

Guangdong Yueyun Transportation Company Limited

Articles of Association

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NOTE: In the margin notes to the provisions of the Articles of Association, the “**Mandatory Provisions**” refer to the “Mandatory Provisions for Articles of Association of Companies Listed Overseas” jointly issued by the former State Council Securities Policy Committee and the former State Commission for Restructuring the Economic System; and “**Letter of Opinions on Supplementary Amendment**” refers to the “Circular Regarding Comments on the Amendments to Articles of Association of Companies Listed in Hong Kong” (Zheng Jian Hai Han [1995] No. 1) jointly issued by the Overseas-Listing Department of the CSRC and the Production System Department of the former State Commission for Restructuring the Economic System.

* The Articles of Association are written in Chinese. There is no official English version. The English version should only be used for reference. Should there be any discrepancies, the Chinese version shall prevail.

CHAPTER 1 GENERAL PROVISIONS

Article 1 Guangdong Yueyun Transportation Company Limited (the “Company”) is a joint-stock limited company incorporated pursuant to the Company Law of the People’s Republic of China (the “Company Law”) and other relevant laws and administrative regulations. Mandatory provisions
Article 1

The Company was established by way of promotion with the approval of the Guangdong Province Economic and Trade Commission as evidenced by the approval document of Yue Jing Mao Jian Du (粵經貿監督) [2000] number 1057. The Company was registered with the Administration for Industry and Commerce of Guangdong Province and was granted the Company’s Business License for Enterprises as a Legal Person on 20 February 2001. The unified social credit code of the Company is 91440000719285123G.

The promoters of the Company include:

- Promoter 1: Guangdong Provincial Communication Group Company Limited
- Promoter 2: Guangdong Provincial Highway Construction Company
- Promoter 3: Guangdong Communication Enterprise Investment Company
- Promoter 4: Guangdong Province Road & Bridge Construction Development Company
- Promoter 5: Guangdong Weisheng Transportation Enterprise Company Limited
- Promoter 6: Guangdong Guantong Expressway Assets Management Company Limited

Article 2 The registered name of the Company in Chinese: 廣東粵運交通股份有限公司 Mandatory provisions
Article 2

The registered name of the Company in English: Guangdong Yueyun Transportation Company Limited

Article 3 The Company’s legal domicile: 8/Floor, 1731-1735 Airport Road, Guangzhou Mandatory provisions
Article 3

Postcode: 510410

Telephone: 8620- 22353888

Facsimile: 8620- 22353999

Article 4 The Chairman of the Board of the Company is The Company’s legal representative. Mandatory provisions
Article 4

Article 5 The Company is a joint stock limited company in perpetual existence. Mandatory provisions
Article 5

Article 6 Upon approval by shareholders at the general meeting of the Company through special resolution, and on the approval by the relevant authorities of the PRC, these Articles of Association completely replaced the original Articles of Association registered at Administration for Industry and Commerce.

Mandatory provisions Article 6

From the date of these Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders.

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.

Mandatory provisions Article 7

In accordance with the Articles of Association, shareholders may sue the Company, the Company may sue shareholders, shareholders may sue shareholders, shareholders may sue 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 preceding "other senior management" in this Article shall refer to the deputy general manager of the Company, the finance officer and the secretary to the Board.

Article 8 The Company may invest in other limited liability companies and joint-stock limited companies and undertake liabilities of the company invested to the extent of the capital subscription. However, the Company shall not be a shareholder with unlimited liability in any other economic organisation.

Mandatory provisions Article 8

With the approval by the Company's examination and approval authority authorized by the State Council, the Company may operate according to its operational and management needs in the form of a holding company stated in Clause 2, Article 12 of the Company Law.

Article 9 *In accordance with the requirements of the Constitution of the Communist Party of China and the Company Law, the Company has established an organization of the Communist Party of China, which shall play a core role in the leadership and politics of the Company. The Company has established a working organ of the Party, equipped with a certain number of staff members to deal with the Party affairs. The institutional structure and the staffing level of the Party organization shall be incorporated into those of the Company, and its operating funds shall be consolidated into the budget of the Company and be expensed under the administrative expenses of the Company.*

CHAPTER 2 PURPOSES AND SCOPE OF BUSINESS

Article 10 The business purposes of the Company are: To build an international modern logistics enterprise; to provide customers with quality service, acquire the maximum returns for shareholders; create room for development for employees and integrated value for community.

Mandatory provisions
Article 9

Article 11 The scope of business of the Company shall be based on the items approved by the company registration authorities and business administrative management authorities.

Mandatory provisions
Article 10

The business scope of the Company covers: operation of road passenger transport, urban public transport, operation of road passenger transport stations, passenger ticketing agency, online ride-hailing services; photovoltaic power generation equipment leasing, centralized rapid charging stations, operation of electric vehicle charging infrastructure, energy storage technology services; energy performance contracting; energy saving management services; power generation business, power transmission business, power supply (distribution) business, power supply business; sales of station hydrogen refueling and hydrogen storage facilities, fuel gas operation, general aviation services, road cargo transportation (does not contain hazardous goods); sales of new energy vehicle battery swap facilities, retail of refined oil, wholesales of refined oil, sales of petroleum products (do not contain hazardous chemicals), sales of lubricating oil, leasing of machinery and equipment, leasing of non-residential real estate, housing leasing, storage of refined oil; property management, brand management, marketing planning, project construction, production safety inspection and testing, operation of gas vehicles refueling, self-funded investment, business training (does not contain education training and vocational skills training and other trainings subject to licensing approval), typing and photocopying, operation of small-sized catering, snack shops, small-sized food workshops, catering services, catering management; parking lot services, general cargo storage services (do not contain hazardous chemicals and other items subject to licensing approval), safety consulting services, building cleaning services, professional cleaning, cleaning and disinfection services, conference and exhibition services, ticketing agency services, solar power generation technology services, consulting and planning services, project planning and public relations services, commercial complex management services, engineering management services, utility management services, forest pest control services, management services for self-invested assets, automobile towing, rescue, and obstacle clearance services; software development, artificial intelligence application software development, information system integration services, information consulting services (do not contain information consulting services subject to licensing), information technology consulting services, technical services, technology development, technical consulting, technical exchange, technology transfer, and technology promotion; sales of construction materials, sales of metal components for construction, sales of architectural ceramics products, sales of steel bars products for construction, residential interior decoration and decoration, sales of building decoration materials; advertisement distribution, advertising production, advertising design, agency; reception services for outlets of travel agency, consulting services, accommodation services, operation of road cargo transportation stations, import and export agency. (Businesses that require pre-approvals according to laws and regulations can only be carried out after obtaining approvals from relevant authorities.)

CHAPTER 3

SHARES, SHARES TRANSFER AND REGISTERED CAPITAL

Article 12 The Company shall have ordinary shares at all times. It may have other kinds of shares according to the need, upon approval of the authorities that are authorized by the State Council to examine and approve companies. Mandatory provisions
Article 11

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

For the purposes of the above paragraph, the term “RMB” shall refer to the legal tender of the People’s Republic of China.

Article 14 Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors. Mandatory provisions
Article 13

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

Article 15 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 foreign 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. *Both the holders of domestic shares and foreign shares are the shareholders of ordinary shares, and have the same rights and obligations.* Mandatory provisions
Article 14

Subject to the approval of State Council or authorities that are authorized by the State Council, and upon the agreement of Hong Kong Stock Exchange, domestic shares of the Company may be converted into H Shares.

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

Overseas listed foreign shares issued by the Company 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 Hong Kong Stock Exchange, the par value of which are denominated in Renminbi, and are subscribed for and traded in Hong Kong dollars. H shares can also be listed on stock exchanges within the United States in the form of American Depositary Receipts.

Article 16

Upon approval of the authorities to examine and approve companies, the total number of ordinary shares of the Company upon its incorporation is 292,187,322 shares, which were subscribed and held by the promoters, of which *Guangdong Provincial Communication Group Company Limited* held 149,015,535 shares, representing 51% of the total number of issuable ordinary shares of the Company upon its incorporation, *Guangdong Provincial Highway Construction Company* held 100,804,626 shares, representing 34.5% of the total number of issuable ordinary shares of the Company upon its incorporation, *Guandong Communication Enterprise Investment Company* held 18,992,176 shares, representing 6.5% of the total number of issuable ordinary shares of the Company upon its incorporation, *Guangdong Province Road & Bridge Construction Development Company* held 10,810,931 shares, representing 3.7% of the total number of issuable ordinary shares of the Company upon its incorporation, *Guangdong Weisheng Transportation Enterprise Company Limited* held 8,181,245 shares, representing 2.8% of the total number of issuable ordinary shares of the Company upon its incorporation, *Guangdong Guantong Expressway Assets Management Company Limited* held 4,382,809 shares, representing 1.5% of the total number of issuable ordinary shares of the Company upon its incorporation.

Mandatory provisions
Article 15

Upon the approval of the People's Government of Guangdong Province in June 2004, 4,382,809 shares held by Guangdong Guantong Expressway Assets Management Company Limited were transferred to Guandong Communication Enterprise Investment Company.

Article 17

Upon approval by the securities regulatory authority of the State Council, the Company issued overseas listed foreign shares 138,000,000 shares, in which issuing new shares 125,454,545 shares, and in accordance with relevant provision of reducing holding of the State, the Company's state-owned shareholders disposed 12,545,455 state-owned shares to foreign investors when the Company issued such overseas listed foreign shares.

Mandatory provisions
Article 16

Upon completion of the aforesaid overseas listed foreign shares issue, the Company's share capital structure is as follows:

Name of Shareholder	Class of share	Number of shares	Shareholding
Guangdong Provincial Communication Group Company Limited	state shares	142,266,080	34.06%
Guangdong Provincial Highway Construction Company Limited	state-owned legal person shares	96,476,444	23.10%
Guandong Communication Enterprise Investment Company Limited	state-owned legal person shares	22,371,349	5.36%
Guangdong Province Road & Bridge Construction Development Company Limited	state-owned legal person shares	10,346,749	2.48%
Guangdong Weisheng Transportation Enterprise Company Limited	state-owned legal person shares	8,181,245	1.96%
Public Float (reducing holding of the State-owned shares)	H Shares	12,545,455	3.00%
Public Float (New Shares)	H Shares	125,454,545	30.04%
Total		417,641,867	100%

In 2013, state-owned legal person shares of the Company consisting of 96,476,444 shares held by Guangdong Provincial Highway Construction Company Limited, 22,371,349 shares held by Guangdong Communication Enterprise Investment Company Limited, 10,346,749 shares held by Guangdong Province Road & Bridge Construction Development Company Limited and 8,181,245 shares held by Guangdong Weisheng Transportation Enterprise Company Limited were transferred to Guangdong Provincial Communication Group Company Limited.

Upon completion of the aforesaid transfers, the Company's share capital structure is as follows:

Name of Shareholder	Number of shares (shares)	Shareholding
Guangdong Provincial Communication Group Company Limited	279,641,867	66.96%
Holder of domestic listed foreign shares	138,000,000	33.04%
Total	417,641,867	100%

In 2015, the Company issued 83,528,373 bonus shares by way of the capitalisation of retained earnings and 125,292,560 bonus shares by way of the capitalisation of share premium to the Shareholders. Following the aforesaid bonus shares issue, the Company's share capital structure is as follows: 626,462,800 ordinary shares, comprising 419,462,800 shares held by Guangdong Provincial Communication Group Company Limited, representing 66.96%, and 207,000,000 shares held by shareholders of overseas listed foreign shares, representing 33.04%.

In 2016, the completion of the conversion of the perpetual subordinated convertible securities held by Guangdong Provincial Communication Group Company Limited into 173,385,000 new Conversion Shares took place. Following the aforesaid completion of the conversion of the perpetual subordinated convertible securities, the Company's share capital structure is as follows: 799,847,800 ordinary shares, comprising 592,847,800 domestic shares held by Guangdong Provincial Communication Group Company Limited, representing approximately 74.12%, and 207,000,000 shares held by shareholders of overseas listed foreign shares, representing approximately 25.88%.

Article 18

Upon approval by the securities regulatory authority of the State Council of the proposal for issue of overseas listed foreign shares and domestic shares, the Board of the Company may make implementation arrangements of separate issue.

Mandatory provisions
Article 17

The Company's proposal for separate issue of overseas listed foreign shares and domestic shares pursuant to the preceding paragraph may be implemented within fifteen months from the date of approval by the securities regulatory authority of the State Council.

Article 19

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 they cannot be subscribed for in full at one time under special circumstances, these shares may be issued in several issues subject to the approval of the securities regulatory authority of the State Council.

Mandatory provisions
Article 18

Article 20

The Company's registered capital is RMB799,847,800.

Mandatory
provisions
Article 19
Mandatory
provisions
Article 20

Article 21

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

The Company may increase its capital in the following manners:

- (1) by offering new shares for subscription by unspecified investors;
- (2) by placing new shares to its existing shareholders;
- (3) by allotting bonus shares to its existing shareholders; or
- (4) other ways as permitted by laws and administrative regulations.

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 by relevant laws and administrative regulations of the State.

After the increase or decrease of capital, the Company shall apply to the original company registration authority for registration of the change of its registered capital and make an announcement.

Article 22

All overseas listed foreign shares of the Company listed in Hong Kong shall comply with the following provisions:

- (1) *All overseas listed foreign shares listed in Hong Kong shall be transferred by an instrument in writing in any usual or common form or any other form which the Board may approve. The instrument of transfer of any share may be executed by hand or in mechanically-printed form without company seal. Or if the shareholder is the recognized clearing house as defined in the relevant ordinance formulated from time to time in the laws of Hong Kong ("Recognized Clearing house") or its nominee, the share transfer form may be executed in mechanically-printed form; and*
- (2) Unless otherwise provided by laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien.

Mandatory
provisions
Article 21

CHAPTER 4 PARTY COMMITTEE OF THE COMPANY

Article 23

The establishment of the Party Committee of the Company is approved by the Party Committee of Guangdong Provincial Communication Group Company Limited in accordance with its management authority. The Party Committee of the Company shall play a core role in the leadership and politics of the Company, shoulder the responsibility of exercising strict self-governance on its members, undertake the entity responsibility of the implementation of a system of accountability for improving the Party's conduct and upholding integrity, assume the responsibility of ensuring and supervising the implementation of the general and specific policies of the Party and the state in the Company, conduct proactive research and discussion on major issues of the Company, implement the principle of the Party being in charge of cadres and personnel, uphold and improve the leadership system of cross appointment, strengthen the supervision over the leading officers of the Company, as well as lead the ideological and political work, the construction of spiritual civilization and the mass organizations in the Company, such as the trade union and the Communist Youth League. The Company has set up the discipline inspection commission, which shall shoulder the supervisory responsibility of the implementation of a system of accountability for improving the Party's conduct and upholding integrity and fulfill the Party's duties on disciplinary review and discipline supervision. The appointments and dismissals of the secretary and other members of the Party Committee of the Company shall be made in accordance with the relevant provisions of the Party.

Article 24

The Party Committee of the Company implements the collective leadership system, and shall carry out the work in accordance with the following principles:

- (1) upholding the Party's leadership, and ensuring the implementation of the Party's theories, lines, principles and policies;*
- (2) upholding the exercise of strict self-governance in every aspect, carrying out the work in accordance with the Party Constitution and other Party regulations, and fulfilling the responsibility of Party Committee of the Company of supervising its own conduct and enforcing strict discipline;*
- (3) upholding the democratic centralism to ensure the vitality of the Party Committee of the Company and the unity within the Party;*
- (4) ensuring the unification of the assumption of core roles of the Party Committee of the Company in the leadership and politics, and discharge of functions and powers by the Board and management in accordance with laws and the Articles of Association, and translating the Party's views into the decisions by the Board and management through legal and democratic procedures.*

Article 25

The following matters shall be discussed and determined by the Party Committee of the Company:

- (1) studying the Party's lines, principles and policies and the national laws and regulations as well as important meetings, documents, decisions, resolutions and instructions of higher levels of Party Committees and governments, and researching the implementing measures;*
- (2) considering and deciding to enhance and improve the Party's thoughts, organization, style and anti-corruption as well as system establishment and other related works;*
- (3) implementing the principle of the Party being in charge of cadres and personnel under the Party's leadership, improving talent selection and employment mechanism that meets the requirements of modern enterprise system and market needs, establishing standards and regulating procedures and taking part in candidate survey and recommendation, so as to build quality operating and management teams and talent teams;*
- (4) considering and deciding on important work, documents and instructions arranged in the name of Party Committee of the Company and reviewing significant issues requested by Party organizations of affiliated enterprises for consideration;*
- (5) considering and deciding on important matters including annual working ideas and working plans of the Party Committee of the Company as well as construction of grass-roots Party organizations and Party forces;*
- (6) considering and deciding on the work of establishing Party's integrity and anti-corruption to discharge the entity responsibility of the implementation of a system of accountability for improving the Party's conduct and upholding integrity;*
- (7) considering and deciding on major issues such as construction of the Company's work forces, spiritual civilization, corporate culture and maintenance of harmony and stability;*
- (8) other affairs subject to consideration and decision by the Party Committee of the Company.*

Article 26

The Party Committee of the Company shall study and discuss the following matters:

- (1) the Company's development strategies and medium-to-long-term development planning;*
- (2) the Company's production and operation policies;*
- (3) the Company's principle and directional issues during significant decision-making, including significant investment and financing, security for loan, asset restructuring, change of property right, disposal of material assets and capital operation;*
- (4) the Company's formulation and alteration of its important reform programs;*
- (5) the Company's merger, demerger, change, dissolution and establishment and adjustment of internal management organs as well as setup and deregistration of affiliated enterprises;*
- (6) the Company's draft Articles of Association and proposed amendments to the same;*
- (7) the Company's appointment, assessment, remuneration, management and supervision of its medium to senior level operation and management personnel;*
- (8) significant matters involving staff 's interests put to worker representative conference for discussion;*
- (9) the Company's major measures taken that involve the Company's political responsibility and social responsibility such as production safety and stability maintenance;*
- (10) other "Three Importance and One Greatness" (三重一大) issues that the Board and the management consider fit to be submitted to the Party Committee of the Company for discussion.*

Article 27

Abiding by the procedures of "internal discussion first, submission afterwards" ("先黨內、後提交"). As to the "Three Importance and One Greatness" issues that relate to the Company's reform and development for stability, they shall be submitted to the Party Committee of the Company for discussion prior to intended decision by the Board and the management. The Party Committee of the Company shall convene a meeting to study the same and put forwards advice and suggestions, such issues are then submitted to the Board and the management according to procedures for decision making.

The Party Committee of the Company shall formulate specific rules of procedures and corresponding auxiliary work system to ensure scientific decision and efficient operation, enabling full performance of duties and responsibilities.

CHAPTER 5
REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 28 In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital. Mandatory provisions
Article 22

Article 29 The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital. Mandatory provisions
Article 23

The Company shall notify its creditors within ten days from the date of the Company's resolution on reduction of capital and shall publish an announcement at least three times in the newspaper recognised by Hong Kong Stock Exchange within thirty days from the date of such resolution. A creditor has the right, within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within ninety days from the date of the first announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

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

Article 30 The Company may, in accordance with the procedures set out in the Articles of Association and with the approval of the relevant governing authority of the State, repurchase its outstanding shares under the following circumstances: Mandatory provisions
Article 24

- (1) cancellation of shares for the purposes of reducing its capital;
- (2) merging with another company that holds shares in the Company; and
- (3) other circumstances as permitted by laws and administrative regulations.

Article 31 The Company may, with the approval of the relevant governing authority of the State for repurchasing its shares, conduct the repurchase in one of the following manners: Mandatory provisions
Article 25

- (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; or
- (3) to repurchase through an off-market agreement.

Article 32

Where the Company repurchases its shares through an off-market agreement, it shall seek prior approval of 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 33

Shares repurchased in accordance with the laws by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the original company registration authority for registration of the change of its registered capital.

Mandatory provisions
Article 27

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

Article 34

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

Mandatory provisions
Article 28

- (1) where the Company repurchases its shares at par value, payment shall be made out of book balance of 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 up to 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:
 - i. if the shares being repurchased were issued at par value, payment shall be made out of the book balance of the distributable profits of the Company;
 - ii. if the shares being repurchased were issued at a premium to their 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 current amount of the Company's share premium account (or capital reserve account) (including the premiums on the fresh issue).

- (3) payment by the Company in consideration of the following shall be made out of the Company's distributable profits:
 - i. acquisition of rights to repurchase shares of the Company;
 - ii. variation of any contract for repurchasing shares of the Company;
 - iii. release of its obligation under any contract for repurchasing its shares.
- (4) after the Company's registered 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 premium account (or capital reserve account).

CHAPTER 6 FINANCIAL ASSISTANCE FOR ACQUISITION OF SHARES IN THE COMPANY

Article 35

The Company or its subsidiaries shall not, by any means and 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 or its subsidiaries shall not, by any means and 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 does not apply to the circumstances stated in Article 37.

Article 36

The financial assistance referred to in this Chapter includes (without limitation) 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; and
- (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 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:

Mandatory provisions
Article 31

- (1) the 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 an incidental part of a master plan of the Company;
- (2) the lawful distribution of the Company’s assets by way of dividend; (3) the allotment of bonus shares as dividends;
- (4) a reduction of registered capital, a repurchase of shares or a reorganization of the shareholding structure of the Company effected in accordance with the Articles of Association;
- (5) the lending of money by the Company within its scope of operation and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company); and
- (6) the 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 thereby reduced, the financial assistance is provided out of the distributable profits of the Company).

CHAPTER 7 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 38

Share certificates of the Company 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 in the Company Law, contain other items required to be specified by the stock exchange(s) on which the shares of the Company are listed.

The shares of the Company may be transferred, given by way of gift, inherited and mortgaged in accordance with the relevant law, administrative regulations and provisions of the Articles of Association. The transfer and transmission of the shares should be registered in the share registration organ entrusted by the Company.

Article 39

The share certificates shall be signed by the chairman. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by the Company's other senior management, the share certificates shall also be signed by such other 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 other relevant senior management on the share certificates may also be in printed form.

Mandatory provisions
Article 33

Letter of Opinions on
Supplementary
Amendment 1

Article 40

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

Mandatory provisions
Article 34

- (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 numbers 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 shareholders shall be sufficient evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.

Article 41

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

Mandatory provisions
Article 35

Letter of Opinions on
Supplementary
Amendment 2

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

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

Article 42

The Company shall maintain a complete register of shareholders.

Mandatory
provisions
Article 36

The register of shareholders shall include the following:

- (1) the register of shareholders maintained at the Company's domicile (other than those parts as described in items (2) and (3) of this Article);
- (2) the register of shareholders 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; and
- (3) the register of shareholders maintained at such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 43

Different parts of the register of shareholders 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 shareholders.

Mandatory
provisions
Article 37

All fully paid-up overseas listed foreign shares which are listed in Hong Kong are freely transferable pursuant to the Articles of Association. However, the Board may refuse to recognize any instrument of transfer without giving any reason unless such transfer fulfills the following conditions:

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- (1) A fee of HK\$2.5 per instrument of transfer or such higher amount at the time agreed by the Hong Kong Stock Exchange has been paid to the Company for registration of transfer and other documents relating to or which will affect the right of ownership of the shares;
- (2) the instrument of transfer involves only the overseas listed foreign shares listed in the Hong Kong;
- (3) the stamp duty payable on the instrument of transfer has been paid;
- (4) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares have been provided;
- (5) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed four; and
- (6) the Company does not have any lien over the relevant shares.

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

Article 44 Transfers may not be entered in the register of shareholders within thirty days prior to the date of a shareholders' general meeting or within five days before the record date set by the Company for the purpose of distribution of dividends. Mandatory provisions
Article 38

Article 45 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 for the determination of rights attaching to shares in the Company. Shareholders whose names appear in the register of shareholders at the end of the record date are shareholders of the Company. Mandatory provisions
Article 39

Article 46 Any person who objects to the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register. Mandatory provisions
Article 40

If the Company refuses to register the transfer of shares, the Company shall deliver a notification related to the refusal of shares transfer to the transferor and transferee within two months from the date of the application for transferring the Shares.

Article 47 Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his share certificates (the "original certificates") are lost, apply to the Company for a replacement share certificate in respect of such shares (the "relevant shares"). Mandatory provisions
Article 41

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

If a holder of overseas listed foreign shares loses his share certificates and applies for their replacements, 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 holders of overseas listed foreign shares is maintained.

The issue of replacement certificates to holders of overseas listed foreign shares listed in Hong Kong shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarial certificate or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificate 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 name registered as a holder of the relevant shares before the Company came to a decision to issue the replacement certificate.

- (3) The Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board. The announcement shall be made at least once every thirty days in a period of ninety days. The newspaper designated by the Board should be a Chinese and an English newspaper (at least one of each) recognized by the Hong Kong Stock Exchange.
- (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 days.

In case an application to issue a replacement 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 application.
- (6) Where the Company issues a replacement certificate under this Article, it shall forthwith cancel the original certificate and enter the cancellation and issue in the register of shareholders 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 48

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

Mandatory
provisions
Article 42

Article 49

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 certificate, unless the claimant proves that the Company had acted fraudulently.

Mandatory provisions
Article 43

The joint holders of any shares shall jointly or severally assume the liability to pay for all amounts payable for the relevant shares. For joint holding of any shares, if one of the joint shareholders is deceased, only the other surviving 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 shareholders. In respect of any of the joint shareholders of the shares, only the joint shareholder ranking first in the register of shareholders has the right to accept certificate 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 deemed as such notice has been duly delivered to all the joint shareholders of the relevant shares.

CHAPTER 8 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 50

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

Mandatory provisions
Article 44

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

Where a shareholder of the Company is a legal person, the legal representative or proxies shall exercise his rights.

The Company shall not exercise any power against any person who fails to disclose any of his direct or indirect interest in the Company for the purpose of freezing or otherwise damaging the interest of such person as attached to shares.

Article 51

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

Mandatory provisions
Article 45

- (1) the right to dividends and other distributions in proportion to the number of shares held;
- (2) the right to attend or appoint a proxy to attend shareholders' general meetings and to exercise the corresponding voting right;

- (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 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:
 - (I) to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;
 - (II) to inspect and copy, subject to payment of a reasonable charge:
 - (i) all parts of the register of shareholders;
 - (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;
 - (v) minutes of shareholders' general meetings;
- (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; and
- (7) other rights conferred by laws, administrative regulations and the Articles of Association.

Article 52

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

Mandatory provisions
Article 46

- (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) The liabilities of the shareholders of the Company are limited to the shares held by them;
- (4) To protect the Company's interests consciously;
- (5) Not to divest the shares after the Company has been registered in business registration office;
- (6) Other obligations imposed by 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 53

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 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:

Mandatory provisions
Article 47

- (1) to relieve a Director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a Director or supervisor (for his 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 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.

Article 54

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

Mandatory provisions
Article 48

- (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% (inclusive) or more of the voting rights in the Company;
- (3) a person who, acting alone or in concert with others, holds 30% (inclusive) 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 9 SHAREHOLDERS’ GENERAL MEETINGS

Article 55

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

Mandatory provisions
Article 49

Article 56

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

Mandatory provisions
Article 50

- (1) to decide on the 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 representatives of shareholders 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 annual financial budget plans and final account plans;
- (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, 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 consider the proposals submitted by shareholders holding not less than 5% (inclusive) of the Company's voting shares;
- (14) *to consider the Company's substantial acquisition or disposals (acquisition or disposals of assets (including interests) exceeding 20% of the net assets value set out in the latest balance sheet considered by the shareholders' general meetings); and*
- (15) to consider other matters required by laws, administrative regulations and the Articles of Association to be resolved by general meeting of shareholders.

Article 57

Unless prior approval is obtained in a shareholders' general meeting, the Company shall not enter into any contract with any party other than the Directors, supervisors, general manager and other senior management members pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Mandatory provisions
Article 51

Article 58

General meetings of shareholders shall be 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 every year within six months after the end of the previous accounting year.

Mandatory provisions
Article 52

The Board shall hold an extraordinary general meeting of shareholders within two 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 holding 10% (inclusive) of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting;
- (4) the Board considers it necessary or the Supervisory Committee proposes to hold such a meeting; or
- (5) *two or more Independent Directors propose to hold such a meeting.*

Article 59

When the Company convenes an annual general meeting, it shall notify all of the shareholders in the form of announcement or other forms required under the Articles of Association (if necessary) twenty (20) clear business days before the meeting. When the Company convenes an extraordinary general meeting, it shall notify all of the shareholders in the form of announcement or other forms required under the Articles of Association (if necessary) ten (10) clear business days or fifteen (15) days (whichever is earlier) before the meeting.

In determining the commencement date and the period, the date of the meeting and the date of which the notice is given shall not be included. The above business day means any day on which the Hong Kong Stock Exchange is open for the business of dealing in securities.

Article 60

When the Company convenes a shareholders' general meeting, the Board, the Supervisory Committee and any shareholders holding, severally or jointly, 3% or more shares of the Company shall be entitled to propose new resolutions. The Company shall include those matters which are within the scope of duties of the shareholders' general meeting into the agenda.

Shareholder(s) severally or jointly holding 3% or have shares of the Company may submit written interim proposal to the Board 10 days before a shareholders' general meeting is convened. The Board shall serve a supplementary notice of shareholders' general meeting within two days after receipt of the proposal, and explain the contents of the interim proposal in the supplementary notice. The content of such interim proposal shall be within the scope of functions and powers of the shareholders' general meetings, and shall contain specific subjects and concrete matters for approval.

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

Article 61

A shareholders' general meeting shall not decide on any matter not stated in the notice of the meeting.

Mandatory
provisions
Article 55

Article 62

The notice of a general meeting shall meet the following criteria:

- (1) is made in writing;
- (2) specifying the venue, date and time of the meeting;
- (3) setting out the matters and motions to be considered at the meeting;
- (4) *specifying the record date for determining shareholders entitled to attend the general meeting;*
- (5) providing shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but not limited to) where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital, or to reorganize 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 the such proposal shall be properly explained;
- (6) disclosing the nature and degree of the material interest of any Director, Supervisor, general manager and other senior management member in the matters to be considered. In case that the impact of the matters to be considered on such Director, supervisor, general manager and other senior management member as a shareholder is different from that on other holders of the same class of shares, the difference shall be explained;
- (7) setting out the full text of any special resolution to be proposed at the meeting;
- (8) containing a prominent written statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his behalf and that a proxy need not be a shareholder; and
- (9) specifying the delivery time and place of the authorization letter for proxy voting of the meeting.

Article 63

The notice of the general meeting shall be served on all shareholders (whether or not such shareholder is entitled to vote at the general meeting) by personal delivery or by pre-paid mail. The address of the recipient shall be the registered address as shown in the register of shareholders. For holders of domestic shares, the notice of the general meeting may be given by way of announcement.

Article 64 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. Mandatory provisions Article 58

Article 65 Any shareholder entitled to attend and vote at the general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights: Mandatory provisions Article 59

- (1) the right of the shareholder to speak at the meeting;
- (2) the right to demand a poll alone or jointly with others; and
- (3) the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.

Article 66 The instrument appointing a proxy must be in writing under the hand of the shareholder or his attorney duly authorized in writing; in case the appointer is a legal person, the proxy must be affixed with the common seal or signed by its director or attorney duly authorized in writing. *The letter of authorization shall contain the number of the shares to be represented by the proxy. If several persons are authorized as the proxy of the shareholder, the letter of authorization shall specify the number of the shares to be represented by each proxy.* Mandatory provisions Article 60

Article 67 Letters authorizing proxies shall, at least 24 hours before the meeting that requires the votes to be cast or at least 24 hours before the designated voting time, be delivered to the Company's address or any other places specified in the notice convening the meeting. For authorization letters signed by other representatives of the shareholders, the letters authorizing the representative to sign or other documents of authorization shall be notarized. Such notarized authorization letters or other documents of authorization shall, along with the letters authorizing proxies, be placed at the Company's address or any other places specified in the notice convening the meeting. Mandatory provisions Article 61

Should the shareholder be a legal person, it should be represented at the general meeting by its legal representative or persons authorized by its board or other decision-making bodies

If the said shareholder is a recognized clearing house (or its nominee), the shareholder may authorize one or more suitable person to act as its representative at any shareholders' general meeting or at any class meeting; however, if more than one person are authorized, the power of attorney shall clearly indicate the number and class of the shares involved by way of the said authorization. The persons with such authorization may represent the recognized clearing house (or its nominee) to exercise the rights, as if they were individual shareholders of the Company.

Article 68 Any form issued to a shareholder by the Board for use by him 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 proxy may vote as he thinks fit. Mandatory provisions
Article 62

Article 69 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. Mandatory provisions
Article 63

Article 70 The resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions. Mandatory provisions
Article 64

Ordinary resolutions put forward in the general meeting shall be adopted by more than 50% of shareholders (including their proxies) with voting rights attending the meeting.

Special resolutions put forward in the general meeting shall be adopted by not less than two-thirds of the shareholders (including their proxies) with voting rights attending the meeting.

Article 71 A shareholder (including proxy) when voting at a shareholders' general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote. Mandatory provisions
Article 65

Article 72 At any shareholders' general meeting, a resolution shall be decided on a show of hands unless a poll is demanded by the following persons before or after deciding on a show of hands: Mandatory provisions
Article 66

- (1) the chairman of the meeting;
- (2) at least two shareholders entitled to vote or their proxies; or
- (3) one or more shareholders (including proxies) individually or jointly holding more than 10% (inclusive) of the voting shares represented by all shareholders present at the meeting.

Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution at the meeting.

The demand for a poll may be withdrawn by the person who makes such demand.

- Article 73** A poll demanded on such matters as the election of chairman or the 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. Mandatory provisions
Article 67
- Article 74** On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way. Mandatory provisions
Article 68
- Article 75** *When shareholders' general meeting elects Directors, if there are two or more candidates for the place(s), each share held by shareholders (including their proxies) shall have the same number of voting rights as the number of elected place(s) and all such votes may be for one person or be split between several candidates. The distribution of voting right shall be explained.*
- Article 76** In the case there is an equality of votes, whether the vote is taken by a show of hands or by poll, the chairman of the meeting is entitled to a casting vote. Mandatory provisions
Article 69
- Article 77** The following resolutions shall be adopted as ordinary resolutions at a general meeting: Mandatory provisions
Article 70
- (1) working reports of the Board and the Supervisory Committee;
 - (2) profit distribution proposals and plans for making up losses formulated by the Board;
 - (3) election and dismissal of directors and supervisor; and their remuneration and payment method;
 - (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 78** The following resolutions shall be adopted as special resolutions at a general meeting: Mandatory provisions
Article 71
- (1) increase or reduction of registered capital and issuance of shares of any class, warrants and other similar securities of the Company;
 - (2) *repurchase of the Company's shares;*
 - (3) issuance of debentures of the Company;
 - (4) division, merger, dissolution and liquidation and significant acquisition and disposal;

- (5) amendments to the Articles of Association; and
- (6) other matters approved by ordinary resolution of the general meeting believing that they could materially affect the Company and need to be approved by special resolution.

Article 79

When shareholders request for the convening of an extraordinary general meeting or any class meeting, the following procedures shall be followed:

Mandatory provisions
Article 72

- (1) two or more shareholders who together hold 10% (inclusive) or more of the shares carrying the right to vote at the meeting can request the Board to convene an extraordinary general meeting class meeting by signing one or several copies of written request(s) in the same form and content, and stating the motions and resolutions proposed. The Board shall convene the extraordinary general meeting or class meeting as specified in the request as soon as possible. The amount of shareholdings referred to above shall be calculated as at the date of making the request.
- (2) If no notice of convening a general meeting was issued within thirty days after the Board receiving the abovementioned written request(s), the shareholders making the request(s) can convene a meeting by themselves within four months after the Board receiving the above mentioned written request(s), and the procedures for convening such meeting shall follow the procedures of the shareholders' general meeting convened by the Board as much as possible.

All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting Directors.

At general meetings, save for involving trade secrets not allowed to be disclosed, the Board and Supervisory Committee shall offer clarifications and explanations to the inquiries and proposals raised by shareholders.

Article 80

Shareholders' general meetings shall be convened and presided over by the Chairman of the Board and in the failure of which, the Vice Chairman shall convene and preside over the meeting. In the event that both the Chairman and the Vice Chairman fail to attend the meeting, one Director shall be designated by the Board to convene and preside over the meeting on its behalf. In the event that no such designation is made, one shareholder as elected from the attending shareholders may preside over the meeting. If, for any reason, the attending shareholders fail to elect one to be the chairman, the attending shareholder (or his proxy) who holds the most voting shares shall be the chairman.

Mandatory provisions
Article 73

Article 81

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

Mandatory provisions
Article 74

Article 82 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 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 who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, and the chairman of the meeting shall have the votes counted immediately. Mandatory provisions
Article 75

Article 83 In the event that the votes are counted at the general meeting, the counting results shall be recorded in the minutes of the meeting. Mandatory provisions
Article 76

The minutes of the meeting together with the attendance book for shareholders' signing and the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company. *The foresaid minutes of meeting, attendance book for signature and proxy forms shall not be destroyed in ten years' time.*

Article 84 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 days after receipt of reasonable charges. Mandatory provisions
Article 77

CHAPTER 10 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 85 Shareholders holding different classes of shares shall be class shareholders. Mandatory provisions
Article 78

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 86 Any variation or abrogation of the rights of any class of shareholders proposed by the Company may only come into effect upon the 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 88 to 92. Mandatory provisions
Article 79

Article 87 The following circumstances shall be deemed to be a variation or abrogation of the rights of shareholders of a certain class: Mandatory provisions
Article 80

- (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 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 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 shares of such class;
- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to 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 increase such restrictions;
- (9) to issue subscription rights or share conversion rights for shares of such class or other classes;
- (10) to increase the rights and privileges of 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 such restructuring; and
- (12) to vary or abrogate the terms provided in this chapter.

Article 88

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 Clause (2) to (8) and (11) to (12) of the Article 87, but interested shareholders shall not be entitled to vote at class meetings.

Mandatory provisions
Article 81

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 31 of the Articles of Association, "interested shareholders" shall refer to the controlling shareholders as defined in Article 54 of the Articles of Association;
- (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 31 of the Articles of Association, "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 89 A resolution of the class meeting shall be passed in accordance with Article 88 by shareholders present in the meeting representing not less than two-thirds of voting rights. Mandatory provisions Article 82

Article 90 Written notice of a class meeting convened by the Company shall be dispatched to all shareholders of such class whose names appear on the register of shareholders in accordance with the date and the period of notification in respect of convening an annual general meeting and an extraordinary general meeting specified in Article 59 of the Articles of Association, specifying the matters to be considered and the date and place of the meeting. Mandatory provisions Article 83

Article 91 Notices of the class meeting only need to be served on shareholders entitled to vote thereat. Mandatory provisions Article 84

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 92 In addition to 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. Mandatory provisions Article 85

The special procedures for voting by class shareholders shall not apply in the following circumstances: (1) where the Company issues, upon approval by a special resolution at a shareholders’ general meeting, domestic shares and overseas listed foreign shares once every twelve months, either separately or concurrently, and the respective numbers of domestic shares and overseas listed foreign shares proposed to be issued do not exceed 20% of the respective numbers of the issued domestic shares and overseas listed foreign shares; (2) where the Company’s plan to issue domestic shares and overseas listed foreign shares at the time of incorporation is carried out within fifteen months from the date of approval by the securities regulatory authority under the State Council. Letter of Opinions on Supplementary Amendment 3

CHAPTER 11 BOARD OF DIRECTORS

Article 93 The Company established the board of directors, composed of 11 directors, with one chairman of the board and one vice chairman of the board. The external directors (the directors not holding the posts inside the Company) in the board of directors shall account for over 1/2 (including 1/2) of the directors and there shall be at least 1/3 of independent directors.

Mandatory provisions
Article 86

Article 94 Directors shall be elected at shareholders' general meeting. The term of office of the Directors shall be three years. Upon maturity of the current term of office, a Director shall be eligible to offer himself for re-election and reappointment.

Mandatory provisions
Article 87

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 seven days prior to the date of such meeting.

Letter of Opinions on Supplementary Amendment 4

The shareholders' general meeting may by ordinary resolution remove any Director before the expiration of his 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 and Vice Chairman of the Board shall be elected and removed by more than one-half of all Directors. The term of office of the Chairman and Vice Chairman shall be three years, renewable upon re-election.

The Directors shall not be required to hold shares of the Company.

Article 95 The Board shall report to the shareholders' general meeting and exercise the following duties and powers:

Mandatory provisions
Article 88

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

- (8) to determine the establishment of the Company's internal management structure;
- (9) to appoint or remove the general manager and to appoint or remove the vice general manager and the chief financial officer of the Company based on the nomination by the general manager and to decide on their remunerations;
- (10) to formulate the basic management system of the Company;
- (11) to formulate proposals for amendment to the Articles of Association;
- (12) to determine the establishment of special committees and the appointment and dismissal of the relevant person in charge;
- (13) to consider the Company's acquisition or disposals (acquisition or disposals of assets (including interests) not exceeding 20% of the net assets value set out in the latest balance sheet considered by the shareholders' general meetings);
- (14) other duties and powers assigned by shareholders' general meetings or conferred by the Articles of Association;
- (15) to propose the appointment or removal of the Company's auditors to the general meetings of the shareholders;
- (16) to formulate and consider the Company's substantial acquisition or disposals (acquisition or disposals of assets (including interests) exceeding 20% of the net assets value set out in the latest balance sheet considered by the shareholders' general meetings) ;
- (17) Prior to making a decision on significant corporate affairs, the Board shall solicit opinions from the Party Committee of the Company.

Except for the Board resolutions in respect of the matters specified in subparagraphs (6), (7) and (11) 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. The Board shall perform its duties in accordance with the national laws, administrative regulations, the Articles of Association and resolution of shareholders.

In case any resolution is made in respect of the matters specified in subparagraph (16) by the Board, the matter shall be submitted to the shareholders' general meeting for consideration and approval if the matter requires the approval at shareholders' general meeting under the relevant provisions of Hong Kong Stock Exchange.

Article 96 *The shareholders' general meeting may by ordinary resolution remove any Director before the expiration of his term of office (including chairman of the board or other executive directors, 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. Prior to the maturity of his term, a Director shall not be removed without reason from his office by the shareholders' general meeting.*

Article 97 *The Board may set up special committees such as audit committee, remuneration committee and strategic committee. Under the leadership of the Board, they assist the Board in performing its functions or providing suggestions or consultative advice for the Board's decision making. The audit and nomination committees shall have a majority of Independent Directors among its members.*

Article 98 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 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.

Mandatory provisions
Article 89

The term "fixed assets disposal" referred to in this Article includes (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 99 The Chairman of the Board shall exercise the following duties and powers:

Mandatory provisions
Article 90

- (1) to preside over shareholders' general meetings and to convene and preside over Board meetings;
- (2) to check on the implementation of resolutions of the Board;
- (3) to sign the securities certificates issued by the Company; and
- (4) to exercise other duties and powers assigned by the Board.

If the chairman is unable to perform his duties, the Vice-chairman designated by the chairman shall perform his duties.

Article 100

Regular meetings of the Board shall be held at least two times every year and shall be convened by the Chairman of the Board. All of the Directors shall be notified about the meeting ten days in advance. In case of emergency, an extraordinary board meeting can be convened upon request by more than three Directors or the general manager.

Mandatory provisions
Article 91

The Chairman of the Board shall convene and chair a special board meeting within five days under any of the following circumstances:

- (1) when not less than one-third of the Directors jointly request such meeting;*
- (2) when the Supervisory Committee requests such meeting;*
- (3) more than two (inclusive) Independent Directors requests such meeting; or*
- (4) when the chairman considered necessary.*

Article 101

The way of notifying for the meeting of the Board shall be by way of telephone and facsimile. The notice period of the meeting shall be ten days and five days in advance for regular meeting and extraordinary meeting of the Board respectively.

Mandatory provisions
Article 92

The Board may specify the time and place of the board meeting in advance, and recorded in the minutes of the meeting. If the minutes of the meeting was delivered to all Directors at least ten days prior to the date of meeting, no service of notice is required.

If the Board has not specified the time and place of the board meeting in advance, the Chairman of the Board or the secretary to the Board shall, at least five days (but not more than ten days) beforehand, inform all Directors the time and the place of the Board meeting by way of fax, courier, registered mail or by specially designated person.

Notice of a meeting shall be deemed to have been given to any Director who attends the meeting without protest against, before or at its commencement, any lack of notice.

Any meeting of the Board may be held by way of telephone conference or similar communication equipment so long as all Directors participating in the meeting can clearly hear and communicate with each other. All such Directors shall be deemed to be present in person at the meeting.

Article 102

The Board meeting may not be held unless not less than half of the Directors are present.

Mandatory provisions
Article 93

Each Director shall have a ballot for voting. Resolutions of the Board shall be passed by more than half of all Directors.

In the case of equal division of votes, the Chairman of the Board of Directors is entitled to a casting vote.

A written resolution signed and agreed by all directors respectively shall be deemed with similar effect as resolutions passed by Board meetings legally convened. Such written resolution may comprise one set or more documents, with each document signed by one or more directors. A resolution signed by directors or bearing the names of the directors and sent by post, facsimile or by hand to the Company shall for the purpose of this clause be regarded as document signed by them.

Article 103

Directors shall attend Board meetings in person. Where a Director is unable to attend a meeting for any reason, he may by a written power of attorney appoint another Director to attend the meeting on his behalf. The power of attorney shall set out the scope of authorization.

Mandatory provisions
Article 94

A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authority conferred by the appointing Director. Where a Director is unable to attend a Board meeting and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Article 104

The Board shall keep minutes of resolutions passed at Board meetings. The minutes shall be signed by the Directors present at the meeting and the officer taking the minutes. The Directors shall be liable for the resolutions of the Board meeting. If a resolution of the Board meeting violates the laws, administrative regulations or the Articles of Association and the Company suffers serious losses as a result thereof, the Directors who participated in the passing of such resolution are liable to compensate the Company. However, if it can be proven that a Director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such Director may be released from such liability.

Mandatory provisions
Article 95

Article 105

Board meetings shall be held at the Company's legal residence in principle, while it can be held any other places subject to resolutions of the Board.

Article 106

All reasonable expenses incurred by the Directors for attending the Board meeting shall be borne by the Company, including the traffic expense from the place where the Director is located to the place where the meeting is convened, as well as the board and lodging expenses during the term of the meeting and the local traffic expenses etc.

Article 107

The Board of Directors may set up committees or working teams comprising two or more directors from time to time, and delegate such committees or working teams with certain powers, duties and discretionary powers of the Board of Directors itself. The relevant committee and working team shall act within the scope as authorised by the Board of Directors, and shall abide with the rules set by the Board of Directors from time to time. The Board of Directors may also resolve to dismiss the relevant committee or working team or change the scope of its authorisation.

The quorum of meetings of the Board committees or working teams shall be two members of the committees or working teams or more than half of the members, whichever is more. The requirements on the procedures and minutes of meetings as applicable to Articles 94 to 99 in the Articles of Association shall also be applicable on the relevant committees or working teams, unless the relevant requirements have been replaced by the rules set by the Board as mentioned in the previous paragraph.

Unless otherwise required by the Board of Directors, a general manager who is not a director may attend Board meetings, and shall be entitled to receive notices and relevant documents of such meetings. However, unless the general manager is a director, he shall have no voting rights in the Board meetings.

CHAPTER 12 SECRETARY TO THE BOARD

Article 108 The Company shall have a Secretary to the Board, who is a senior management member of the Company. Mandatory provisions
Article 96

Article 109 The Secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience, and to be appointed and removed by the Board. His/her primary responsibilities are: Mandatory provisions
Article 97

- (1) to ensure that the Company has complete organisational documents and records;
- (2) to ensure that the Company prepares and delivers the reports and documents required by competent authorities (including but not limited to Administration for Industry & Commerce) in accordance with the laws;
- (3) to ensure that the Company's registers of shareholders are properly maintained, and that persons entitled to access to the relevant records and documents are furnished with such records and documents without delay;
- (4) *responsible for co-ordinating and organizing the Company's disclosure of information;*
- (5) *responsible for keeping the Company's price-sensitive information confidential and working out effective and practical confidentiality systems and measures;*
- (6) *to perform the responsibilities and obligations that a board secretary is held responsible for by laws, the regulatory body of the jurisdiction where the Company is listed and/or the provisions in this Articles (including exercising other functions and powers as conferred by the Board).*

Article 110

Except the general manager and chief accountant of the Company, Directors or other senior management members may concurrently hold the post of the Secretary to the Board. The accountant(s) of the certified public accountants' firm appointed by the Company shall not concurrently hold the post of the Secretary to the Board.

Mandatory provisions
Article 98

Where the office of the Secretary to the Board is held concurrently by a Director, and an act is required to be done by a Director and the Secretary to the Board separately, the person who holds the office of Director and Secretary to the Board may not perform the act in dual capacity.

CHAPTER 13 GENERAL MANAGER OF THE COMPANY

Article 111

The Company shall have one general manager, several deputy general managers, appointed or removed by the board of directors.

Mandatory provisions
Article 99

Article 112

The general manager of the Company shall be accountable to the Board and exercise the following duties and powers:

Mandatory provisions
Article 100

- (1) to lead the Company's production, operation and management and organize resources to carry out the Board's resolutions;
- (2) to organize the implementation of the Company's annual business plan and investment plan;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to formulate the basic rules and regulations of the Company;
- (6) to propose the appointment or dismissal of the Company's deputy general manager and chief financial officer;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;
- (8) *Under the authorization of the Board, to exercise the power relating to the mortgage, lease, sub-contract or transfer of the assets of the Company; and*
- (9) *to exercise other duties and powers conferred by the Articles of Association and the Board.*

Deputy general managers and chief financial officer shall assist and be accountable to the general manager.

Article 113 The general manager of the Company shall attend Board meetings. The general manager who is not a Director does not have any voting rights at Board meetings. Mandatory provisions Article 101

Article 114 The general manager in performing his functions, shall act honestly and diligently and in accordance with the laws, administrative regulations and the Articles of Association. Mandatory provisions Article 102

CHAPTER 14 SUPERVISORY COMMITTEE

Article 115 The Company shall have a Supervisory Committee. Mandatory provisions Article 103

Article 116 The Supervisory Committee shall be composed of 7 supervisors of which two are representatives of shareholders, two are independent supervisors and three are representatives of staff. The term of office of a supervisor shall be three years, renewable upon re-election and re-appointment. Mandatory provisions Article 104

The Supervisory Committee shall have one Chairman. The appointment and dismissal of the chairman of the Supervisory Committee shall be passed by not less than two-thirds (inclusive) of its members. Letter of Opinions on Supplementary Amendment 5

Article 117 Supervisors who are representatives of shareholders and independent supervisors shall be elected and dismissed by the shareholders' general meeting while representatives of staff shall be democratically elected and dismissed by the Company's staff. Mandatory provisions Article 105

Article 118 The Directors, general manager and other senior management members (including but not limited to chief accountant) shall not assume the position of supervisors. Mandatory provisions Article 106

Article 119 Meetings of the Supervisory Committee shall be held at least twice every year and convened by the Chairman of the Supervisory Committee. Mandatory provisions Article 107

Article 120 The Supervisory Committee shall be accountable to the shareholders' general meeting and exercise the following duties and powers in accordance with the laws: Mandatory provisions Article 108

- (1) to examine the Company's financial affairs;
- (2) to supervise Directors, general manager and secretary to the Board in performing their duties to the Company in respect of any violation of laws, administrative regulations or the Articles of Association;
- (3) to demand rectification from a Director, general manager and any other senior management members when the acts of such persons are harmful to the interests of Company;

- (4) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors to conduct re-examination;
- (5) to propose the convening of a shareholders' extraordinary general meeting;
- (6) to deal with or take legal actions against the Directors on behalf of the Company; and
- (7) any other duties and powers specified in the Articles of Association.

The supervisors shall have the right to attend Board meetings.

Article 121

Under circumstances with proper reasons, each supervisor is entitled to request the chairman of Supervisory Committee to convene extraordinary Supervisory Committee meeting. The way of notifying for the meeting of the Supervisory Committee shall be by way of telephone or facsimile ten days in advance of the meeting. The notice of the meetings shall include the date and venue of the meeting, duration of the meeting, the subject and agenda as well as the date of notice.

Mandatory Provisions Article 109 Letter of Opinions on Supplementary Amendment 6

Supervisory Committee Meetings shall be held only if not less than two-thirds of all Supervisors are present. Resolutions of the Supervisory Committee meetings are voted on by secret ballot. Each supervisor shall have one vote. When the number of votes for and against a resolution is equal, the chairman of the Supervisory Committee shall be entitled to one additional vote. Supervisors shall attend Supervisory Committee meetings in person. Where a Supervisor is unable to attend a meeting for any reason, he may by a written power of attorney appoint another supervisor to attend the meeting on his behalf. The power of attorney shall set out the scope of authorization.

The resolutions of the regular Supervisory Committee meetings and those of the extraordinary Supervisory Committee meetings are resolutions of Supervisory Committee, and shall be passed by no less than two-thirds of all supervisors.

Article 122

Minutes shall be kept for Supervisory Committee meetings. Each supervisor is entitled to request that an explanation of his comments made at the meetings be noted in the minutes. The minutes shall be signed by the supervisors present at the meeting and the officer taking the minutes. The minutes of Supervisory Committee meetings shall be kept by Secretary to the Board as Company filings for record for a minimum period of ten years.

Article 123 *The supervisors shall be liable for the resolutions of the Supervisory Committee. If a resolution of the Supervisory Committee violates the laws, administrative regulations or the Articles of Association and the Company suffers serious losses as a result thereof, the supervisors who participated in the passing of such resolution are liable to compensate the Company. However, if it can be proven that a supervisor expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such supervisor may be released from such liability.*

Article 124 *The Supervisory Committee shall establish a recording system for the implementation of the resolutions of such committee. Each resolution of the Supervisory Committee shall be executed by a designated supervisor or under his supervision. The designated supervisor shall record the process of execution and report the execution result to the Supervisory Committee.*

Article 125 *Supervisors and the Supervisory Committee shall not be liable for resolutions of the Board. However, if the Supervisory Committee considers that the Board resolution is in violation of the laws, regulations and the Articles of Association or harming the interests of the Company, the Supervisory Committee may resolve and propose the Board to reconsider.*

Article 126 All reasonable expenses incurred in respect of the employment of professionals such as lawyers, certified public accountants or practicing auditors as are required by the Supervisory Committee in discharging its duties shall be borne by the Company.

Mandatory Provisions Article 110

All reasonable expenses incurred by the supervisors for attending the Supervisory Committee meeting shall be borne by the Company, including the traffic expense from the place where the supervisor is located to the place where the meeting is convened, as well as the board and lodging expenses during the term of the meeting, the rental of meeting room and the local traffic expenses etc.

Article 127 A supervisor shall carry out his duties honestly and faithfully in accordance with the laws, administrative regulations and the Articles of Association.

Mandatory Provisions Article 111

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

Article 128 A person may not serve as a Director, supervisor, general manager, or any other senior management member of the Company if any of the following circumstances applies:

Mandatory Provisions Article 112

- (1) a person without legal or with restricted legal capacity;

- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights due to offences committed, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (3) is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation due to inefficient management and poor business performance and is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise which had its business licence revoked due to a violation of the law and who incurred personal liability, where less than three years has elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of debts due and outstanding;
- (6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;
- (7) a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- (8) a non-natural person;
- (9) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years has elapsed since the date of the conviction;
- (10) *any national civil servants.*

Article 129

The validity of an act of a Director, general manager, and any other senior management member on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his office, election or any defect in his qualification.

Mandatory
Provisions
Article 113

Article 130

In addition to obligations imposed by laws, administrative regulations or required by the stock exchanges on which the Company's shares are listed, each of the Company's Directors, supervisors, general manager, and other senior management members owes a duty to each shareholder, in the exercise of the functions and powers of the Company entrusted to him:

Mandatory
Provisions
Article 114

- (1) not to cause the Company to exceed the scope of the business stipulated in its business licence;
- (2) to act honestly in the best interest of the Company;
- (3) not to expropriate in any guise the Company's property, including (without limitation) usurpation of opportunities advantageous to the Company;
- (4) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to shareholders for approval in accordance with the Articles of Association.

Article 131

Each of the Company's Directors, supervisors, general manager, and other senior management members owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Mandatory Provisions Article 115

Article 132

Each of the Company's Directors, supervisors, general manager and other senior management members shall exercise his powers or carry on his duties in accordance with the principle of fiduciary and shall not put himself in a position where his duty and his interest may conflict. This principle includes (without limitation) discharging the following obligations:

Mandatory Provisions Article 116

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of his powers and not to exceed those powers;
- (3) to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in a general meeting, not to delegate the exercise of his discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) except in accordance with the Articles of Association or with the informed consent of shareholders given in general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) without the informed consent of shareholders given in general meeting, not to use the Company's property for his own benefit by any means;
- (7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company;

- (8) without the informed consent of shareholders given in general meeting, not to accept commissions in connection with the Company's transactions;
- (9) to abide by the Articles of Association, faithfully execute his official duties and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;
- (10) not to compete with the Company in any form unless with the informed consent of shareholders given in general meeting;
- (11) not to misappropriate the Company's funds or to lend the Company's funds to others, not to open accounts in his own name or other names for the deposit of the Company's assets and not to provide a guarantee for the shareholder(s) of the Company or other individual(s) with the Company's assets;
- (12) unless otherwise permitted by informed shareholders in general meeting, not to disclose any confidential information relating to the Company acquired by him in the course of and during his tenure and not to use such information in purposes other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
 - i. disclosure is made under compulsion of law;
 - ii. the interests of the public require disclosure;
 - iii. the interests of the relevant Director, supervisor, general manager, and other senior management member require disclosure.

Article 133

Each Director, supervisor, general manager, and other senior management member of the Company shall not cause the following persons or institutions ("associates") to do what he is prohibited from doing:

Mandatory
Provisions
Article 117

- (1) the spouse or minor child of that Director, supervisor, general manager, and other senior management member;
- (2) a person acting in the capacity of trustee of that Director, supervisor, general manager, and other senior management member or any person referred to in paragraph (1) of this Article;
- (3) a person acting in the capacity of partner of that Director, supervisor, general manager, and other senior management member or any person referred to in paragraphs (1) and (2) of this Article;
- (4) a company in which that Director, supervisor, general manager, and other senior management member, alone or jointly with one or more persons referred to in paragraphs (1), (2) and (3) above or other Directors, supervisors, general manager, and other senior management members of the Company have a de facto controlling interest; and

- (5) the directors, supervisors, general manager, and other senior management members of the controlled company referred to in paragraph (4) of this Article.

Article 134

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

Mandatory Provisions Article 118

Article 135

Except for circumstances prescribed in Article 53 of the Articles of Association, a Director, supervisor, general manager, and other senior management member of the Company may be relieved of liability for specific breaches of his duty by the informed consent of shareholders given at a general meeting.

Mandatory Provisions Article 119

Article 136

Where a Director, supervisor, general manager, and other senior management member of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the Board.

Mandatory Provisions Article 120

A Director shall not vote nor shall he be counted in the quorum on any board resolution approving any contract, transaction or arrangement in which he has a material interest.

Unless the interested Director, supervisor, general manager, and other senior management member discloses his interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested Director, supervisor, general manager, and other senior management member is not counted in the quorum and refrains from voting, a contract, transaction or arrangement in which that Director, supervisor, general manager, and other senior management member is materially interested is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested Director, president, and other senior management member.

A Director, supervisor, general manager, and other senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which an associate of him is interested.

Article 137 Where a Director, supervisor, senior manager, and other senior management member of the Company gives to the Board a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, such notice shall be deemed for the purposes of the preceding paragraph of this Article to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the issue of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.

Mandatory Provisions Article 121

Article 138 The Company shall not in any manner pay taxes for or on behalf of its Directors, supervisors, general manager, and other senior management members.

Mandatory Provisions Article 122

Article 139 The Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with, the making of a loan to a Director, supervisor, general manager, and other senior management member of the Company or of the Company's parent company or any of their respective associates.

Mandatory Provisions Article 123

However, the following transactions are not subject to such prohibition:

- (1) the provision by the Company of a loan or a guarantee for a loan to a company which is a subsidiary of the Company;
- (2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its Directors, supervisors, general manager, and other senior management members to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in general meeting; and
- (3) The Company may make a loan or provide a guarantee in connection with the making of a loan to any of the relevant Directors, supervisors, general manager, and other senior management members or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.

Article 140 A loan made by the Company in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

Mandatory Provisions Article 124

Article 141 A loan guarantee provided by the Company in breach of clause 1 of Article 139 shall be unenforceable against the Company, except in the following circumstances: Mandatory Provisions Article 125

- (1) a loan advanced to an associate of any of the Directors, supervisors, general manager, and other senior management members of the Company or of the Company's parent company where the lender was not aware of the situation when the loan was made; or
- (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 142 For the purposes of the foregoing provisions of this Chapter, a guarantee includes an undertaking or property provided to secure the performance of obligations by the obligor. Mandatory Provisions Article 126

Article 143 In addition to any rights and remedies provided by the laws and administrative regulations, where a Director, supervisor, general manager, and other senior management members of the Company is in breach of his duties to the Company, the Company has a right to: Mandatory Provisions Article 127

- (1) claim damages from the Director, supervisor, general manager, and other senior management members in compensation for losses sustained by the Company as a result of such breach;
- (2) rescind any contract or transaction entered into by the Company with the Director, supervisor, general manager, and other senior management members or with a third party (where such third party knows or should know that there is such a breach of duties by such Director, supervisor, general manager, and other senior management members);
- (3) demand the Director, supervisor, general manager, and other senior management members to surrender the profits made by him in breach of his duties;
- (4) recover any monies received by the Director, supervisor, general manager, and other senior management members which should have been otherwise received by the Company, including (without limitation) commissions;
- (5) demand payment of the interest earned or which may have been earned by the Director, supervisor, general manager, and other senior management members on the monies that should have been paid to the Company; and
- (6) *recover any property obtained by the Director, supervisor, general manager, and other senior management member convicted of the breach of his duties by legal proceedings.*

Article 144

The Company shall, with the prior approval of shareholders in general meeting, enter into a contract in writing with a Director or supervisor wherein his emoluments are stipulated, including;

Mandatory Provisions Article 128

- (1) emoluments in respect of his service as Director, supervisor or senior management member of the Company;
- (2) emoluments in respect of his service as director, supervisor or senior management member of any subsidiary of the Company;
- (3) emoluments in respect of the provision of other services in connection with the management of the affairs of the Company or any of its subsidiaries; and
- (4) compensation for loss of office, or as consideration for or in connection with his retirement from office.

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a Director or supervisor against the Company for any benefits in respect of the matters mentioned in this Article.

Article 145

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

Mandatory Provisions Article 129

A takeover of the Company as referred to above means:

- (1) a takeover offer made by any person to all shareholders; or
- (2) an offer made by any person with a view to the offeror becoming a "controlling shareholder" within the meaning of Article 54.

If the relevant Director or supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the said offer made. The expenses incurred in distributing that sum pro rata amongst those persons shall be borne by the relevant Director or supervisor and shall not be paid out of that sum.

CHAPTER 16 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 146

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

Mandatory Provisions Article 130

Article 147

At the end of each fiscal year, the Company shall prepare a financial report which shall be examined and verified in the manner prescribed by law.

Mandatory Provisions Article 131

The Company financial report included the following financial accounting statements and the attached details:

- (1) balance sheets;*
- (2) profit and loss account;*
- (3) statement of cash flow;*
- (4) statement of financial conditions;*
- (5) profit distribution statement; and*
- (6) Notes to the financial statements.*

The fiscal year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

- Article 148** The Board shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, administrative regulations or directives promulgated by competent regional and central governmental authorities to be prepared by the Company. Mandatory Provisions Article 132
- Article 149** The Company's financial reports shall be made available for shareholders' inspection at the Company twenty days before the date of every annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter. Mandatory Provisions Article 133
- The Company shall send the report of Directors together with the balance sheet, profit and loss account or income and expenditure statement (including the abovementioned financial reports) to each holder of overseas listed foreign shares by digital or other ways at least twenty-one days before the convening of the annual general meeting. Letter of Opinions on Supplementary Amendment 7
- Article 150** The financial statements of the Company shall be prepared in accordance with PRC accounting standards and regulations.
- Article 151** The interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC Accounting Standards and regulations.
- Article 152** The Company shall announce its financial reports twice in each fiscal year. Within sixty days following the end of the first six months of the fiscal year, the Company shall announce its interim financial report, and within one hundred and twenty days following the fiscal year end the annual financial report for the year will be announced. Mandatory Provisions Article 136
- Article 153** The Company shall not keep accounts other than those provided by law. Mandatory Provisions Article 137

Article 154 Capital reserve fund includes the following items:

- (1) premium received when shares are issued at a premium to their par value;
- (2) any other income required to be included in the capital reserve fund by the competent finance department of the State Council.

Article 155 The Company may distribute dividends in the following manners (or both of them):

- (1) cash;
- (2) shares.

The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of domestic shares in Renminbi within three months after the date of declaration. The Company shall calculate and declare dividends and other payments which are payable to holders of overseas listed foreign shares in Renminbi, and shall pay such amounts in foreign currency within three months after the date of declaration. The exchange rate shall be the average closing rate for the relevant foreign currency announced by the People's Bank of China five working days prior to the announcement of payment of dividend and other amounts. The Company shall pay cash dividends and other amounts to holders of overseas listed foreign shares in accordance with the relevant foreign exchange control regulations of the State. With the authorization of the shareholders' general meeting, the Board may decide on the distribution of interim dividend or bonus.

Article 156 *The after-tax profits of the Company shall be distributed in the following order of priority:*

- (1) *to make up for losses;*
- (2) *to allocate the statutory common reserve;*
- (3) *to allocate the discretionary common reserve;*
- (4) *to pay for dividends of ordinary shares.*

The allocation proportion assigned for paragraphs (3) and (4) in a particular year shall be proposed by the Board in accordance with operating conditions and development needs, and approved by shareholders' general meeting.

Article 157 *The Company shall not distribute dividends before making up the losses and allocating the statutory common reserve.*

Article 158 *The Company shall set aside 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not make any further allocations to that fund.*

Article 159 *If the statutory common reserve is not sufficient to make up the accumulative losses, profit of the year shall be used to make up the losses before making any contribution to the statutory common reserve according to the aforesaid provision.*

Article 160 *After contribution to the statutory common reserve, the Company may also distribute its after-tax profit to the discretionary common reserves upon approval of the general meeting of shareholders.*

Article 161 The Company shall appoint receiving agents on behalf of the holders of overseas listed foreign shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

Mandatory Provisions Article 140 Letter of Opinions on Supplementary Amendment 8

The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company's shares are listed.

The receiving agents appointed on behalf of holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Subject to applicable laws and administrative regulations of PRC, the Company may exercise its power to forfeit any unclaimed dividends, provided that the power shall not be exercised before the expiry of the period of limitation.

Where power is exercised to terminate the dispatch of dividend warrants to a holder of overseas listed foreign shares by way of mail when such warrants have been left uncashed, such power will not be exercised until such warrants have been so left uncashed for two consecutive occasions. Nevertheless, such power may be exercised after the first occasion on which the dividend warrant is returned undelivered.

Where power is exercised to issue share warrants to bearer, no new share warrants shall be issued to replace the one that has been lost, unless the Company is satisfied beyond reasonable doubt that the original has been destroyed.

The Company may sell the shares of a shareholder of overseas listed foreign shares who is untraceable and keep the proceeds should the Board consider it fit for, but it must comply with the followings:

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

Chapter 17
APPOINTMENT OF ACCOUNTING FIRM

- Article 162** The Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the State to audit the Company's annual financial reports and review the Company's other financial reports. Mandatory Provisions Article 141
- Article 163** The accounting firm appointed by the Company shall hold office from the conclusion of the annual general meeting of shareholders at which the appointment is made until the conclusion of the next annual general meeting of shareholders. Mandatory Provisions Article 142
- Article 164** The accounting firm appointed by the Company shall have the following rights: Mandatory Provisions Article 143
- (1) the right to inspect at any time the books, records and vouchers of the Company, and to require the Directors, general manager and other senior management members of the Company to provide any relevant information and explanation thereof;
 - (2) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accounting firm; and
 - (3) the right to attend shareholders' general meetings and to receive all notices of, and other communications relating to, any shareholders' general meeting which any shareholder is entitled to receive, and to be heard at any shareholders' general meeting in relation to matters concerning its role as the accounting firm of the Company.
- Article 165** Before the convening of the shareholders' general meeting, the Board may fill any casual vacancy in the office of the accounting firm but while there is still any such vacancy, the surviving or continuing firm, if any, may act. Mandatory Provisions Article 144
- Article 166** The shareholders in general meeting may, by ordinary resolution, remove an accounting firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal. Mandatory Provisions Article 145
- Article 167** The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in general meeting. The remuneration of an accounting firm appointed by the Board shall be determined by the Board. Mandatory Provisions Article 146

Article 168

The Company's appointment, removal and non-reappointment of an accounting firm shall be resolved by shareholders in general meeting. The resolution of the shareholders' general meeting shall be filed with the securities regulatory authority of the State Council.

Mandatory
Provisions
Article 147
Letter of
Opinions on
Supplementary
Amendment 9

Where it is proposed that any resolution be passed at a shareholders' general meeting concerning the appointment of an accounting firm, which is not an incumbent firm, to replace an existing accounting firm or to fill a casual vacancy in the office of the accounting firm, or to reappoint a retiring accounting firm which was appointed by the Board to fill a casual vacancy, or to remove the accounting firm before the expiration of its term of office, the following provisions shall apply:

- (1) A copy of the proposal about appointment or removal shall be sent to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant financial year before notice of meeting is given to the shareholders.

Leaving includes leaving by removal, resignation and retirement.

- (2) If the leaving firm makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):
 - i. in any notice given to shareholders about a resolution to be made, state the representations that has been made by the accounting firm which is about to leave; and
 - ii. attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.
- (3) If the firm's representations are not sent in accordance with paragraph (2) above, the relevant firm may require that the representations be read out at the shareholders' general meeting and may lodge further complaints.
- (4) An accounting firm which is leaving its post shall be entitled to attend:
 - i. the shareholders' general meeting relating to the expiry of its term of office;
 - ii. any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and
 - iii. any shareholders' general meeting convened on its resignation.

The accounting firm which is leaving its post shall be entitled to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former accounting firm of the Company.

Article 169

Prior to the removal or the non-renewal of the appointment of an accounting firm, notice of such removal or non-renewal shall be given to the firm concerned and such firm shall be entitled to make representation at the shareholders' general meeting. Where the accounting firm resigns from its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

- (1) Any accounting firm may resign from its office by depositing at the Company's legal residence a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following:
 - i. a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
 - ii. a statement of any matters of which an account should be given. The resignation notice shall become effective on the date of such deposit or on such later date as may be stipulated in such notice.
- (2) Where a notice is deposited under the paragraph (1) of this Article, the Company shall within fourteen days send a copy of the notice to the competent authority. If the notice contains a representation referred to in paragraph (1) (ii) of this Article, a copy of such representation shall be placed at the Company's registered office for shareholders' inspection.
- (3) Where the notice of resignation of an accounting firm contains a statement of paragraph (1) (ii) of this Article of any matters of which an account should be given, the accounting firm may require the Board to convene a shareholders' extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

CHAPTER 18 MERGER AND DIVISION OF THE COMPANY

Article 170

In the event of the merger or division of the Company, a plan shall be proposed by the Board of the Company and shall be approved in accordance with the procedures stipulated in the Articles of Association and the relevant examining and approving formalities shall be processed as required by law. Shareholders who oppose the plan of merger or division of the Company shall have the right to request that the Company or the shareholders who consent to such plan purchase their shares at a fair price. A special document of the Company's resolution on the merger or division should be prepared for inspection by the shareholders.

Article 171 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. Mandatory Provisions Article 150

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten days of the date of the Company's resolution on merger and shall make newspaper announcement at least three times within thirty days of the date of the Company's resolution on merger.

After the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

Article 172 When the Company is divided, its assets shall be split up accordingly. Mandatory Provisions Article 151

In the event of a division of the Company, all the parties involved shall execute a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten days of the date of the Company's resolution on division and shall make newspaper announcement at least three times within thirty days of the date of the Company's resolution on division.

The debts incurred by the Company before its division shall be borne by the companies after the division in accordance with the agreement.

Article 173 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law. Mandatory Provisions Article 152

CHAPTER 19 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 174 The Company shall be dissolved and liquidation should be made in accordance with governing laws upon the occurrence of any of the following: Mandatory Provisions Article 153

- (1) a resolution on dissolution is passed by shareholders at general meeting;
- (2) dissolution is necessary due to a merger or division of the Company;
- (3) the Company is declared bankrupt because of inability to repay debts due;
- (4) the Company is ordered to close down according to law due to its violation of laws or administrative regulations.

Article 175

Where the Company is dissolved under subparagraph (1) of the preceding Article, a liquidation committee shall be set up within fifteen days, and its members shall be determined by ordinary resolution at a general meeting.

Mandatory
Provisions
Article 154

Where the Company is dissolved under paragraph (3) of the preceding Article, the People's Court shall in accordance with the provisions of relevant laws organize the shareholders, relevant organizations and relevant professionals to establish a liquidation committee to proceed with the liquidation.

Where the Company is dissolved under paragraph (4) of the preceding Article, the relevant competent authority shall organize the shareholders, relevant organizations and professionals to establish a liquidation committee to proceed with the liquidation.

Article 176

Where the Board proposes to liquidate the Company due to causes other than where the Company has declared that it is insolvent, the Board shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve months from the commencement of the liquidation.

Mandatory
Provisions
Article 155

Upon the passing of the resolution by the shareholders in general meeting for the liquidation of the Company, all functions and powers of the Board shall cease.

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

Article 177

The liquidation committee shall notify creditors within ten days from the date of its establishment and make newspaper announcement at least three times within sixty days of that date. The liquidation committee shall register the claims.

Mandatory
Provisions
Article 156

Article 178

During the liquidation period, the liquidation committee shall exercise the following functions and duties:

Mandatory
Provisions
Article 157

- (1) to ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;
- (2) to notify creditors by sending notice or by making announcement;
- (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (4) to settle outstanding taxes;

- (5) to ascertain all claims and debts;
- (6) to dispose of the remaining assets of the Company after the repayment of debts; and
- (7) to represent the Company in any civil proceedings.

Article 179

After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the shareholders' general meeting or the concerned competent authority for confirmation.

Mandatory
Provisions
Article 158

Prior to the the payment for the settlement of other creditors, the settlement expenses including the remuneration of liquidation committee members and consultant shall be initially settled by the Company's assets.

After a resolution on dissolution is passed by shareholders at a general meeting or the Company is declared bankrupt according to law or it is ordered to close down, no one is allowed to dispose of the Company's assets without the permission of the liquidation committee.

The assets of the Company shall be applied in the following order: payment of the settlement expenses, salary of the staff members of the Company, social security insurance expense, outstanding taxes and debts of the Company.

Any surplus assets of the Company remaining after its debts have been repaid in accordance with the provisions of the preceding paragraph shall be distributed to its shareholders according to the class of shares and the proportion of shares held.

During the liquidation period, the Company shall not commence any new business activities.

Article 180

In the event of the Company's liquidation owing to dissolution, if the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall immediately apply to the People's Court for declaration of bankruptcy.

Mandatory
Provisions
Article 159

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

Article 181

Following the completion of liquidation, the liquidation committee shall present a report on liquidation and prepare a statement of the receipts and payments and the financial accounts for the period of the liquidation which shall be audited by PRC certified public accountants and then submitted to the shareholders' general meeting or the concerned competent authorities for confirmation.

Mandatory
Provisions
Article 160

The liquidation committee shall within thirty days after the date of the shareholders' general meeting or the affirmation from the concerned competent authorities, submit the aforementioned documents to the company registration authorities for cancellation of the Company's registration and announces that the Company ceases to exist.

CHAPTER 20 PROCEDURES FOR AMENDMENT TO THE ARTICLES OF ASSOCIATION

Article 182 The Company may, pursuant to the requirements of the laws, administrative regulations and the Articles of Association, amend the Articles of Association. Mandatory Provisions Article 161

Article 183 The amendment of the Articles of Association which involves the contents of Mandatory Provisions for Articles of Association of Companies to be Listed Overseas ("Mandatory Provisions") will take effect after its approval by the examination and approval authority of the Company authorized by the State Council and securities regulatory authority of the State Council. If registration is necessary for the amendments, such registration shall be carried out in compliance with the relevant laws. Mandatory Provisions Article 162

CHAPTER 21 NOTICE

Article 184 Unless otherwise stated in this Articles of Association, any notice, information or written statements of the Company may be delivered in the following ways:

- (1) by hand;
- (2) by post;
- (3) by facsimile or electronic mail;
- (4) by posting on websites designated by the Company and the Stock Exchange of Hong Kong, subject to laws, administrative regulations and the listing rules of stock exchanges where the Company's shares are listed;
- (5) by way of announcement;
- (6) by any other means as agreed in advance by the Company or the notified party or as accepted by the notified party upon receipt of the notices; and
- (7) by any other means as recognized by the securities regulatory authorities and stock exchanges of the places where the Company's shares are listed.

Subject to the laws, administrative regulations and the listing rules of the securities authorities where the shares of the Company are listed, where a notice of the Company is served by announcement, the notice shall be deemed as received by the relevant persons once it is published.

Article 185

As far as the Company provides and/or distributes corporate communications to shareholders of overseas listed foreign shares in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company shall comply with the laws and regulations of the place where the Company's shares are listed, subject to the relevant listing rules, the Company may choose to publish the Company communications in the form prescribed in Item (4) of Article 184 of the Article of Association or in other forms prescribed by the listing rules of the stock exchanges in places and the securities regulatory authorities where the Company's shares are listed in lieu of by hand or by post. "Corporate Communications" means any document issued or to be issued by the Company for the reference or action of the holders of any securities of the Company, including but not limited to reports of the directors, annual accounts of the Company together with the auditor's reports and, if applicable, summary of the financial reports, interim reports and, if applicable, summary of the interim reports, notices of meetings, listing documents, circulars, and proxy statements.

The means of communication to be applied to the above companies does not preclude the holders of overseas listed foreign shares of the Company from having the right to obtain printed copies of the above corporate communications by mail.

CHAPTER 22 SETTLEMENT OF DISPUTES

Article 186

The Company shall act according to the following principles to settle disputes:

- (1) Whenever any disputes or claims arise between holders of the overseas listed foreign shares and the Company, holders of the overseas listed foreign shares and the Company's Directors, supervisors, general manager or other senior management members, or holders of the overseas listed foreign shares and holders of domestic shares, based on the Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

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Where a dispute or claim of rights abovementioned is referred to arbitration, the entire claim or dispute must be referred to arbitration and any person (being the Company or a shareholder, Director, supervisor, general manager or other senior management members of the Company) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration.

Disputes in relation to the identification of shareholders and disputes in relation to the register of shareholders need not be referred to arbitration.

- (2) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- (3) If any disputes or claims of rights prescribed in subparagraph (1) above are referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in laws and administrative regulations.
- (4) The award of an arbitration body shall be final and conclusive and binding on all parties.

CHAPTER 23 SUPPLEMENTARY PROVISIONS

Article 187 "Accounting firm" in this Articles of Association shall have the same meaning as "auditors".

Mandatory Provisions Article 165

Article 188 *The Articles of Association is written both in Chinese and English. In case of any discrepancy between the two versions, the Chinese version shall prevail.*

The right of interpretation shall belong to the Board of the Company, the Board shall submit any matters not covered to shareholders' general meeting for approval.

The following terms and expressions when used in this Articles of Association shall, unless the context otherwise requires, have the following meaning:

<i>“the Articles Association”</i>	<i>of the Articles of Association of the Company</i>
<i>“Board” or “Board of Directors”</i>	<i>the Board of Directors of the Company</i>
<i>“Chairman”</i>	<i>Chairman of the Company</i>
<i>“Directors”</i>	<i>Directors of the Company</i>
<i>“overseas listed foreign shares”</i>	<i>overseas listed foreign shares of the Company</i>
<i>“H Shares”</i>	<i>overseas listed foreign shares listed on the Hong Kong Stock Exchange</i>
<i>“Company’s domicile”</i>	<i>the Company’s legal residence at 8/Floor, 1731-1735 Airport Road, Guangzhou City, Guangdong Province, China</i>
<i>“Renminbi”</i>	<i>legal currency of PRC</i>
<i>“the Secretary to the Board”</i>	<i>the Company Secretary appointed by the Board</i>
<i>“PRC” & “the State”</i>	<i>the People’s Republic of China</i>
<i>“the State Council”</i>	<i>the State Council of PRC</i>
<i>“Hong Kong Stock Exchange”</i>	<i>The Stock Exchange of Hong Kong Limited</i>
<i>“Company”</i>	<i>Guangdong Yueyun Transportation Company Limited</i>
<i>“Auditor”</i>	<i>auditors referred to in Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i>