic shares and foreign shares listed overseas 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.

(3) With the approvals of the securities regulatory authorities authorized by the State Council, the shares held by domestic shareholders of the Company are all transferred to

foreign shareholders and listed and traded in the foreign stock exchange.

CHAPTER 10 BOARD OF DIRECTORS

Article 102

Mandatory Provisions Article 86 Opinion No. 1 Opinion No. 6

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).

Mandatory Provisions Article 87 ZhengJian Hai Han Article 4 Hong Kong Listing Rules App. 3 Paragraphs 4(4)&(5)

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 103

Directors shall be elected by a shareholders' general meeting 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.

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.

ZhengJian Hai Han Article 4 Hong Kong Listing Rules App. 3 Paragraph 4(3) Opinion No.1

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).

The Directors are required to hold shares of the Company.

Article 104

Mandatory Provisions Article 88
Company Law Section 109 Clause 4, Section 47
Guidelines Article 107

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;

(7) to formulate plans for merger, division, alteration of corporate form of the Company and dissolution;

(8) to resolve on the following matters of the Company:

1. a single asset acquired or disposed of asset acquisition or disposal with a value exceeding 5% and below 10% of the latest audited net assets of the Company;

2. a single amount of borrowing with a value exceeding 5% and below 10% of the latest audited net assets of the Company;

3. a single operating capital of external investment projects with a value exceeding 5% and below 25% of the latest audited net assets of the Company;

4. a single amount of external guarantees with a value exceeding 2% and below 5% of the latest audited net assets of the Company;

Item 3 above is applicable to purchase of equity interest, stocks, shares and bonds;

(9) to determine the establishment of the Company's internal management structure;

(10) 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;

(11) to formulate the basic management system of the Company;

(12) to formulate proposals for amendment to the Articles of Association;

(13) to manage information disclosure of the Company;

(14) to propose the appointment or removal of the Company's auditors to the general meetings of the shareholders;

(15) to hear the work report and inspect the work of the general manager of the Company;

(16) 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;

(17) the provisions of the Articles or other duties delegated by shareholders' meeting.

Except for the Board resolutions in respect of the matters specified in items (6), (7) and (12) of this Article 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.

Article 105

Mandatory Provisions Article 89

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 106

Mandatory Provisions Article 90

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) to determine the asset acquisition and disposal as well as borrowings issues of the Company within the following scope:

1. a single asset acquired or disposed of asset acquisition or disposal with a value exceeding 1% or below 5% of the latest audited total assets of the Company;

2. a single amount of borrowing with a value exceeding 1% or below 5% of the latest audited total 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;

(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.

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.

Company Law Section 110 Clause 2

Article 107

Mandatory Provisions Article 91 Company Law Section 111 Clause 2 Mandatory Provisions Article 92

Regular meetings of the Board shall be held at least two (2) 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 ten (10) 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 two (2) independent non-executive Directors jointly propose;
(6) when the Chairman considers necessary.

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.

The way of notifying for the Board meeting shall be by the way of by hand, fasimile, courier or registered mail.

Article 108

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 109

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 110

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 111

Company Law Section 112 Mandatory Provisions Article 93

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.

In case of an equality of votes, the Chairman of the Board shall entitle one more vote.

Opinion No. 3

According to these 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 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.

Company Law Sections125, 217

Any Director connected (connected relationship refers to the relationship between the controlling shareholder, person who exercises effective control over the Company, Directors, supervisors, the senior management officers and companies directly or indirectly controlled by them, and other relationships which may cause the interest of the Company to be transferred) 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 112

Company Law Section 113 Clause 1 Mandatory Provisions Article 94

Directors shall attend Board meetings in person. If they for some reason cannot attend, they may authorise other Directors in writing to attend on their behalf. The letter of authorisation must clearly bear the scope of authority. The Director attending the meeting on other's behalf shall exercise their authorities within the scope they are authorised to.

Company Law Section 113 Clauses 2 and 3 Mandatory Provisions Article 95

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 113

Company Law Section 113 Clauses 2 and 3 Mandatory Provisions Article 95

Opinion No.6

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.

Article 114

The Audit Committee and the Remuneration and Review Committee shall be established by the Board of Directors of the Company. The Audit Committee shall comprise at least 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 convenor 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 convenor.

The Strategy and Investment Planning Committee, the Nomination Committee and the Editorial and Publication Committee may also be established by the Board of Directors as required. The majority of the members of the Nomination Committee shall be independent non-executive Directors and one (1) of them shall act as the convenor.

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.

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 identity for competent candidates of Directors and managers; and (3) to evaluate candidates of Directors and managers, and to make proposals in connection therewith.

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 11 SECRETARY TO THE BOARD

Article 115

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

Mandatory Provisions Article 96

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

Opinion No. 1

Article 116

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 the major duties of whom include:

Mandatory Provisions Article 97

Company Law Section124

(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, statue, 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 117

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.

Mandatory Provisions Article 98

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 12 GENERAL MANAGER

Article 118

The Company has one (1) general manager, several deputy general managers who shall be appointed or dismissed by the Board of Directors. Mandatory Provisions Article 99

Management officers of the holding company cannot hold a concurrent position of the Company's general manager, deputy general manager, financial controller, sales officer and secretary to the Board. Opinion No. 1

Article 119

The general manager reports to the Board of Directors, and has duties and powers listed below: Mandatory Provisions Article 100

(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) to decide the Company's purchase and sale of the Company's assets and borrowing issues within the power scope as specified below:

1. a single asset acquired or disposed of asset acquisition or disposal with a total value accounting for less than 1% 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) 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 120

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.

Mandatory Provisions Article 101

Article 121

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 122

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.

Mandatory Provisions Article 102 Company Law Section 148

CHAPTER 13 SUPERVISORY COMMITTEE

Article 123

The Company shall have a Supervisory Committee.

Mandatory Provisions Article 103

Article 124

The Supervisory Committee is composed of nine (9) 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.

Mandatory Provisions Article 104

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

Hong Kong Listing Rules App. 13Dparagraph 1(d)(i) ZhengJianHai Han Article 5

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.

Article 125

Members of the Supervisory Committee shall consist of four (4) shareholder representatives, two (2) independent supervisors (independent from the Company and not having any position in the Company) and three (3) employee representatives. 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.

Mandatory Provisions Article 105

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.

Opinion No. 7 Company Law Section 118 Clause 2

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

Article 126

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

Mandatory Provisions Article 106 Company Law Section 118 Clause 4

Article 127

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.

Mandatory Provisions Article 107 Company Law Sections 120, 118 Clause 2

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 128

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

Mandatory Provisions Article 108

Company Law Sections 119, 54, 55

Guidelines Article 144

(1) to inspect the financials of the Company;

(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 or Articles of Association 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 practising 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) 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 129

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 130

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 131

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 132

The requirements of meetings of the Board of Directors stipulated in Article 110 are applicable to meetings of the Supervisory Committee.

Article 133

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.

Mandatory Provisions Article 109 ZhengJianHai Han Article 6 Hong Kong Listing Rules App. 13D Paragraph 1(d)(ii)

Article 134

Supervisors shall attend meetings of the Supervisory Committee in person. Incase 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 135

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 s interested.

Article 136

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.

Mandatory Provisions Article 110

Article 137

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.

Guidelines Article 147

Article 138

The supervisors shall loyally perform the oversight duties pursuant to applicable laws, regulations and the Articles of Association.

Mandatory Provisions Article 111

CHAPTER 14 QUALIFICATIONS AND DUTIES OF THE DIRECTORS, SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Article 139

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

Mandatory Provisions Article112

Company Law Section 147

(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.

Article 140

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.

Mandatory Provisions Article 113

Article 141

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:

Mandatory Provisions Article 114

(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 142

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.

Mandatory Provisions Article 115

Article 143

The Company's Directors, supervisors, general manager and other senior management, when exercising their authorities or performing their obligations, must obey the principle of

Mandatory Provisions Article 116

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 authorised 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;

Company Law Section 149

(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) 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 144

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: Mandatory Provisions Article 117

(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 Company;

(5) directors, supervisors, general manager and other senior management of the companies mentioned in item (4) above.

Article 145

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 Mandatory Provisions Article 118 services, and according to how and under what circumstances the relations between the Company and them terminate.

Article 146

Responsibilities borne by the Company's Directors, supervisors, general managerand other senior management who have violated certain regulationscan 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 55.

Mandatory Provisions Article 119

Article 147

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 planed 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.

Mandatory Provisions Article 120 Hong Kong Listing Rules App. 3 paragraph 4(1)

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 148

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

Mandatory Provisions Article 121

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 147.

Article 149

The Company is forbidden to pay any tax for its Directors, supervisors, generalmanager and other senior management in any ways.

Mandatory Provisions Article 122

Article 150

The Company is forbidden to directly or indirectly provide loans or loan guaranteesto the Directors, supervisors, general manager and othersenior management of the Company and its parent company. The Company isalso forbidden to provide loans or loan guarantees to the associates of theabovementioned persons.

Mandatory Provisions Article 123

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 151

If the Company violates Article 150 and provides a loan, the receiver of the loan shall reimburse the Company immediately, regardless of the terms and conditions of the loan.

Mandatory Provisions Article 124

Article 152

If the Company agrees to provide guarantee for loan that are in violation of item (1) of Article 150, the Company must not be forced into implementation of such guarantee, except for the following conditions:

Mandatory Provisions Article 125

(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 153

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.

Mandatory Provisions Article 126

Article 154

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:

Mandatory Provisions Article 127

(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 155

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:

Mandatory Provisions Article 128

(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. Company Law Section 117

Article 156

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. Mandatory Provisions Article 129

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 56.

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 15 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 157

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. Mandatory Provisions Article 130

Article 158

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.

Mandatory Provisions Article 131 Company Law Section 165 Clause 1

Article 159

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.

Mandatory Provisions Article 132

Article 160

The financial report of the Company shall be kept in the Company no later than twenty (20) 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.

Mandatory Provisions Article 133

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.

ZhengJianHai Han Article 7 Hong Kong Listing Rules App. 3 paragraph 5

Article 161

The financial statement of the Company shall be issued in accordance with the accounting standards and laws and regulations of PRC and international standards or accounting regulations of the overseas market where the Company is listed. If there are significant discrepancies between such two standards on issuance of the financial statement, the discrepancies shall be explained in the appendix. The distribution of profit after-tax in the related financial year by the Company will be calculated according to the profit after-tax in the foregoing financial statements, whichever produces a lesser amount.

Mandatory Provisions Article 134

Article 162

The interim report or financial information announced or disclosed by the Company shall be issued according to the accounting standards and regulations of PRC, and the international or local accounting standards of the overseas market where it is listed.

Mandatory Provisions Article 135

Article 163

The Company shall announce at least two (2) financial reports in each financial year. It means that an interim financial report shall be issued within sixty (60) days upon the end of

Mandatory Provisions Article 136

the first six (6) months of a financial year, and an annual financial report shall be issued within one hundred and twenty (120) days upon the end of the financial year.

Article 164

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

Mandatory Provisions Article 137
Company Law Section 172

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

Article 165

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

Company Law Section167
Guidelines Article 152

(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 166

Capital reserve fund includes the following monies:

Mandatory Provisions Article 138

(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 167

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. Company Law Section 169

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 168

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. Hong Kong Listing Rules App. 3 Paragraph 3

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. Hong Kong Listing Rules App. 3 Paragraph13(1)

Article 169

The Company may distribute dividend in the following manners: Mandatory Provisions Article 139

(1) cash;
(2) shares.

Article 170

Guidelines Article 154

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 171

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 172

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 173

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

Article 174

The Company shall appoint receiving agents for shareholders of overseas listed foreign 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.

Mandatory Provisions Article 140 Hong Kong Listing Rules 19A.51

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.

ZhengJianHai Han Article 8 Hong Kong Listing Rules App. 13D Paragraph 1(c)

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

CHAPTER 16 APPOINTMENT OF ACCOUNTANTS' FIRM

Article 175

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.

Mandatory Provisions Article 141

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 176

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.

Mandatory Provisions Article 142

Article 177

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

Mandatory Provisions Article 143

(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.

Company Law Section 171

Article 178

Should there be a vacancy in the audit firm, the Board of Directors may entrust the firm 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.

Mandatory Provisions Article 144

Article 179

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.

Mandatory Provisions Article 145

Article 180

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.

Mandatory Provisions Article 146

Article 181

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.

Mandatory Provisions Article 147

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:

ZhengJianHai Han Article 9 Hong Kong Listing Rules App. 13D paragraph 1(e)(i)

(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 182

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.

Mandatory Provisions Article 148

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:

Zheng Jian Hai Han Article 10 Hong Kong Listing Rules App. 13 D Paragraph 1(e)(ii)

(1) the statement that the resignation does not involve any situation that requires clarification to the shareholders or creditors of the Company; or

(2) 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.

Hong Kong Listing Rules App. 13 D Paragraph 1(e)(iii)

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 general meeting to hear the firm's explanation on the related situation.

Hong Kong Listing Rules App. 13D Paragraph 1(e)(iv)

CHAPTER 17 MERGER AND DIVISION OF THE COMPANY

Article 183

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

Mandatory Provisions Article 149

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 184

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

Mandatory Provisions Article 150

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 at least three (3) announcements 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.

Company Law Section 174

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 185

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

Mandatory Provisions Article 151

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 at least three (3) announcements 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.

Company Law Section 177

Article 186

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.

Mandatory Provisions Article 152

CHAPTER 18 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 187

Should one of the following conditions arise, the Company shall be dissolved: Mandatory Provisions Article 153

(1) the general meeting passed a resolution to dissolve the Company;

(2) a merger or division requires dissolution of the Company; Company Law Section 181

(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 183 of the Company Law.

Article 188

Should the Company be dissolved due to conditions mentioned in items (1), (4) and (5) of Article 187, 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. Mandatory Provisions Article 154 Company Law Section 184

Should the Company be dissolved due to the condition mentioned in item (3) of Article 187, according to relevant laws and regulations, the People's Court will organize shareholders, related organizations and professionals in establishing a liquidation committee and conduct the liquidation.

Article 189

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. Mandatory Provisions Article 155

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 190

Mandatory Provisions Article 156 Company Law Section 186

The liquidation committee shall notify creditors within ten (10) days of its establishment, and, within sixty (60) days of its establishment, make at least three (3) announcements 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. The liquidation committee may not reimburse any such credits during the period of such creditor's claim.

Article 191

Mandatory Provisions Article 157

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 192

Mandatory Provisions Article 158

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 Company's assets shall be liquidated in accordance with laws and administrative regulations, or in the absence of which, in a just and fair manner as determined by the liquidation committee.

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.

Article 193

Mandatory Provisions Article 159

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 194

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. Mandatory Provisions Article 160

Within thirty (30) days of the confirmation of the liquidation report by general meeting or the People's Court, 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 19 PROCEDURES FOR AMENDMENT TO THE ARTICLES OF ASSOCIATION

Article 195

The Company, according to laws, administrative regulations and Articles of Association, can amend the Articles of Association. Mandatory Provisions Article 161

Article 196

Following is the procedure for amending the Articles of Association:

(1) the Board passes a resolution in accordance with the Articles of Association, suggesting that the shareholders' meeting shall revise the Articles of Association and formulate a revision scheme;

(2) inform the shareholders of the revision scheme, and call a shareholders' meeting to vote on it;

(3) provided that relevant regulations in the Articles of Association of the Company are followed, the contents of the revision submitted to the shareholders' meeting for voting shall be adopted through a special resolution.

The general meeting may pass a resolution to authorise 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;

(2) should amendment on words or order to clauses of the Articles of Association

approved by the general meeting be required by the 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 197

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.

Mandatory Provisions Article 162

CHAPTER 20 SETTLEMENT OF DISPUTES

Article 198

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.

Mandatory Provisions Article 163 ZhengJianHai Han Article 11

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 21 NOTICES

Article 199

Hong Kong Listing RulesApp. 3 Paragraph 7（1）

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 domestic 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 domestic shares shall be deemed to receive the relevant notice.

Article 200

Notices, documents, information or written statements served by way of post, shareholders or Directors shall demonstrate the relevant notices, documents, information or written statements have been sent. Shareholders shall be deemed to have received the notice, documents, information or written statements five (5) days after the despatch of the same.

Article 201

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 202

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 22 SUPPLEMENTARY PROVISIONS

Article 203

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

Mandatory Provisions Article 165

"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.

Company Law Section 217 Item (3)

Article 204

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 205

The Articles of Association shall be interpreted by the Board of Directors.