

Articles of Association of BBMG Corporation

(Reviewed and approved by the inauguration meeting and the first general meeting held on 21 December 2005, reviewed and amended by the first extraordinary general meeting of 2007 of the Company held on 25 April 2007, reviewed and amended by the third extraordinary general meeting of 2007 of the Company held on 20 September 2007, reviewed and amended by the sixth extraordinary general meeting of 2007 of the Company held on 21 December 2007, reviewed and amended by the second extraordinary general meeting of 2008 of the Company held on 6 August 2008, reviewed and amended by the first extraordinary general meeting of 2010 of the Company held on 30 March 2010, reviewed and amended by the third extraordinary general meeting of 2010 of the Company held on 14 September 2010, reviewed and amended by the first extraordinary general meeting of 2012 of the Company held on 26 October 2012, reviewed and amended by the first extraordinary general meeting of 2013 of the Company held on 30 October 2013, reviewed and amended by the 2013 annual general meeting of the Company held on 22 May 2014, reviewed and amended by the 2015 second extraordinary general meeting of the Company held on 27 November 2015 and reviewed and amended by the 2016 first extraordinary general meeting of the Company held on 15 August 2016 and reviewed and amended by the 2017 first extraordinary general meeting of the Company held on 15 August 2017)

*The original version of the Articles of Association of BBMG Corporation is in Chinese, and the English version of the Articles of Association is the translation from the Chinese original. Should there be any discrepancy between the Chinese and English versions of the Articles of Association, the Chinese version shall prevail.

CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the legal interests of BBMG Corporation (the “Company”), its shareholders and creditors and regulate the organization and behaviour of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “Company Law”), Securities Law of the People’s Republic of China (中華人民共和國證券法) (the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款) (the “Mandatory Provisions”), the Circular Regarding Opinions on the Amendments of Articles of	Hong Kong Listing Rules Appendix 13D Section 1(a) Guidelines Article 1
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Association of Companies Listed in Hong Kong (關於到香港上市公司對
公司章程作補充修改的意見的函) (the “Opinion Circular”), the Guidelines
on Articles of Association of Listed Companies (上市公司章程指引) (the
“Guidelines”) and the other relevant requirements.

Article 2 The Company was established as a joint stock limited company under the Company Law, Special Regulations and other relevant laws and administrative regulations of the PRC. Mandatory Provisions Article 1

The Company was jointly promoted by BBMG Group Company Limited (now renamed as BBMG Assets Management Co., Ltd.), China National Non-Metallic Materials Corporation (now renamed as China National Materials Company Limited), Hopeson Holdings Limited, Beifang Real Estate Development Co., Ltd., Tianjin Building Materials (Holding) Co., Ltd. as approved by Beijing Municipal Development and Reform Commission (北京市發展和改革委員會) with the approval document of Jing Fa Gai [2005] No. 2682. On 22 December 2005, the Company filed registration with Beijing Administration for Industry and Commerce and obtained the enterprise legal person business licence with unified social credit code of 91110000783952840Y. Guidelines Article 2

The promoters of the Company are:

BBMG Group Company Limited
China National Materials Company Limited
Hopeson Holdings Limited
Beifang Real Estate Development Co., Ltd. Tianjin
Building Materials (Holding) Co., Ltd.

Article 3 The Chinese name of the Company:

北京金隅集團股份有限公司

The registered English name of the Company: BBMG Corporation

Short form of the Company’s Chinese name: 金隅集團

Short form of the Company’s English name: BBMG

Mandatory Provisions Article 2
Guidelines Article 4

Article 4 The Company's domicile: 36 North Third Ring East Road, Dongcheng District, Beijing Telephone number: +86 010 66411587 Fax number: +86 010 66412028 Postal code: 100013	Mandatory Provisions Article 3 Guidelines Article 5
Article 5 The Company's legal representative is the chairman of the board of directors of the Company.	Mandatory Provisions Article 4 Guidelines Article 8
Article 6 The Company is a joint stock limited company in perpetual existence. The Company is an independent legal entity, owns independent property of a corporate body, is entitled to property right of a corporate body, and possesses the civil rights and assumes the civil liabilities prescribed by law.	Mandatory Provisions Article 5 Company Law Article 3 Guidelines Articles 7, 9
All capital of the Company is divided into shares with same par value per share. The rights and liabilities of the shareholders of the Company to the Company are limited to the shares held by them, and the Company is liable for its debts to the extent of its entire assets.	
Article 7 The Articles of Association are passed by way of special resolution at the general meeting of the Company with approval of the relevant authorities of the State, and come into effect from the date of listing of the Company's renminbi ordinary shares ("A Shares") on the Shanghai Stock Exchange. The Company's original articles of association filed with the relevant administration for industry and commerce shall be superseded by the Articles of Association.	Mandatory Provisions Article 6 Guidelines Article 10

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

Article 8 The Articles of Association are binding on the Company and its shareholders, directors, supervisors, president and other senior management, all of whom may assert rights in respect of the Company's affairs in accordance with the Articles of Association. Mandatory Provisions Article 7

Shareholders may institute legal proceedings against the Company pursuant to the Articles of Association; the Company may institute legal proceedings against its shareholders, directors, supervisors, president and other senior management pursuant to the Articles of Association; shareholders may, pursuant to the Articles of Association, institute legal proceedings against other shareholders; and shareholders of the Company may, pursuant to the Articles of Association, institute legal proceedings against the directors, supervisors, president and other senior management of the Company. Guidelines Articles 10, 11

The legal proceedings referred to in the preceding paragraph include court proceedings and arbitration proceedings.

Other senior management referred to in the preceding paragraph include the vice presidents, chief financial officer, board secretary and the general legal counsel.

Article 9 The Company may, pursuant to the requirements for business development and with the approval of the relevant government authority, establish subsidiary or branch, representative office or office in overseas jurisdiction, in Hong Kong Special Administrative Region ("HKSAR"), Macau Special Administrative Region ("Macau") and Taiwan.

Article 10 The Company may invest in other enterprises. However, unless stipulated by laws otherwise, the Company shall not be jointly and severally liable to such enterprise(s) for their liabilities as their investor.

Company Law
Article 15
Mandatory
Provisions
Article 8

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 11 The business objectives of the Company are: to independently develop various businesses, to promote the level of operations management and its core competitiveness and to maximize the shareholders' interest and the value of the Company, in compliance with the laws and administrative regulations of the State and implement policies of the State.

Mandatory
Provisions
Article 9
Guidelines
Article 12

Article 12 The scope of business of the Company shall be based on the projects approved by the examination and approval department subject to the examination and approval by the administration for industry and commerce.

Mandatory
Provisions
Article 10
Guidelines

The scope of the Company's business includes: manufacture, sales, building materials, furniture and construction hardware; processing of timber; operation of property development; property management, hotel services and other businesses as permitted under the laws and regulations.

Article 13

The Company may, pursuant to the demand of the domestic and international markets, its own development capabilities and business needs, change the scope of business in accordance to the laws.

In compliance with the laws and administrative regulations of the PRC, the Company shall have the rights of financing, including but not limited to borrowing funds, issuing the Company's shares, debentures, pledging or charging in whole or in part the ownership or title of use or other interests

as permitted under the PRC laws and administrative regulations of the Company's assets and providing guarantee for the debts of third parties pursuant to the relevant laws and regulations and the requirements of the Articles of Associations.

CHAPTER 3 SHARES, SHARE TRANSFER AND REGISTERED CAPITAL

Article 13 The Company shall have ordinary shares at all times. The ordinary shares issued by the Company include domestic shares and foreign shares. It may have other kinds of shares according to needs, upon approval of the examination and approval department authorized by the State Council, subject to the requirements of the laws and administrative regulations.

Mandatory
Provisions
Article 11

Article 14 Certificates will be issued for the shares of the Company. All the shares issued by the Company shall have a par value of RMB1.00 for each share.

Mandatory
Provisions
Article 12
Guidelines

The term "RMB" mentioned in the above paragraph shall refer to the legal tender of the People's Republic of China.

Articles 14, 16

Article 15 Subject to the approval of the competent securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors.

Mandatory
Provisions
Article 13

The term "foreign investors" mentioned in the preceding paragraph 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 within the People's Republic of China, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

Article 16 Shares issued by the Company to domestic investors for subscription in renminbi are referred to as domestic shares. Shares issued by the Company to foreign investors for subscription in foreign currencies are referred to as foreign shares. Foreign shares listed overseas are referred to as overseas listed foreign shares.

Mandatory Provisions
Article 14
Hong Kong Listing Rules

The term “foreign currencies” mentioned in the preceding paragraph shall refer to the legal tenders (other than renminbi) of other countries or regions which are recognized by the competent authority in charge of foreign exchange of the State and can be used to pay the share consideration to the Company.

Appendix 3
Rule 9

The overseas listed foreign shares of the Company listed in Hong Kong shall refer to as H Shares. H Shares are shares which have been admitted for listing on The Stock Exchange of Hong Kong Limited (the “SEHK”) with a par value denominated in renminbi and are subscribed and traded in Hong Kong dollars.

Guidelines
Article 17

Upon obtaining an approval from the competent securities regulatory authority of the State Council, holders of domestic shares of the Company may transfer the Company’s shares held by them to foreign investors and have such shares listed and traded overseas. Shares transferred and listed on an overseas stock exchange shall also be subject to the regulatory procedures, regulations and requirements of the overseas securities market. No class meeting of shareholders is required for voting with regard to the listing and trading of the shares so transferred on such overseas stock exchange.

Domestic shares of the Company are deposited with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, while H Shares of the Company are primarily deposited with the Hong Kong Securities Clearing Company Limited.

Article 17 As approved by the examination and approval department, a total of 1,800,000,000 ordinary shares were issued to, subscribed and held by the promoters, namely BBMG Group Company Limited, China National Non-Metallic Materials Corporation (now renamed as China National Materials Company Limited), Hopeson Holdings Limited, Beifang Real Estate Development Co., Ltd. and Tianjin Building Materials (Holding) Co., Ltd., at the inception of the Company.

Mandatory
Provisions
Article 15
Guidelines
Article18

The number of shares subscribed and method of capital contribution by each of the promoters are set out as follows:

1. 1,095,120,000 shares, representing 60.84% of the total number of ordinary shares, were subscribed by BBMG Group Company Limited through the contribution of net assets;
2. 239,580,000 shares, representing 13.31% of the total number of ordinary shares, were subscribed by China National Non-Metallic Materials Corporation (now renamed as China National Materials Company Limited) through cash contribution;
3. 205,380,000 shares, representing 11.41% of the total number of ordinary shares, were subscribed by Hopeson Holdings Limited through cash contribution;
4. 136,800,000 shares, representing 7.6% of the total number of ordinary shares, were subscribed by Beifang Real Estate Development Co., Ltd. through cash contribution; and
5. 123,120,000 shares, representing 6.84% of the total number of ordinary shares, were subscribed by Tianjin Building Materials (Holding) Co., Ltd. through cash contribution.

In July 2008, with the approval of the examination and approval authorities of the State, the Company increased its share capital, and after such increase, there were 2,800,000,000 ordinary shares. At the same time, a shareholder, BBMG Group Company Limited, acquired 136,800,000 shares of the Company from Beifang Real Estate Development Co., Ltd. After such capital increase and share transfer, the shareholding structure of the Company was as follows:

Name of Shareholder	Number of Shares Held (ten thousand shares)	Percentage of shareholding (%)
BBMG Group Company Limited	184,032	65.73
China National Materials Company Limited	23,958	8.56
Tianjin Building Materials Group (Holdings) Co., Ltd.	12,312	4.40
Hopeson Holdings Limited	20,538	7.34
New Horizon Jasmine Investment Limited (currently known as Jasmine Island Investment Limited)	13,310	4.75

China Cinda Asset Management Corporation (now renamed as China Cinda Asset Management Company Limited)	7,600	2.71
Hua Xi Xin Yu Investment Co., Ltd.	6,840	2.44
Winfirst Investment Group Company Limited	6,000	2.14
Beijing Taihong Investment (Group) Co., Ltd.	5,410	1.93
Total	280,000	100%

Article 18

With the approval of China Securities Regulatory Commission, a total of 1,169,382,435 H Shares were issued by the Company under the initial public offering and listed on the SEHK. Upon completion of the initial public offering of H Shares, the shareholding structure of the Company was as follows: 3,873,332,500 ordinary shares, of which 2,703,950,065 shares are held by holders of domestic shares and holders of the original unlisted foreign shares, accounting for approximately 69.81% of the total number of ordinary shares, and 1,169,382,435 shares are held by holders of H Shares, accounting for approximately 30.19% of the total number of ordinary shares, the details of which are as follows:

Mandatory Provisions Article 16 Guidelines Article 19

Name of Shareholder	Number of Shares Held (Shares)	Percentage of shareholding (%)
BBMG Group Company Limited	1,753,647,866	45.27

China National Materials Company Limited	239,580,000	6.18
Tianjin Building Materials Group (Holdings) Co., Ltd.	117,321,512	3.03
Hopeson Holdings Limited	205,380,000	5.30
New Horizon Jasmine Investment (currently known as Jasmine Island Investment Limited)	133,100,000	3.44
China Cinda Asset Management Corporation (now renamed as China Cinda Asset Management Company Limited)	72,420,687	1.87
Hua Xi Xin Yu Investment Co., Ltd.	68,400,000	1.77
Winfirst Investment Group Company Limited	60,000,000	1.55
Beijing Taihong Investment (Group) Co., Ltd.	54,100,000	1.40
Holder of H Shares	1,169,382,435	30.19
Total	3,873,332,500	100%

With the approval of China Securities Regulatory Commission, a total of 410,404,560 A Shares were issued by the Company under the initial public offering and listed on the Shanghai Stock Exchange. Upon completion of the initial public offering of A Shares, the shareholding structure of the Company is as follows:

Name of Shareholder	Number of Shares Held (Shares)	Percentage of shareholding (%)
BBMG Group Company Limited	1,844,852,426	43.07%
China National Materials Company Limited	239,580,000	5.59%
Hopeson Holdings Limited	205,380,000	4.79%
Jasmine Island Investment Limited	133,100,000	3.11%
Tianjin Building Materials Group (Holdings) Co., Ltd.	117,321,512	2.74%
China Cinda Asset Management Company Limited	72,420,687	1.69%
Hua Xi Xin Yu Investment Co., Ltd.	68,400,000	1.60%
Winfirst Investment Group Company Limited	60,000,000	1.40%
Beijing Taihong Investment (Group) Co., Ltd.	54,100,000	1.26%
Holder of H Shares	1,169,382,435	27.30%

Other holders of A Shares	319,200,000	7.45%
Total	4,283,737,060	100%

With the approval of China Securities Regulatory Commission, a total of 500,903,224 A Shares were issued by the Company under the non-public issuance of A Shares to BBMG Group Company Limited (now renamed as BBMG Assets Management Co., Ltd.) and Beijing Jingguofa Equity Investment Fund (Limited Partnership). All target subscribers subscribed for shares under the non-public issuance in cash, among which, BBMG Group Company Limited (now renamed as BBMG Assets Management Co., Ltd.) subscribed for 448,028,673 shares and Beijing Jingguofa Equity Investment Fund (Limited Partnership) subscribed for 52,874,551 shares. 52,874,551 shares held by Beijing Jingguofa Equity Investment Fund (Limited Partnership) are included in the number of shares held by other holders of A Shares. Upon the increase in capital and reduction of shareholding of parts of shareholders following completion of the non-public issuance of A Shares, the shareholding structure of the Company is as follows:

Name of Shareholder	Number of Shares Held (Shares)	Percentage of Shareholding (%)
BBMG Group Company Limited	2,292,881,099	47.92%
China National Materials Company Limited	239,580,000	5.01%
Tianjin Building Materials Group (Holdings) Co., Ltd.	117,321,512	2.45%
Hua Xi Xin Yu Investment Co., Ltd.	68,400,000	1.43%
Jasmine Island Investment Limited	62,968,814	1.32%
Winfirst Investment Group Company Limited	60,000,000	1.25%
Holder of H Shares	1,169,382,435	24.44%
Other holders of A Shares	774,106,424	16.18%
Total	4,784,640,284	100%

With the approval of China Securities Regulatory Commission, a total of 554,245,283 A Shares were issued by the Company under the non-public issuance of A Shares to eight investors including BBMG Group Company Limited (now renamed as BBMG Assets Management Co., Ltd.). All target subscribers subscribed for shares under the non-public issuance in cash, among which, BBMG Group Company Limited (now renamed as BBMG Assets Management Co., Ltd.) subscribed for 94,339,622 shares and the other seven investors subscribed for 459,905,661 shares. 459,905,661 shares held by other seven investors are included in the number of shares held by other holders of A Shares. Upon completion of the registration of the non-public issuance of A Shares on 3 December 2015, the shareholding structure of the Company is as follows :

Name of Shareholder	Number of Shares Held (Shares)	Percentage of Shareholding (%)
BBMG Group Company Limited	2,398,678,786	44.93
China National Materials Company Limited	229,970,000	4.31
Tianjin Building Materials Group (Holdings) Co., Ltd.	136,046,367	2.55
Hua Xi Xin Yu Investment Co., Ltd.	26,000,000	0.49
Jasmine Island Investment Limited	16,101,186	0.30
Winfirst Investment Group Company Limited	37,570,000	0.70
Other holders of A Shares	1,325,136,793	24.82
Holder of H Shares	1,169,382,435	21.90
Total	5,338,885,567	100

With the approval at the general meeting of the Company, based on the total number of shares of 5,338,885,567, bonus shares of 5,338,885,567 in total were issued to all shareholders from capital reserve on the basis of ten shares for ten shares. The shareholding structure of the Company after the bonus issue is as follows :

Corporate Shareholder	Number of Shares Held (Shares)	Percentage of Shareholding (%)
BBMG Group Company Limited	4,797,357,572	44.93
China National Materials Company Limited	459,940,000	4.31
Tianjin Building Materials Group (Holdings) Co., Ltd.	272,092,734	2.55
Hua Xi Xin Yu Investment Co., Ltd.	52,000,000	0.49
Jasmine Island Investment Limited	32,202,372	0.30
Winfirst Investment Group Company Limited	75,140,000	0.70
Other holders of A Shares	2,650,273,586	24.82
Holders of H Shares	2,338,764,870	21.90
Total	10,677,771,134	100.00

With the approval of China Securities Regulatory Commission, BBMG Group Company Limited (now renamed as BBMG Assets Management Co., Ltd.), the promoter of the Company gratuitously transferred all of the Company's state-owned shares held by it (amounting to an aggregate of 4,797,357,572 shares) to Beijing Stated-owned Capital Operation and Management Center (北京國有資本經營管理中心). The change in the existing shareholding structure of the Company is as follows :

Name of Shareholder	Number of Shares Held (Shares)	Percentage of Shareholding (%)
Beijing Stated-owned Capital Operation and Management Center	4,797,357,572	44.93
China National Materials Company Limited	459,940,000	4.31
Tianjin Building Materials Group (Holdings) Co., Ltd.	148,154,117	1.39
Winfirst Investment Group Company Limited	75,140,000	0.70
Other holders of A Shares	2,858,414,575	26.77
Holders of H Shares	2,338,764,870	21.90
Total	10,677,771,134	100.00

The shareholders as other promoters of the Company, namely, Hopeson Holdings Limited and Beifang Real Estate Development Co., Ltd. have completed the full disposal of their respective shareholdings as promoters.

Article 19 Upon approval by the competent securities regulatory authority of the State Council of the Company's proposal for issue of overseas listed foreign shares and domestic shares, the board of directors of the Company may make implementation arrangements for separate share issues. 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 competent securities regulatory authority of the State Council.

Article 20 Where the Company issues overseas listed foreign shares and domestic shares respectively within the total number of shares as stated in the issuance proposal, the respective shares shall be subscribed for in full at one time. If these shares cannot be subscribed for in full at one time under special circumstances, they may be issued in several tranches subject to the approval of the competent securities regulatory authority of the State Council. Mandatory Provisions Article 18

Article 21 The registered capital of the Company is RMB10,677,771,134 and the total number of share capital is 10,677,771,134 shares. Mandatory Provisions Article 19 Guidelines Article 6

Article 22 The Company may, subject to its business operation and development requirements, approve an increase in its capital in accordance with the relevant provisions of the Articles of Association. Mandatory Provisions Article 20 Guidelines Article 21

The Company may increase its capital by the following means:

- (1) Public offering of shares;
- (2) Non-public offering of shares;
- (3) Bonus issue of shares to existing shareholders;
- (4) Capitalization of capital reserve fund; or
- (5) Other methods as permitted by the laws or administrative regulations and approved by the competent securities regulatory authority of the State Council.

Any increase in capital of the Company by way of issuing new shares shall be subject to approval under the Articles of Association and completion of the relevant procedures as prescribed by the relevant laws and administrative regulations of the State.

Article 23 Unless otherwise provided by the laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien.

Mandatory
Provisions
Article 21
Hong Kong
Listing Rules
Appendix 3
Rule
1(2)
Guidelines
Article26

CHAPTER 4 REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

- Article 24 In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital. In the event that the Company reduces its registered capital, the Company shall proceed with the procedures according to the requirements of the Company Law and other requirements and the requirements of the Articles of Association.
- Article 25 The Company may, in accordance with the procedures set out in the Articles of Association and with the approval of the relevant competent authority of the State, repurchase its outstanding shares in issue for the following purposes:
- (1) cancellation of shares for the purposes of reducing its capital;
 - (2) merging with another company that holds shares in the Company;
 - (3) granting shares to employees of the Company as incentives;
 - (4) acquiring shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or separation of the Company;
 - (5) other circumstances as permitted by the laws and administrative regulations.

Save for the above circumstances, the Company shall not be engaged in any activities relating to purchase or sale of the Company's shares. Any repurchase of its outstanding shares by the Company shall be made in accordance with the laws and regulations and Articles 26 to 29 hereof.

Article 26 Repurchase of shares by the Company under the approval of the competent authority of the State may be conducted by one of the following means:

Mandatory Provisions
Article 25

- (1) Making a repurchase offer to all shareholders in proportion to their respective shareholdings;
- (2) Repurchase through public trading on a stock exchange;
- (3) Repurchase through an off-market agreement; or
- (4) Other means as permitted by the laws and administrative regulations and approved by the competent securities regulatory authority of the State Council.

Guidelines
Article 24

Article 27 Where the Company repurchases its shares through an off-market agreement, it shall seek prior approval of 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 of 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 and acquire the right to repurchase shares.

Hong Kong Listing Rules
Appendix 3
Rules 8(1), (2)

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

Where the Company has the power to repurchase redeemable shares, repurchases not made through the market or by tender shall be limited to a maximum price; if repurchases are by tender, the tender shall be made available to all shareholders alike.

Article 28 The Company shall obtain the approval of the shareholders granted at a general meeting for repurchases of its shares for the purposes set out in sub-clauses (1), (2) and (3) of Article 25.

Mandatory
Provisions
Article 27
Guidelines

In case of sub-clause (1), the shares repurchased by the Company in accordance with Article 25 hereof shall be cancelled within 10 days from the date of repurchase; in case of sub-clause (2) or (4), the shares repurchased shall be cancelled or transferred within six months and an application shall be made to the original company registration authority for registration of alteration of the registered capital with publication of an announcement thereon.

Article 25

The shares repurchased by the Company in accordance with sub-clause (3) of Article 25 shall not exceed 5% of the Company's total issued shares. The repurchase shall be financed by the Company's after-tax profit. All the shares repurchased shall be transferred to the employees within one year.

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

Article 29 Unless the Company is in the course of liquidation, it must comply with the following provisions in respect of repurchase of its issued outstanding shares:

Mandatory
Provisions
Article 28

(1) where the Company repurchases its shares at 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;

(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:

1. 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;
2. 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 amount of the Company's share premium account (or capital reserve account) at the time of repurchase (including the premiums on a fresh issue of shares);

(3) payment by the Company shall be made out of the Company's distributable profits in consideration of the followings:

1. acquisition of rights to repurchase shares of the Company;
2. variation of any contract for repurchasing shares of the Company;
3. release of its obligation under any contract for repurchase of 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 share premium account (or capital reserve account).

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

Article 30 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 intends 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

Guidelines
Article 20

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 him.

This provision does not apply to circumstances stated in Article 32.

Article 31 The financial assistance referred to in this Chapter includes (without limitation) the following means:

Mandatory
Provisions
Article 30

(1) gift;

(2) advances;

(3) 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;

(4) provision of loan or entering into any other agreement under which the obligations of the Company are to be fulfilled in priority to the obligations of another party, or a change in the parties to, or the assignment of rights arising under, such loan or agreement;

(5) 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 32 The following behaviours shall not be deemed to be behaviours as prohibited by Article 30: Mandatory Provisions Article 31

(1) the provision of financial assistance by the Company which is given in good faith in the interest of the Company, and the principal purpose of providing the financial assistance is not for the acquisition of shares of the Company, or the provision of the financial assistance is ancillary to 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 an adjustment 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 business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, although the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);

(6) the provision of money by the Company for contributions to staff and workers' share ownership scheme (provided that the net assets of the Company are not thereby reduced or that, although the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF MEMBERS

Article 33 Share certificates of the Company shall be in registered form. The following particulars shall be stated in the share certificates of the Company:

Mandatory
Provisions
Article 32
Company Law
Number 129

(1) the Company's name;

(2) the date of establishment registration of the Company;

(3) the class of the shares, the par value and the number of shares represented by the share certificate;

(4) the serial number of the share certificate;

(5) other particulars as required by the Company Law, Special Regulations, and the stock exchange(s) on which the shares of the Company are listed.

Article 34 The share certificates shall be signed by the chairman. Where the stock exchange(s) on which the shares of the Company are listed requires the share certificates to be signed by other senior management, the share certificates shall also be signed by such other senior management. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The share certificates shall only be affixed

Mandatory
Provisions
Article 33
Opinion Circular
Number 1 Hong
Kong Listing
Rules Appendix
3 Rule 2(1)

with the Company's seal under the authorization of the board of directors. The signature(s) of the chairman of the Company or other relevant senior management on the share certificates may also be in printed form.

Article 35 All shares (other than H Shares) of the Company in issue prior to the public offering shall not be transferred within one year from the date of listing of the Company's shares on the stock exchange(s).

Company Law
Article 142
Guidelines
Article 28

Article 36 Any gains from sale of shares by the directors, supervisors and senior management of the Company and any shareholders who hold more than 5% of shares of the Company within six months after purchase of such shares, and any gains from the purchase of the shares within six months after sale of the same shall be forfeited to the Company by the board of directors. However, any securities company which holds more than 5% of shares of the Company as a result of purchase of all shares not taken up under an underwriting arrangement shall not be subject to the six-month lock-up period in respect of such shares.

Securities Law
Article 47
Guidelines
Article 29

If the board of directors of the Company fails to comply with the above provision, the shareholders shall be entitled to demand the board of directors to perform such obligations within 30 days. If the board of directors fails to perform its obligations within the aforesaid period, then any shareholder shall be entitled to institute proceedings in court directly in his own name for the benefit of the Company.

The responsible directors shall assume joint and several liabilities for any non-compliance with sub-clause (1) by the board of directors of the Company.

Article 37 The Company shall keep a register of shareholders which shall register the following particulars: Mandatory Provisions

Article 34

(1) the name, address (residence), 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;

(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. Guidelines Article 30

Hong Kong Listing Rules

Subject to the Articles of Association and other relevant provisions, immediately after the transfer of the Company's shares, the name as appeared on the instrument of share transfer shall be entered into the register of members as the holder of such shares. Appendix 3 Rules 1 (1)

The transfer and transmission of shares shall be entered into the register of members. Hong Kong Listing Rules

Appendix 13D

All behaviours or transfer of overseas listed foreign shares will be recorded in the register of members of overseas listed foreign shares which is kept in the place where such shares are listed pursuant to the provisions of Article 38. Rule 1 (b) Hong Kong Listing Rules

Appendix 3

Rules 1(3)

When two or more persons are registered as joint holders of any shares, they shall be deemed to be joint owners of such shares and subject to the following terms:

(1) the Company does not need to register more than four persons as joint holders of any shares;

(2) the joint holders of any shares shall jointly and severally assume the liability to pay for all the amounts payable for the relevant shares;

(3) In case one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Company to be the persons having ownership of the relevant shares. But the board of directors shall have the right, for the purpose of making amendments to the register of members, to demand evidence of death of such shareholder where it deems appropriate;

(4) For joint holding of any shares, only the joint holder whose name appears first in the register of members is entitled to receive the certificate for the relevant shares and the Company's notices, and to attend and exercise all voting rights of the relevant shares in the shareholders' general meetings of the Company. Any notice served on the above person shall be deemed to have been served on all joint holders of the relevant shares.

Article 38 The Company may, in accordance with the mutual understanding and agreements between the competent securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its register of members of overseas listed foreign shares outside the PRC and appoint overseas agent(s) to manage such register. The original register of members of H Shares shall be maintained in Hong Kong.	Mandatory Provisions Article 35 Opinion Circular Number 2 Hong Kong Listing Rules Appendix 13 (D) Section 1(b)
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The Company shall maintain a duplicate of the register of members of overseas listed foreign shares at the Company's domicile; the appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of members of overseas listed foreign shares at all times.

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

Article 39 The Company shall maintain a complete register of members. The register of members shall include the followings: Mandatory Provisions Article 36

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

(2) the register of members in respect of the holders of overseas listed foreign shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located;

(3) the register of members maintained at such other place as the board of directors may consider necessary for the purpose of listing of the Company's shares.

Article 40 Different parts of the register of members shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other parts of the register of members. Mandatory Provisions Article 37

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

Article 41 All fully paid-up H Shares are freely transferable pursuant to the Articles of Association. However, the board of directors may refuse to recognize any instrument of transfer without giving any reason unless such transfer fulfills the following conditions:

Opinion Circular
Number 12
Hong Kong
Listing Rules
Appendix 3

(1) A fee of HK\$2.5 per instrument of transfer or the highest amount as for the time being prescribed by the SEHK 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;

Rules 1(1), 1(2)

(2) the instrument of transfer only relates to H Shares;

(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 of directors 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;

Hong Kong
Listing Rules
Appendix 3

(6) the Company does not have any lien over the relevant shares; and

Rules 1(3)

(7) No transfer shall be made to an underage or to a person of unsound mind or legally proclaimed with behavioural disability.

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

The directors, supervisors and other members of the senior management of the Company shall declare to the Company any shares held by them and the

Company Law
Article 142

change of such shareholding; every year during the term of their office, they shall not transfer shares exceeding 25% of the total number of shares of the Company they held; the shares of the Company they held are not transferable within 1 year from the listing of the shares. They shall not transfer the shares of the Company within 6 months from their resignation or termination of office.

Company Law
Article 143

The directors, supervisors, members of the senior management of the Company and other staff of the Company who may be aware of the information which could substantially affect the price of the shares, shall not make use of such information for trading or procure others for dealing with the Company's shares which constitute illegal acts, and they shall be liable for any loss incurred by the Company therefrom.

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

Article 42 All the H Shares shall be transferred by an instrument in writing in any usual or common form or any other forms which the board of directors may approve (including the standard format of transfer or form of transfer as prescribed by the SEHK from time to time). The instrument of transfer of any share may be executed by hand or in case the transferor or the transferee is a corporation, it can be executed with the seal of the corporation. If the transferor or the transferee is a recognized clearing house as defined in the relevant laws of Hong Kong in force from time to time ("Recognized Clearing House") or its nominee, the share transfer form may be executed in mechanically-printed form.

Hong Kong
Listing Rules
Appendix 3
Rules 1(2)

All instruments of transfer shall be maintained at the legal address of the Company or other addresses as the board of directors may specify from time to time.

Article 43 No transfer may be entered in the register of members within thirty days prior to the date of a shareholders' general meeting or within five days before the benchmark date set by the Company for the purpose of distribution of dividends. Any change of the name of A shareholders shall be subject to the relevant PRC laws and regulations.

Mandatory
Provisions
Article 38

Article 44 In the event the Company convenes a shareholders' general meeting, distributes dividends, settle or carry out other activities which require the ascertaining of shareholdings, the board of directors or convener of a general meeting shall fix a date as the record date for ascertaining the shareholdings. The shareholders of the Company entitled to the underlying interests shall be those shareholders whose names appear in the register of shareholders of the Company after the close of trading on the record date.

Mandatory
Provisions
Article 39
Guidelines
Article 31

Article 45 Any person who objects to the register of members and requests to have his name entered in or removed from the register of members may apply to a court of competent jurisdiction for rectification of the register of members.

Mandatory
Provisions
Article 40

Article 46 Any shareholder who is registered in, or any person who requests to have his name entered in, the register of members may, if his share certificates (the "original certificates") are lost, apply to the Company for reissuing new share certificate in respect of such shares (the "relevant shares").

Mandatory
Provisions
Article 41
Hong Kong
Listing Rules
Appendix 3

If a holder of A Shares loses his share certificate and applies for reissue, it shall be dealt with in accordance with the relevant provisions of the Company Law.

Rules 7(1)

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

The reissuance of share certificates to holders of overseas listed foreign shares 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 certificates as well as declaring that no other person shall be entitled to request to be registered as the holder 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 reissue the new share certificate.

(3) The Company shall, if it decides to reissue new share certificate to the applicant, make an announcement of its intention to reissue new share certificate in such newspapers as designated by the board of directors. The announcement shall be made at least once every thirty days in a period of ninety days.

(4) The Company shall have, prior to the publication of announcement of its intention to reissue new 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 reissue new share certificate has been made without the consent of the registered holder of the relevant shares, the Company shall send by post to such registered shareholder a copy of the announcement to be published.

(5) If, upon expiration of the 90-day period referred to in clauses (3) and (4) of this Article, the Company has not received from any person any objection to such application, the Company may reissue a new share certificate to the applicant according to his application.

(6) Where the Company reissues new share certificate under this Article, it shall forthwith cancel the original certificate and enter the cancellation and reissue matters in the register of members accordingly.

(7) All expenses relating to the cancellation of an original share certificate and the reissuance of new 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 47 Where the Company reissues a new share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case that he is a bona fide purchaser) shall not be removed from the register of members. Mandatory Provisions Article 42

Article 48 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original certificate or the reissuance of the new share certificate, unless the claimant proves that the Company had acted fraudulently. Mandatory Provisions Article 43

CHAPTER 7 SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Article 49 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of members.

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 held. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations. Shareholders of different classes of the Company shall rank *pari passu* over dividends or any forms of distribution.

Hong Kong Listing Rules
Appendix 3
Rules 12

Where a legal person has become a shareholder of the Company, its rights shall be exercised by the representative of the legal person or agent of the representative of the legal person.

The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attached to any shares of the Company by reason only that a person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

Article 50 Holders of ordinary shares of the Company shall be entitled to the following rights:

Mandatory Provisions
Article 45

(1) To receive dividends and other forms of profit distribution in proportion to their respective shareholdings;

Guidelines
Article 32

(2) To demand, call for, preside over, attend or designate a proxy to attend general meetings and exercise relevant voting rights;

(3) To supervise and manage the business operation of the Company and give advice or raise inquiries;

(4) To transfer, give or pledge the shares held by them in accordance with the laws, administrative regulations and the Articles of Association;

(5) To have access to the relevant information in accordance with the Articles of Association, including:

1. to obtain the Articles of Association at cost;

2. to inspect free of charge and make photocopies at reasonable cost:

(i) the registers of all shareholders;

(ii) personal information of directors, supervisors, presidents and other senior management of the Company, including:

(a) present and past names and alias;

(b) principal address (residence);

(c) nationality;

(d) full-time and all concurrently held part-time occupations and positions;

(e) identification documents and numbers;

(iii) share capital status of the Company;

(iv) reports containing details of the aggregate nominal value, number, highest and lowest prices of each class of shares of the Company repurchased since the preceding financial year and all costs paid by the Company for such repurchase;

(v) minutes of general meetings and resolutions of the board of directors and supervisory board;

(vi) counterfoils of corporate bonds;

(vii) financial reports published for disclosure;

(6) In the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to their respective shareholdings;

(7) For shareholders who disagree on the resolution approved at the general meeting in relation to the merger or division of the Company, to request the Company to acquire their shares; and

(8) Other rights conferred by the laws, administrative regulations and the Articles of Association.

Article 51 When shareholders demand the inspection of the relevant information mentioned in the preceding Article or demand for materials, they shall provide a written document of the class and number of shares held by them, and such information and materials shall be provided at the request of shareholders in accordance with the Articles of Association after verification of their shareholder identity.

Guidelines
Article 33

Article 52 If any resolution approved at a general meeting or a meeting of the board of directors of the Company violates the laws or administrative regulations, the shareholders shall have the right to submit a petition to the People's Court to render the same invalid.

Company Law
Article 22
Guidelines
Article 34

If the procedures for general meetings and meetings of the board of directors or the method of voting at such meetings violate the laws, administrative regulations or the Articles of Association, or the content of any resolution violates the Articles of Association, the shareholders may, within 60 days from the date on which such resolution is approved, submit a petition to the People's Court to revoke the same.

Article 53 If the Company suffers any losses arising from any breach of laws, administrative regulations or provisions of the Articles of Association by any director or senior management of the Company in executing corporate duties, shareholders who have held, alone or in aggregate, more than 1% of the shares of the Company for more than 180 consecutive days shall be entitled to make a request in writing to the supervisory board to institute litigation at the People's Court. If the Company suffers any losses arising from any breach of laws, administrative regulations or provisions of the Articles of Association by the supervisory board of the Company in executing corporate duties, shareholders may make a request in writing to the board of directors to institute litigation at the People's Court.

Company Law
Article 152
Guidelines
Article 35

If, upon receipt of the written request from the shareholders as stipulated in the preceding paragraph, the supervisory board or the board of directors refuses to institute litigation, or fails to institute litigation within 30 days or if, in case of emergency, failing to institute litigation immediately may cause irreparable damage to the interest of the Company, the shareholders as mentioned in the preceding paragraph shall have the right to institute litigation directly at the People's Court in their own names for the interest of the Company.

In the event of infringement of the Company's legal interest by a third party resulting in losses to the Company, the shareholders mentioned in the first paragraph of this Article may institute litigation at the People's Court in accordance with the preceding two paragraphs.

Article 54 If the interest of shareholders of the Company is prejudiced by any breach of laws, administrative regulations or provisions of the Articles of Association by any director or senior management of the Company, shareholders may institute litigation at the People's Court.

Company Law
Article 153
Guidelines
Article 36

Article 55 Holders of ordinary shares of the Company shall assume the following obligations:

Mandatory
Provisions
Article 46

(1) To comply with the Articles of Association;

Guidelines
Article 37

(2) To pay subscription monies according to the number of shares subscribed and the method of subscription;

(3) Not to withdraw from holding shares unless as required by the laws and regulations;

(4) Not to abuse the rights of shareholders to damage the interests of the Company or other shareholders; not to abuse the independence of the Company as a legal person and the limited liability of shareholders to impair the interest of creditors of the Company; where the Company or other shareholders suffer any losses resulting from a shareholder's abuse of its rights, such shareholder shall be responsible for compensation according to the laws; where a shareholder of the Company abuses the independence of the Company as a legal person and the limited liability of shareholders so as to evade the obligation of repayment of debts, which materially damages the interests of creditors of the Company, such shareholder shall bear the joint and several liability for the debts of the Company;

(5) To assume other obligations as required by the laws, administrative regulations and the Articles of Association.

Shareholders are not obliged to make any additional contribution to the share capital other than the conditions as agreed with the subscriber of the relevant shares on subscription.

Article 56 Where a shareholder who holds more than 5% of voting shares pledges his shares, he shall report it to the Company in writing on the date of pledge. Guidelines Article 38

Article 57 The Controlling Shareholders (as defined in Article 59) and beneficial controllers of the Company shall not take advantage of its connected relationship to impair the Company's interest. Any of such shareholders or controllers who violate this provision and cause losses to the Company shall be liable for damages. Company Law Article 21 Guidelines Article 39

The Controlling Shareholders and beneficial controllers of the Company have fiduciary duties toward the Company and its public shareholders. The Controlling Shareholders shall exercise its rights as an investor in strict compliance with the laws. The Controlling Shareholders shall not jeopardize the lawful interests of the Company and its public shareholders by way of profit appropriation, asset restructuring, external investments, funds appropriation and provision of guarantee for loans, nor shall they jeopardize the interests of the Company and its public shareholders by taking advantage of its controlling position.

Article 58 In addition to obligations imposed by the laws, administrative regulations or required by the listing rules of the stock exchange(s) on which the 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 interest of the Company;

(2) to approve the deprivation by a director or supervisor (for his own benefit or for the benefit of another person) of the Company's assets by any means, including (without limitation) opportunities advantageous to the Company;

(3) to approve the deprivation 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 the restructuring of the Company submitted to the general meeting of shareholders for approval in accordance with the Articles of Association.

Article 59 The term "Controlling Shareholder" referred to in the Articles of Association 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 directors;

(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 become the largest shareholder of the Company;

(5) a person who, acting alone or in concert with others, has de facto control of the Company in any other way.

CHAPTER 8 SHAREHOLDERS' GENERAL MEETINGS

- Article 60 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 61 The general meeting shall discharge the following functions and duties: Mandatory Provisions Article 50
- (1) To determine the operation directions and investment plans of the Company; Company Law Article 38 Guidelines
- (2) To elect and replace the directors who are not employees' representatives and decide on the matters relating to the remuneration of the relevant directors; Article 40
- (3) To elect and replace the supervisors who are not employees' representatives and decide on the matters relating to the remuneration of the relevant supervisors;
- (4) To consider and approve the report of the board of directors;
- (5) To consider and approve the report of the supervisory board;
- (6) To consider and approve the proposals for annual financial budgets and final accounts of the Company;
- (7) To consider and approve the proposals for profit distribution and recovery of losses;
- (8) To resolve on matters over the increase or reduction in the Company's registered capital;

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- (9) To resolve on matters over the merger, division, dissolution or liquidation of the Company or change of the Company's form; Guidelines
Article 40
Notice of
- (10) To resolve on matters over the issue of debentures, any kind of shares, warrants or other similar securities by the Company; Guarantee
- (11) To resolve on matters over the engagement, termination of engagement or non-renewal of engagement of the certified public accountant of the Company;
- (12) To amend the Articles of Association;
- (13) To consider the acquisition or disposal of significant assets which account for more than 30% of the latest audited total assets of the Company;
- (14) To resolve on the external guarantees which shall be considered and approved at general meetings in accordance with the laws, administrative regulations and the Articles of Association;
- (15) To consider and approve the change of use of proceeds from the issue of A Shares; Standard of
Corporate
Governance
- (16) To consider and approve the share incentive scheme; Number 7
- (17) To consider and review the resolution proposed by any shareholder who holds, alone or in aggregate, 3% of the shares with voting rights of the Company;
- (18) To resolve on other matters which are required to be resolved at general meetings under the laws, administrative regulations, departmental rules and the Articles of Association;

(19) To authorize and entrust the board of directors to handle any matters authorized and entrusted thereto.

Matters which, as required by the laws, administrative regulations and the Articles of Association, shall be resolved at general meetings shall be considered at general meetings so as to protect the decision-making rights of shareholders of the Company on such matters. The board of directors may be authorized at general meetings whenever necessary and reasonable to make decisions within its scope of authorization as delegated at general meetings on matters relating to the resolutions which have not been approved at the general meeting.

Any authorization of the board of directors by shareholders relating to ordinary resolutions at general meetings shall be approved by over one-half of the shareholders (or their proxies) present and entitled to vote at the meeting; if such authorization is related to special resolutions, an approval of two-thirds of the shareholders (or their proxies) present and entitled to vote at the meeting is required. The scope of authorization shall be well-defined and specific.

Article 62 The following external guarantees of the Company shall be considered and approved at general meetings.

Company Law
Article 122
Guidelines

(1) Any guarantee provided after the aggregate amount of external guarantees provided by the Company and its controlling subsidiaries equals or exceeds 50% of the latest audited net assets;

Article 41

(2) The aggregate amount of external guarantees on a cumulative basis for 12 consecutive months exceeds 50% of the latest audited net assets;

Notice of
Guarantee
Article 1

(3) Any guarantee provided after the aggregate amount of external guarantees provided by the Company equals to or exceeds 30% of the latest audited total assets;

(4) The aggregate amount of external guarantees on a cumulative basis for 12 consecutive months exceeds 30% of the latest audited total assets;

(5) Guarantees provided to any guaranteed party whose debt-asset ratio exceeds 70%;

(6) Any individual guarantee of an amount exceeding 10% of the latest audited net assets;

(7) Guarantees provided to the Company's shareholders, beneficial controllers and their related parties.

Article 63 Unless under special circumstances such as crisis, without the prior approval of shareholders granted at general meetings, the Company shall not enter into any contract with any party other than the directors, supervisors, president and other senior management members of the Company in relation to the authorization of such party to manage all or a material part of the Company's business. Mandatory Provisions Article 51 Guidelines Article 81

Article 64 General meetings include annual general meetings and extraordinary general meetings. General meetings are organized and convened by the board of directors. The annual general meeting is held once a year, and shall take place within six months after the end of the previous accounting year. Company Law Article 101 Mandatory Provisions Article 52 Guidelines

The board of directors shall call an extraordinary general meeting within two months upon occurrence of any of the following circumstances: Articles 42, 43

(1) Where the number of directors falls below the number as specified in the Company Law or is less than two-thirds of directors as provided in the Articles of Association;

- (2) Where the amount of unappropriated losses of the Company represents one-third of the total share capital of the Company;
- (3) Where shareholders who hold, alone or in aggregate, 10% or more of the shares outstanding of the Company with voting rights request in writing to convene an extraordinary general meeting;
- (4) Whenever the board of directors deems necessary or when proposed by the supervisory board;
- (5) Whenever required by the securities regulatory authorities;
- (6) Other circumstances as required by the laws, administrative regulations, departmental rules or the Articles of Association.

The number of shares held by shareholders as stipulated in paragraph (3) above shall be calculated based on the date on which the shareholders make a request in writing. Such shareholders shall also sign written requests in one or more counterparts and submit an agenda and proposals to the board of directors.

Article 65 The Company convenes its shareholders' general meeting at its registered address or other venue as set forth in the notice of general meeting. Guidelines Article 44

A venue shall be set for the shareholders' general meeting which shall be convened on-site. If the Company intends to convene the general meeting via internet or by other means for shareholders' convenience, the time of and procedures for voting via internet or by other means and the procedure for identification of shareholders shall be set forth in the notice of general meeting. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present. Online internet voting is not applicable to the holders of H Shares.

Article 66 Notices of general meetings, containing the agenda, the date and the venue of the relevant meeting, must be given to all shareholders listed in the register of members at least 45 days prior to the date the relevant general meeting is intended to be held, and in written form or in any other manners as prescribed by the Articles of Association. Shareholders who intend to attend the relevant general meeting must respond, in writing to the Company, 20 days prior to the date the relevant general meeting is intended to be held.

Mandatory
Provisions
Article 53

When calculating the number of days for the issuance of notices of general meetings, neither the intended day of the meeting, nor the day the relevant notice is issued shall be included in the number of days of advance notice required.

Article 67 Where the Company convenes the shareholders' general meeting, the board of directors, supervisory board and the shareholder(s) holding, alone or in aggregate, 3% or more of the total shares of the Company shall be entitled to put forward resolutions to the Company.

Mandatory
Provisions
Article 54

The shareholder(s) holding, alone or in aggregate, 3% or more of the total shares of the Company may put forward ex tempore resolutions to the Company no later than ten days prior to the convening of the general meeting by submitting the same in writing to the convener. The convener shall issue a supplemental notice of general meeting specifying the details of the ex tempore resolutions to shareholders within two days after the receipt of the resolutions. The Company shall also comply with other requirements of the listing rules of the place where the Company's shares are listed.

Company Law
Article 103
Clause 2
Guidelines
Articles 52, 53

Other than the requirements set out in the preceding paragraph, the convener shall not amend the resolutions set forth in the notice of general meeting or add new resolutions thereto after the issue of such notice.

The resolution proposed by shareholders shall be subject to the following conditions:

(1) The content of such resolution shall not contravene any laws, administrative regulations and the Articles of Association and shall fall within the scope of business of the Company and scope of duties of the general meeting;

(2) Such resolution shall include a clear subject and particulars of the subject matters; and

(3) Such resolution shall be in writing and submitted or delivered to the convener.

Article 68 Resolutions not set out in the notice of general meeting or not complying with sub-clause (4) of Article 67 of the Articles of Association shall not be voted on or resolved at the general meeting. Guidelines Article 53

Article 69 The Company shall, based on the written replies received twenty days before the date of the shareholders' general meeting, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches not less than one-half of the Company's total voting shares, the Company may convene the general meeting, otherwise, the Company shall within five days notify the shareholders again by announcement regarding the matters intended to be considered, the place and the date of the meeting. The Company then may convene the meeting after publication of such notice. Mandatory Provisions Article 55

Article 70 Notice of the general meeting shall fulfill the following requirements:	Mandatory Provisions Article 56
(1) be in writing or in other forms as prescribed in the Articles of Association;	
(2) specify the place, date and time of the meeting;	Guidelines Article 55
(3) state the matters to be discussed at the meeting;	
(4) provide such information and explanation as are necessary for the shareholders to make an informed decision on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed contract, if any, and the cause and effect of such proposal must be properly explained;	
(5) contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, president (manager) and other senior management in the proposed transaction and the effect which the proposed transaction will have on them in their capacity as shareholders in so far as it is different from the effect on the interests of shareholders of the same class;	
(6) contain the full text of any special resolution to be proposed at the meeting;	
(7) explain in prominent plain text that all shareholders are entitled to attend and vote at the general meeting and appoint one proxy (who may or may not be a shareholder of the Company) or more to attend and vote on his behalf at the general meeting;	

(8) state the date of registration of equity entitlements for shareholders having the right to attend the general meeting;

(9) specify the time and place for lodging proxy forms for the relevant meeting; and

(10) state the names and contact telephone numbers of the contact persons in connection with the meeting.

Article 71 If the election of directors or supervisors is proposed to be discussed at a general meeting, the notice of general meeting shall adequately disclose the particulars of the director or supervisor candidates, which shall at least include: Guidelines
Article 56

(1) Personal particulars of each candidate such as academic qualifications, working experience, part-time work etc;

(2) Whether or not the candidate has any connection with the Company, its Controlling Shareholders and beneficial controllers;

(3) The number of shares of the Company held by each candidate;

(4) Whether or not the candidate has been subject to any penalty imposed by the China Securities Regulatory Commission or any other relevant authority or reprimand of a stock exchange.

Besides using the cumulative voting system for electing directors or supervisors, each director or supervisor candidate shall be proposed by way of an individual resolution.

Article 72 Notices of general meetings shall be given to all shareholders irrespective of their entitlements to voting rights at general meetings. Such notices shall be given by way of delivery in person or by post (with full Mandatory
Provisions
Article 57

postage paid) to the shareholders at their registered address recorded in the register of members. For holders of the overseas listed foreign shares, in addition to the aforesaid methods of issue or provision, the Company may also issue or provide notices of general meetings to shareholders via the websites of a stock exchange and the Company or by electronic means provided that there is no violation of any laws, regulations and listing rules of the place where the Company's shares are listed.

For holders of A Shares, notices of general meetings may also be given by way of announcements. Such notices shall be published on newspaper(s) as designated by the competent securities regulatory authority of the State Council 45 to 50 days prior to the date of convening the general meeting. Holders of A Shares will be deemed as having been notified of the relevant general meeting as soon as the relevant notice is published.

<p>Article 73 After the issue of the notice of general meeting, the general meeting shall not be postponed or cancelled and the resolutions set forth in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the general meeting, the convener shall make an announcement and give the reasons therefor at least two working days prior to the original date for convening the general meeting.</p>	<p>Guidelines Article 57</p>
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<p>Article 74 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.</p>	<p>Mandatory Provisions Article 58</p>
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<p>Article 75 All shareholders whose names appear in the register of members on the record date or their proxies shall be entitled to attend and vote at the general meeting in accordance with the relevant laws, regulations and the Articles of Association. Any shareholders entitled to attend and vote at the general meeting shall be entitled to appoint one or more proxies (who may or may not be a shareholder of the Company) to attend and vote on his behalf at</p>	<p>Mandatory Provisions Article 59 Guidelines Article 59</p>
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the general meeting. The proxy or proxies may exercise the following rights according to the instructions of the shareholder:

- (1) the right of the shareholder to speak at the general meeting;
- (2) the right to demand a poll alone or jointly with others;
- (3) unless otherwise required by the applicable securities listing rules or other securities laws and regulations, 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.

If the said shareholder is a recognized clearing house (or its nominee), the shareholder may authorize one or more suitable persons to act as its representative(s) 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 types of the shares involved with 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.

Hong Kong
Clearing House
Opinion

Article 76 The instrument appointing a proxy must be in writing and signed by the shareholder or his attorney duly authorized in writing; for corporate shareholder, the proxy must be affixed with the common seal or signed by its director or attorney or officer duly authorized in writing. The letter of authorization shall contain the number of the shares to be represented by the attorney. If several persons are authorized as the attorney of the shareholder, the letter of authorization shall specify the number of the shares to be represented by each attorney.

Mandatory
Provisions
Article 60

Article 77 Proxy forms shall be lodged at the domicile of the Company or other places specified in the notice of meeting 24 hours before the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting. Where the proxy form is signed by a person under a power of attorney on behalf of the appointer, the power of attorney or other authorization documents authorized to be signed shall be notarized. A notarially certified copy of that power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

Mandatory Provisions
Article 61
Guidelines
Article 63

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

Article 78 The proxy form issued to shareholders by the board of directors of the Company for the appointment of proxies shall enable shareholders to freely instruct their proxies to vote for or against any resolution or abstain from voting, and give separate instructions in respect of the matters to be resolved under each subject. The form of proxy shall contain a statement that a proxy may vote at his own discretion in the absence of specific instructions from the shareholder.

Mandatory Provisions
Article 62
Guidelines
Articles 60, 61, 62

The Company is entitled to ask the proxy who represents an individual shareholder to attend the shareholders' general meeting to provide his identification document.

In the case a corporate shareholder appoints its representative to attend the meeting, the Company is entitled to ask the representative to provide his identification document and the copy of the resolution or the power of attorney which has been notarized (other than a recognized clearing house or its nominee).

Article 79 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 80 The board of directors, independent (non-executive) directors and the shareholders who have fulfilled the relevant conditions may collect voting rights from shareholders of the Company at general meetings. The public collection of the voting rights of shareholders of a listed company shall be in compliance with the requirements of the relevant regulatory authority and the stock exchange(s) on which the shares of the Company are listed.	Guidelines Article 78 Requirements on Public Shareholders Rule 1(3)
Article 81 The record of attendance of the meeting shall be prepared by the Company. Such record shall set forth the information such as name of the attendee (or the name of entity), identity card number, residential address, the number of voting shares held or represented and name of the person being appointed (or the name of entity).	Guidelines Article 64
Article 82 The convener and the lawyer engaged by the Company shall jointly verify the legality of the qualifications of shareholders and register their names and the number of the voting shares held by them respectively based on the register of members provided by the securities registration and clearing institution. The registration of the meeting shall be closed prior to the chairperson's announcement of the number of shareholders and proxies present in person and the total number of voting shares held by them.	Guidelines Article 65
Article 83 All directors, supervisors and board secretary shall attend general meetings of the Company, and the president and other senior management shall be present at the meetings.	Guidelines Article 66

Article 84 The Company shall formulate the rules of procedures for general meetings to stipulate the convening and voting procedures of general meetings, which shall cover the requirements for notification, registration, consideration of proposals, voting, counting of ballots, announcement of voting result, formation of resolution, minutes of meeting and signing thereof and announcement as well as the principle and scope of authorization of the board of directors at general meetings. The rules of procedures for general meetings are annexed to the Articles of Association and shall be formulated by the board of directors and approved at the general meeting. Guidelines Article 68

Article 85 The board of directors and supervisory board shall report their work for the preceding year at the annual general meeting. Every independent (non-executive) director shall also deliver a report of his work. Guidelines Article 69

Article 86 Directors, supervisors and senior management shall give explanations in relation to the inquiries and suggestions made by shareholders at the general meeting. Guidelines Article 70

Article 87 The chairperson of the meeting shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of voting shares held by them. The number of attending shareholders and their proxies and the total number of voting shares held by them shall be based on the register of the meeting. Guidelines Article 71

Article 88 The convener shall ensure that the general meeting will be held until final resolutions are arrived at. Where the general meeting is interrupted or no resolution is reached at the meeting due to force majeure or for other special reasons, immediate action shall be taken to resume the general meeting as soon as possible or directly close the general meeting and promptly make an announcement. Meanwhile, the convener shall report the case to the competent authority pursuant to the relevant requirements. Guidelines Article 74

Article 89 Resolutions of a general meeting shall be divided into ordinary resolutions and special resolutions.	Mandatory Provisions Article 64
Any ordinary resolutions proposed at general meetings shall be passed by a simple majority of the votes of the shareholders (including proxies thereof) attending the general meeting.	Company Law Article 104 Guidelines Article 75
Any special resolutions proposed at general meetings shall be passed by more than two-thirds of the votes of shareholders (including proxies thereof) attending the general meeting.	
Article 90 Shareholders (or their proxies) shall exercise their voting rights which relate to the voting shares represented by them when voting at a general meeting. Each share shall carry one vote. The Company has no voting right for the shares it holds, which shall be excluded from the total number of voting shares represented by the shareholders present at the general meeting.	Mandatory Provisions Article 65 Guidelines Article 78 Hong Kong Listing Rules
Where any shareholder is, under applicable laws and regulations and the listing rules of the stock exchange(s) on which the shares of the Company are listed, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any vote cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted in the resolution results.	Appendix 3 Rule 14
Article 91 Connected shareholders shall not vote on any matters relating to connected transactions at general meetings. The voting shares represented by such connected shareholders shall not be counted in the total number of valid votes; the voting result of non-connected shareholders shall be adequately disclosed in the announcement on the resolutions passed at the general meeting.	Guidelines Article 79

Article 92 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 for or against such resolution at the meeting.

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

Article 93 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 94 Shareholders attending general meetings shall express one of the following opinions on any resolution to be voted on: for, against or abstention.

Guidelines
Article 89

Blank, wrongly filled, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstention".

Article 95 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 96 When the number of votes for and against a resolution is equal, whether the vote is taken by show of hands or by poll, the chairman of the meeting shall be entitled to one additional vote. Mandatory Provisions Article 69

Article 97 List of director or supervisor candidates shall be tabled at the general meeting by way of resolution for consideration. Guidelines Article 82

Directors or supervisors may be elected and voted under the cumulative voting system pursuant to the relevant laws, regulations and the Articles of Association or resolution of the general meeting.

The cumulative voting system mentioned in the preceding paragraph means that, where directors or supervisors are being elected at a general meeting, each share carries as many voting rights as the number of director or supervisor candidates, and the shareholders' voting rights may be used on a collective manner. The board of directors shall provide shareholders with the profiles and background information of the director or supervisor candidates.

Article 98 No amendment shall be made to any resolution when it is considered at a general meeting. Any amendments of a resolution shall be deemed as a new resolution and shall not be voted on at the current general meeting. Guidelines Article 84

Article 99 Save for resolutions to be voted on under the cumulative voting system, all resolutions shall be resolved on a one-by-one basis when voted at the general meeting. In the event that more than one resolution is proposed on the same matter, such resolutions shall be voted on and resolved in chronological order according to the time they were submitted. Unless the general meeting is adjourned or no resolution is made for special reasons such as force majeure, voting of such resolutions shall neither be set aside nor refused for voting at the general meeting. Guidelines Article 83

Article 100 The voting right of the same share shall only be exercised once by way of on-site voting, online internet voting or other means of voting. In the case of repeated voting of the same share, only the first vote is valid. Guidelines Article 85

Article 101 Voting shall be made by open ballot at general meetings. Guidelines Article 86

Article 102 Prior to voting on any proposal at general meetings, two representatives of the shareholders shall be elected to participate in the counting and scrutinizing of votes. In the event that the matters considered are related to the interests of any shareholders, such shareholders or their proxies shall not participate in the counting and scrutinizing of votes. Guidelines Article 87

When voting at general meetings, the lawyers and representatives of the shareholders and supervisors shall be jointly responsible for the counting and scrutinizing of votes and shall announce the voting results immediately. The voting result of the resolutions shall be recorded in the minutes of the meeting.

Listed corporate shareholders or their proxies who cast votes via the internet or by other means shall have the right to check their own voting results in the corresponding voting system.

Article 103 The closing time for on-site general meeting shall not be earlier than that of online internet or through other means. The chairman of the meeting shall announce the state of voting and results of each of the resolutions, and announce whether or not they are approved according to the voting results. Guidelines Article 88

Before the voting results are officially announced, all the relevant parties at the on-site meeting, the online internet or through other means, such as listed corporate, vote counters, scrutinizer for vote-taking, substantial shareholders and internet network service providers, shall keep confidentiality in respect of the state of voting.

Article 104 The following matters shall be approved by way of ordinary resolution at shareholders' general meeting: Mandatory Provisions Article 70

(1) Reports of the board of directors and the supervisory board;

(2) Proposals for profit distribution and recovery of losses prepared by the board of directors;

(3) Election or removal of members of the board of directors and the supervisory board and their remuneration and terms of payment; Guidelines Article 76

(4) The Company's annual financial budget and final accounts;

(5) The Company's annual financial report; and

(6) Matters other than those to be passed by special resolution according to the laws, administrative regulations, rules of listing of the stock exchange(s) on which the Company's shares are listed or the Articles of Association.

Article 105 The following matters shall be approved by way of special resolution at shareholders' general meetings:	Company Law
	Article 122
	Mandatory
(1) Increase or reduction in the Company's share capital and issue of any class of shares, warrants and other similar securities;	Provisions
	Article 71
	Guidelines
(2) Issue of debentures of the Company;	Article 77
(3) Division, merger, dissolution or liquidation of the Company or otherwise change of the Company's form;	
(4) Amendments to the Articles of Association;	
(5) Acquisition or disposal of significant assets or provision of guarantee in an amount exceeding 30% of the latest audited total assets of the Company;	
(6) Share incentive scheme;	
(7) Other matters required to be approved by way of special resolution according to the laws, administrative regulations and the Articles of Association, and other matters approved in a general meeting by way of ordinary resolution that are of great significance to the Company and needed to be approved by way of special resolution.	
Article 106 Shareholders demanding an extraordinary general meeting of shareholders or class meeting shall abide by the following procedures:	Company Law
	Article 102
(1) Two or more shareholders individually or collectively holding more than ten percent of the shares carrying voting rights at the meeting to be convened may, by signing one or more counterpart written requisition(s) stating the object of the meeting, require the board of directors to convene an extraordinary general meeting or a class shareholders' meeting. The board of directors shall within ten days after receipt of such written requisition(s)	Mandatory
	Provisions
	Article 72
	Guidelines
	Article 48

issue a written feedback stating whether to convene the extraordinary general meeting or class shareholders' meeting or not. Where the board of directors agrees to convene the extraordinary general meeting or class shareholders' meeting, a notice of convening the general meeting or class shareholders' meeting will be issued within five days after the resolution has been made by the board of directors. Where there is any modification to the original requisition(s) in the notice, prior consent of the relevant shareholders shall be obtained. The shareholdings referred to above shall be calculated as at the date of the delivery of the written requisition(s) by the shareholders;

(2) Where the board of directors disagrees on the proposal for convening a general meeting or fails to give feedback within ten days upon receipt of the above written request, the shareholder(s) shall request in writing to the supervisory board to convene a general meeting. Where the supervisory board agrees on the convening of meeting, it shall give a notice of convening meeting within five days upon receipt of the written request. Where no notice of meeting is issued by the supervisory board within the prescribed period, the supervisory board shall be deemed not to convene and preside over the meeting. Shareholders individually or collectively holding more than ten percent of the shares of the Company for more than ninety consecutive days may convene and preside over the meeting on their own accord (the shareholding of the shareholder(s) who convene the meeting shall not be less than ten percent prior to the announcement on the resolutions passed at the general meeting). The convening procedures shall as much as possible be the same as those for meeting convened by the board of directors.

Article 107 Independent (non-executive) directors may request the board of directors to convene an extraordinary general meeting. Regarding the request of the independent (non-executive) director to convene an extraordinary general meeting, the board of directors shall, pursuant to the relevant laws, administrative regulations and the Articles of Association, give a written feedback within ten days after receipt of the request on whether to convene the extraordinary general meeting or not.

Guidelines
Article 46

If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the board of directors. If the board of directors does not agree to convene the extraordinary general meeting, it shall give reason and make an announcement in respect thereof.

Article 108 The supervisory board shall have the right to propose to the board of directors to convene an extraordinary general meeting, and shall put forward its proposal to the board of directors in writing. The board of directors shall, pursuant to the relevant laws, administrative regulations and the Articles of Association, give a written feedback within ten days after receipt of the proposal on whether to convene the extraordinary general meeting or not.

Guidelines
Article 47

If the board of directors agrees to convene the general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the board of directors. A prior consent of the supervisory board shall be obtained for any modifications to the original proposal made in the notice.

If the board of directors does not agree to convene the extraordinary general meeting or fails to give a written reply within ten days after receipt of the proposal, it shall be deemed that the board of directors is unable or not to perform the duty of convening the extraordinary general meeting, and the supervisory board may convene and preside over the meeting on its own accord.

Article 109 Where the supervisory board or the shareholders decide to convene the meeting on its/their own accord, they shall notify the board of directors in writing and report to the relevant authorities in accordance with the applicable requirements.

Guidelines
Article 49

The shareholders who convene the general meeting shall submit the supporting materials to the relevant authorities in accordance with the applicable requirements at the time when the notice of general meeting and the announcement on resolutions passed at the general meeting are issued.

Article 110 The board of directors and the board secretary shall cooperate with respect to the convening of a general meeting by the supervisory board or the shareholders on their own accord. The board of directors shall provide the register of members as of the record date. Guidelines Article 50

Article 111 All reasonable costs arising out of the meetings convened by shareholders or the supervisory board shall be borne by the Company and deducted from the amount payable by the Company to the director who has breached his duties. Mandatory Provisions Article 72 Guidelines Article 51

Article 112 A shareholders' general meeting shall be convened by the board of directors and presided over by the chairman of the board of directors; where the chairman is unable or not to perform his duties, the vice chairman of the board of directors (and if the Company has two or more vice chairmen, such meetings shall be presided over by the vice chairman jointly elected by more than one-half of the directors) shall preside over the meeting; where the Company does not have any vice chairman or the vice chairman is unable or not to perform such duties, a director shall be jointly elected by more than one-half of the directors to preside over the meeting. Where no such director can be elected by more than one-half of the directors to preside over the meeting, the shareholders present at the meeting may elect a person to act as Mandatory Provisions Article 73 Company Law Article 102 Guidelines Article 67

the chairman; if, for any reasons, the shareholders fail to elect a chairman, the shareholder (or his proxy or proxies) who is present and holding the largest number of voting shares shall act as the chairman of the meeting.

The general meeting convened by the supervisory board shall be presided over by the chairman of the supervisory board. Where the chairman of the supervisory board is unable or not to perform his duties, the vice chairman of the supervisory board shall preside over the general meeting. Where the vice chairman of the supervisory board is unable or not to perform such duties, a supervisor shall be elected by more than one-half of the supervisors to preside over the meeting.

The general meeting convened by shareholders shall be presided over by a representative elected by the convener.

Where any violation of the rules of procedures by the chairman of the shareholders' general meeting renders the general meeting unable to be continued, a person may be elected with the consent by more than one-half of the shareholders with voting rights who are present at the shareholders' general meeting to act as the chairman of the meeting and continue the meeting.

Article 113 The chairman of the meeting shall determine whether or not a resolution of the shareholders' general meeting is passed. His decision shall be final and conclusive and shall be announced at the meeting and recorded in the minutes.

Mandatory
Provisions
Article 74

Article 114 In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to vote, he may have the votes counted. In the event that the chairman of the meeting does not have the votes counted, any shareholder or proxy present at the meeting 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
Guidelines
Article 90

Article 115 If ballots are counted at a general meeting, the counting result shall be recorded in the minutes of the meeting.

Mandatory
Provisions
Article 76

The minutes of general meeting shall be signed by the chairman of the meeting, the directors, supervisors, board secretary and convener or its representative. The minutes of the meeting together with the book of signatures of attending shareholders and forms of proxy and valid information on the votes casted via online internet and by other means shall be kept at the domicile of the Company for a period of not less than ten years.

Guidelines
Article 73

Article 116 Minutes of general meetings shall be kept by the board secretary. The minutes of meeting shall set forth:

Guidelines
Article 72

(1) Date, venue and agenda of the meeting, and the name of the convener;

(2) Names of the chairman and the directors, supervisors, president and other senior management present at or attending the meeting;

(3) Number of shareholders and their proxies present at the meeting, total number of voting shares held by them and as a percentage of the total number of the Company's shares;

(4) The course of consideration of each resolution, key points of statements made at the meeting and the voting results;

(5) Details of inquiries or suggestions of the shareholders, and the corresponding responses or explanations;

(6) Names of the lawyer, vote counting officer and scrutinizer;

(7) Other information that shall be recorded in the minutes in accordance with the Articles of Association.

Article 117 Copies of the minutes of the meeting shall be available for inspection during business hours of the Company by any shareholder without 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

Article 118 An announcement on the resolutions passed at a general meeting shall be issued by the Company in accordance with the applicable laws and regulations and the relevant requirements of the stock exchange(s) on which the Company's shares are listed. Such announcement shall set forth the number of shareholders or their proxies present at the meeting, the total number of voting shares held by them and as a percentage of the total number of voting shares of the Company, the way of voting, voting result of each resolution and the particulars of each resolution passed. Guidelines Article 91

Article 119 Where a resolution has not been passed or a resolution approved at the preceding general meeting has been altered at the current general meeting, a special notice shall be given in the announcement on the resolutions passed at the general meeting. Guidelines Article 92

Article 120 Where a resolution on election of directors or supervisors is passed at a general meeting, the date of appointment of the directors or supervisors so elected shall be the date of being elected. Guidelines Article 93

Article 121 Where any resolution concerning cash dividends, bonus issue or capitalization of capital reserve fund is passed at a general meeting, the Company shall implement the specific proposals within two months upon conclusion of the meeting. Guidelines Article 94

Article 122 The Company will engage legal counsels to issue legal opinions and publish an announcement on the following issues for the purpose of the general meeting: Guidelines Article 45

(1) Whether or not the convening of the meeting and the rules of procedures are in compliance with the laws, administrative regulations and the Articles of Association;

(2) Whether or not the qualifications of the attendees and the convener of the meeting are lawful and valid;

(3) Whether the voting procedures and results of the meeting are lawful and valid;

(4) Legal opinion on other related issues upon request of the Company.

CHAPTER 9 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 123 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 124 Any variation or abrogation of the rights of any class of shareholders proposed by the Company may only come into effect upon the passing 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 126 to 130 hereof. Mandatory Provisions Article 79

Article 125 The following circumstances shall be deemed to be a variation or abrogation of the rights of shareholders of a particular class: Mandatory Provisions Article 80

(1) to increase or reduce the number of shares of a particular class, or increase or reduce 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 priority rights to dividend or distribution of property on liquidation attached to shares of such class;

(5) to add, remove or reduce the rights to conversion, options, voting, transfer, preferential allotment and acquisition of 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 of ownership of the shares of such class or impose more 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 in such restructuring;

(12) to vary or abrogate the terms provided in this Chapter.

Article 126 The affected class shareholders, regardless of whether they are entitled to vote at general meetings, shall be entitled to cast vote on the matters relating to clauses (2) to (8) and (11) to (12) of Article 125 at the class shareholders' general meeting, provided that the interested shareholders shall have no right to vote at such class shareholders' general meeting.	Mandatory Provisions Article 81
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The interested shareholders referred to in the preceding paragraph shall mean:

(1) In the event of a repurchase of shares by the Company by way of a repurchase offer to all shareholders of the Company in proportion to their respective shareholdings or through public trading on a stock exchange pursuant to Article 26 hereof, an “Interested Shareholder” shall be a Controlling Shareholder as defined in Article 59 hereof;

(2) In the event of a repurchase of shares by the Company under an off-market agreement pursuant to Article 26 hereof, an “Interested Shareholder” shall be a shareholder relating to such agreement; or

(3) In the event of restructuring of the Company, an “Interested Shareholder” shall be a shareholder who assumes a relatively lower level of obligation than that of any other shareholders of the same class or who has an interest different from that of any other shareholders of the same class.

Article 127 A resolution of the class meeting shall be passed in accordance with Article 126 hereof by shareholders present at the meeting representing not less than two-thirds of voting rights. Mandatory Provisions Article 82

Article 128 Notice of a class meeting (in written form or in other forms as prescribed by the Articles of Association) setting out the agenda, date and venue of a class general meeting must be given to all holders of that particular class of shares whose names appear in the register of members 45 days prior to the date of convening such class general meeting. Shareholders who intend to attend the relevant class general meeting must reply in writing to the Company 20 days prior to the date of convening such class general meeting. Mandatory Provisions Article 83

The Company may convene a class general meeting if the number of shares with voting rights at the meeting represented by the shareholders intending to attend the meeting are more than one-half of the total number of shares with voting rights of the said class at the meeting; otherwise, the Company shall, within 5 days notify the shareholders of the matters to be considered, date and venue of the class general meeting in the form of public announcement.

Article 129 Notices of class meetings only need to be served on shareholders entitled to vote thereat. Mandatory Provisions Article 84

The procedures for convening the class meeting shall be similar to those for convening 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 130 Apart from the holders of other classes of shares, holders of A Shares and H Shares are deemed as shareholders of different classes. Mandatory Provisions Article 85

No special voting procedures for class shareholders shall be applied in the following circumstances: Hong Kong Listing Rules Appendix 13D Section 1(f)

(1) As approved by way of a special resolution at a general meeting, the Company issues, either separately or concurrently, A Shares and H Shares in every twelve months and the respective number of A Shares and H Shares proposed to be issued do not exceed twenty per cent of the total number of A Shares and H Shares then in issue respectively; or

(2) The Company's proposal for issuing A Shares and H Shares upon its establishment is completed within 15 months from the date of approval of the competent securities regulatory authority of the State Council.

CHAPTER 10 BOARD OF DIRECTORS

SECTION 1 DIRECTORS

Article 131 Directors who are natural persons are not required to hold any shares of the Company. Company Law

Directors include executive directors and non-executive directors, while non-executive directors include independent (non-executive) directors. Article 46

Directors who are not representatives of employees shall be elected at general meetings. Directors who are required to be a representative of employees shall be elected at a meeting of employees' representatives or meeting of employees or by other democratic ways. Mandatory Provisions Article 87 Guidelines

The term of directorship shall be three years from the date of election until the expiry of the current session of the board of directors. Upon expiry of the term of directorship, the directors are eligible for re-election. Articles 95, 96

Executive directors shall be elected by the board of directors and are responsible for handling matters authorized by the board of directors and daily operations designated by the Company; non-executive directors are not responsible for handling daily operations.

The Company has appointed independent (non-executive) directors. Unless otherwise required in this section, the provisions relating to the qualifications and obligations of directors set out in Chapter 14 of the Articles of Association shall be applicable to independent (non-executive) directors.

Functions and duties of independent (non-executive) directors of the board of directors of the Company include but not limited to:

(1) To participate in the board of directors and provide independent opinions on matters concerning the Company's strategic decisions, appointment of senior management and other decisions involving material benefits of the Company;

(2) To demonstrate the role of leader and guidance whenever there is potential conflict of interests such as where the Company is entered into connected transactions so as to fully protect the legitimate rights and interests of the Company and the public investors;

(3) To serve as a member of special committees such as the strategic committee, audit committee and remuneration and nomination committee of the board of directors when invited; and

(4) To monitor whether or not the business performance of the Company has achieved its pre-set objectives and express opinions at relevant meetings.

Article 132 The nomination of candidates for directorship is generally put forward at the general meeting of the Company by way of resolution.

Opinion

Circular

Number 4

Candidates for directorship other than independent (non-executive) directors shall be nominated by the board of directors, supervisory board or the shareholders who hold, alone or in aggregate, more than 3% of the total shares with voting rights of the Company, and elected at a shareholders' general meeting.

Hong Kong

Listing Rules

Appendix 3

Rules 4(4), (5)

The intention to nominate a candidate as a director and the written notice of such candidate regarding his willingness to accept the nomination shall be given to the Company on or after the date of issue of the notice of the relevant shareholders' general meeting but not later than seven days prior to the date of convening such shareholders' general meeting. The period for such nomination and acceptance of nomination shall not be less than seven days.

Guidelines

Article 53

The Company will disclose the profiles, reasons for election and views of candidates on nomination in the notice of general meeting.

Article 133 Resolutions at a general meeting of the Company in respect of the election of directors shall be voted and passed under the cumulative voting system, under which if more than two directors are to be elected at the general meeting, every share held by the shareholders entitled to cast votes shall carry as many voting rights as the number of directors to be elected, and such shareholder may concentrate his voting rights on one director candidate

Standard of

Corporate

Governance

Article 31

Guidelines

Article 82

or distribute his voting rights among several director candidates.

Article 134 Directors may tender resignation prior to the expiry of the term of office. A written resignation report shall be tendered to the board of directors by a director who intends to resign. Guidelines Article 100

If the number of directors fall below the statutory requirement on the minimum number of directors of the Company when a director resigns, the notice of resignation of the resigning director will only become effective until a new director is appointed to fill the vacancy. Under this circumstance, the board of directors should convene an extraordinary general meeting to elect a new director to fill the vacancy as soon as possible. The term of appointment of the newly elected director or any director appointed so as to increase the number of directors will be effective from the date of appointment to the expiry of the current session of the board of directors of the Company and such director will then be eligible for re-election.

Save for the foregoing, any resignation of directors shall become effective upon the written resignation report being delivered to the board of directors.

Article 135 Any director who has withdrawn from his office on his own without authorization prior to the expiration of his term of office, and whereby a loss is incurred to the Company, shall be liable for compensation of such loss. Opinion Circular Number 4 Hong Kong Listing Rules

The shareholders' general meeting may, by way of an ordinary resolution, dismiss any director whose term of office has not yet expired, subject to provisions of the relevant laws and administrative regulations and without prejudice to any potential claim which may be made under any contract. Appendix 3 Rules 4(3) Guidelines Article 99

If any director fails to attend in person or entrust other directors as his representative to attend meetings of the board of directors for two consecutive times, such director shall be deemed to have failed to perform his duties, and the board of directors shall propose to replace such director at the general meeting.

Article 136 If the term of office of a director expires but re-election is not made forthwith, or the members of the board of directors fall below the quorum resulting from the resignation of a director during his term of office, the said director shall continue performing the duties as director pursuant to the relevant laws, administrative regulations and the Articles of Association until a new director is elected.

Company Law Article 46 Clause 2, Article 109 Clause 3

Guidelines Article 96

SECTION 2 BOARD OF DIRECTORS

Article 137 The Company shall form the board of directors consisting of nine to thirteen directors, one of whom shall be appointed as the chairman and two may be appointed as vice chairmen. At least one-third of the board of the members of the directors shall be independent (non-executive) directors and, in any event, the number of independent (non-executive) directors shall not be less than 3 persons. Representative of employees of the Company is eligible to be elected as a member of the board of directors.

Mandatory Provisions Article 86 Independent Director Opinion Article 1(3)

The election and removal of the chairman and vice chairmen shall be approved by more than half of all directors. The term of office of the chairman and vice chairmen shall be three years and eligible for re-election upon expiry.

<p>Article 138 The rules of procedures shall be formulated by the board of directors to ensure the implementation of the resolutions passed at general meetings by the board of directors, enhance work efficiency and ensure that the decision making process is scientific.</p>	<p>Guidelines Article 109</p>
<p>Article 139 The board of directors is accountable to the shareholders' general meeting and exercises the following powers and functions:</p>	<p>Company Law Articles 47,</p>
<p>(1) To be responsible for the convening of shareholders' general meetings and report its work at the shareholders' general meetings;</p>	<p>109, 112</p>
<p>(2) To execute resolutions passed at the shareholders' general meetings;</p>	
<p>(3) To decide on business operation plans and investment proposals of the Company;</p>	<p>Mandatory Provisions Article 88</p>
<p>(4) To prepare the annual financial budget and final accounts of the Company;</p>	
<p>(5) To prepare proposals for profit distribution and recovery of losses of the Company;</p>	<p>Guidelines Article 107</p>
<p>(6) To formulate proposals for increase or reduction in the Company's registered capital and the issue of corporate bonds or other securities and proposal for listing;</p>	<p>Notice of Guarantee Article 1</p>
<p>(7) To formulate proposals for major acquisition by the Company or purchase of the Company's shares;</p>	
<p>(8) To formulate proposals for merger, division, dissolution or otherwise alteration of the Company's form;</p>	

(9) To decide on the external guarantees other than those required to be approved at general meetings in accordance with the laws, administrative regulations and the Articles of Association;

(10) To decide on the matters relating to external investments, acquisition or disposal of assets, pledge of assets, external guarantees, entrustment of financial management and connected transactions of the Company within the scope of the authority granted at general meetings;

(11) To decide on the matters relating to external donation of the Company and its subsidiaries, the annual cumulative value of which is over RMB5,000,000 but within RMB10,000,000 (inclusive);

(12) To decide on the establishment of an internal management department of the Company;

(13) To appoint or dismiss the Company's president and board secretary; and based on the nomination by the president, to appoint or dismiss the vice presidents, financial controller, general legal counsel and other senior management of the Company and decide on the matters relating to their remuneration and reward and punishment;

(14) To formulate the fundamental management system of the Company;

(15) To formulate the proposal on amendments of the Articles of Association;

(16) To manage the information disclosure matters of the Company;

(17) To submit a resolution on engagement or change of the certified public accountant responsible for the audit work of the Company at the shareholders' general meeting;

(18) To receive the work report of the president of the Company and review his work;

(19) Other powers and functions conferred by the laws, regulations and rules of listing of securities of the stock exchanges on which the Company's shares are listed, at the general meeting or under the Articles of Association.

Other than the matters mentioned in clauses (6), (8) and (15) above which are required to be resolved by more than two-thirds of all directors, the matters mentioned above shall be resolved by more than one-half of all directors (clause (9) above shall be approved by more than two-thirds of directors present in a meeting). The board of directors shall perform its duties in accordance with the State's laws, administrative regulations, the Articles of Association and resolutions of the shareholders' general meeting.

Article 140 The board of directors shall establish special committees, such as strategic committee, audit committee, remuneration and nomination committee and other special committees which the directors deem necessary. Each of the designated committees, under the leadership of the board of directors, shall provide recommendation and advices to the board of directors. The rules of work for each committee shall be formulated by the board of directors.

Article 141 Without the provisions of the Articles of Association or legal authorization given by the board of directors, no director shall act on behalf of the Company or the board of directors in his own name. If a director acts in his own name, and a third party would reasonably believe that such director acts on behalf of the Company or the board of directors, such director shall declare his standpoint and identity before taking any action.

Guidelines
Article 102

Article 142 Unless otherwise required by the laws and regulations or rules of listing of the stock exchanges on which the Company's shares are listed, the Company's investment in other corporate and the provision of guarantee(s) for third parties shall be resolved by the board of directors. However, the guarantees which are required to be considered and approved at general meetings under Article 62 shall be resolved and approved at general meetings.

Guidelines
Article 41
Notice of
Guarantee
Article 1

In relation to the guarantees between the Company and its wholly-owned subsidiaries and controlling subsidiaries or between the wholly-owned subsidiaries and controlling subsidiaries of the Company, in order to enhance the efficiency of decision making, the board of directors can decide on the annual cap of such guarantees, within the limit of which executive directors are authorized to handle matters relating to such guarantees provided that the signatures and approvals by more than one-half of executive directors shall be obtained.

Any shareholder referred to in the preceding paragraph or any shareholder controlled by the beneficial controller referred to in the preceding paragraph shall not vote on such matters. Any such matters shall be decided by a majority of the voting rights held by other shareholders attending the meeting.

The Company shall establish strict internal control system over external guarantees. The whole board of directors shall cautiously handle and strictly control the risk of debt generated by external guarantees.

In respect of the Company's external guarantees, the Company shall take precautionary measures such as requiring counter-guarantee offered by the counterparty. The provider of the counter-guarantee shall have the actual capability in offering such counter-guarantee.

In connection with the losses resulting from an external guarantee given not in compliance with the relevant laws, statues, regulations and the Articles of Association, directors who shall be held responsible shall bear joint and several liabilities.

Article 143 The board of directors shall define the approval authority and establish stringent examination and decision-making procedures in relation to external investments, acquisition and disposal of assets, pledges of assets, external guarantees, entrustment of financial management and connected

Guidelines
Article 110

transactions. Specialists or professionals shall be engaged to conduct assessments on any major investment projects, and report the results at general meetings for consideration and approval.

Article 144 In cases where the expected value of fixed assets proposed for disposal by the board of directors, when aggregated with the value of fixed assets disposed within four month before the proposed disposal, exceeds 33% of the value of fixed assets set out in the latest balance sheet considered by the shareholders' general meeting, the board of directors 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 represents (among other things) transferring certain interests in assets, but not including the provision of guarantees with fixed assets.

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

Article 145 The chairman of the board of directors is entitled to the following powers and functions:

Company Law
Article 110

(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 of directors;

Mandatory Provisions

(3) to sign the securities certificates issued by the Company;

Article 90

(4) to sign important documents of the board of directors and other documents that require signing by the Company's legal representative;

(5) to propose the nomination for the Company's president and board secretary;

Guidelines
Articles 112,
113

(6) to exercise the special power to handle corporate affairs in accordance with law and the Company's interests in cases of emergency caused by natural disasters or other force majeure, and report to the board of directors and shareholders' general meeting thereafter;

(7) to exercise other powers and functions conferred by the board of directors.

Vice chairmen shall assist the chairman with his work. If the chairman is unable or not to perform his duties, such duties shall be performed by the vice chairman (where there are two or more vice chairmen of the Company, the vice chairman nominated by more than one-half of all directors shall perform such duties). If the vice chairman is unable or not to perform such duties, such duties shall be performed by a director elected by more than half of the directors.

Article 146 The board of directors shall hold at least four regular meetings each year. Board meeting shall be convened by the chairman of the board of directors. Notice of meeting will be dispatched to all directors, supervisors and the president at least fourteen days before the meeting is held. The requirement on the notice period is not applicable to extraordinary board meetings, but a reasonable notice should be given to all directors, supervisors and the president.

Company
Law
Article 111
Mandatory
Provisions
Article 91

Extraordinary board meetings may be convened under one of the following circumstances:

Guidelines
Articles 114,
115

(1) the chairman of the board of directors considers necessary;

(2) jointly demanded by more than one-third of the directors;

(3) demanded by the supervisory board;

(4) demanded by the shareholders representing more than one-tenth of the voting rights;

(5) demanded by more than one-half of the independent (non-executive) directors; or

(6) demanded by the president.

Under the circumstances (2), (3) and (4) above, the chairman of the board of directors should convene and preside over a board meeting within ten days upon receipt of any demand.

Article 147 Notice for convening the board meeting and extraordinary meeting of the board of directors shall be served as follows: written notices of meetings stamped with the seal of the board of directors shall be delivered to all directors, supervisors and president by way of direct delivery in person or by e-mail or facsimile. Delivery by e-mail or facsimile shall also be confirmed by telephone and being recorded. Notice for regular board meetings shall be served fourteen days prior to the holding of the meeting while the requirement of notice period is not applicable to extraordinary board meetings, but reasonable notice should also be given to all directors, supervisors and the president.	Mandatory Provisions Article 92 Guidelines Article 116
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The board of directors may fix the date and venue for the board meeting and record such information on the minutes of the meeting. If minutes of such meeting have been issued to all directors not less than ten days before the holding of the next board meeting, the next board meeting may be convened without issuing a separate notice to the directors beforehand.

The notice of meeting shall be deemed to have issued to a director if he is present at the meeting and does not raise the issue of non-receipt of such notice prior to or at the time of his arrival at the meeting.

Board meetings may be held by way of telephone conference or assisted by 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 148 Notice of board meeting shall include the following information: Guidelines
Article 117

(1) The date and venue of the meeting;

(2) The duration of the meeting;

(3) Matters and objects to be discussed;

(4) The date of the notice.

Article 149 The quorum of the board meeting shall be more than half of the directors (including those entrusted to attend the meeting under Article 150 hereof). Mandatory Provisions
Article 93

Each director shall have a ballot for voting. Resolutions of the board of directors shall be passed by more than half of all directors, unless otherwise required by the Articles of Association. In case of equal division of votes, the chairman of the board of directors is entitled to a casting vote. Guidelines
Article 118

Resolutions made by the board of directors in relation to connected transactions will only be valid upon signing by independent (non-executive) directors.

In case a director is interested in the resolution of the board meeting, that director shall avoid attending the meeting and has no voting right. That director will also be excluded in the calculation of quorum for the board of directors.

Article 150 Directors shall attend board meetings in person. If a director is unable to attend the meeting in person for any reason, he may entrust another director to attend the meeting on his behalf by signing a power of attorney, which shall contain the name of the entrusted director, entrusted matter, scope of authorization and time of validity.

Mandatory
Provisions
Article 94
Guidelines
Article 121

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 entrusted a representative to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Article 151 The board of directors shall keep minutes of resolutions passed at board meetings. The minutes shall be signed by the directors present at the meeting and the board secretary. The minutes of board meetings shall be maintained in corporate archives for a period no less than ten years. The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors 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
Guidelines
Articles 122,
123

The minutes of board meetings shall include the following:

- (1) the date, venue and name of the convener of the meeting;
- (2) the names of attending directors and directors entrusted as proxies to attend the meeting;
- (3) the agenda of the meeting;
- (4) the major comments and opinions of each director;
- (5) the voting method and results of each resolution (the number of affirmative, negative and abstention votes shall be specifically indicated).

Article 152 In respect of any matter which needs to be determined by the board of directors at an extraordinary board meeting and where the board of directors has already sent out written notice (including facsimile) of matters to be resolved at such meeting and the number of directors who have signified their consent thereto reaches the required number as set out in the Articles of Association, a valid resolution shall be deemed to be passed and there is no need to convene a board meeting.

Article 153 In principle, the board meeting shall be held at the legal address of the Company, however it can be held in other places inside and outside the PRC as resolved by the board of directors.

Article 154 Costs reasonably incurred by directors in attending the board meeting shall be borne by the Company. These costs include cost of transportation between the place of the directors and the venue of the meeting (if different from the place of the directors), accommodation and meal expenses during the period of the meeting and local travelling costs, etc.

CHAPTER 11 BOARD SECRETARY

Article 155 The Company shall have a board secretary, who is a senior management member of the Company and shall be accountable to the board of directors. Mandatory Provisions Article 96

Article 156 The board secretary of the Company shall be a natural person with the requisite professional knowledge and experience, and shall be nominated by the chairman and appointed by the board of directors. His/her primary responsibilities are: Mandatory Provisions Article 97

(1) to organize and arrange for the shareholders' general meetings and board meetings, prepare meeting materials, handle relevant meeting affairs, to be responsible for keeping minutes of the meetings and ensure their accuracy, keep meeting documents and minutes and take initiative to keep abreast of the implementation of relevant resolutions. Any important issues occurring during the implementation shall be reported and relevant proposals shall be put forward to the board of directors; Guidelines Article 133

(2) to ensure the completeness of the constitutional documents and records of the Company; keep and manage the information of shareholders; assist directors in handling their daily work and continuously provide the directors with, remind them of and ensure that they understand the laws and regulations, policies and requirements of the domestic and foreign regulatory authorities concerning the operation of the Company; assist the directors and the president in exercising their powers in compliance with relevant domestic and foreign laws and regulations, the statutes, the Articles of Association and other relevant requirements;

(3) to ensure the decision on material matters made by the board of directors of the Company to be carried out strictly in accordance with the procedures as stipulated; at the request of the board of directors, participate in the organization of consultation on and analysis of the matters to be decided by

the board of directors and offer relevant opinions and suggestions; handle the day-to-day affairs of the board of directors the its relevant committees as assigned;

(4) to act as the contact person of the Company with the securities regulatory authorities, to be responsible for organizing and preparing for prompt submission of the documents required by the regulatory authorities, and accept and organize the implementation of any assignment issued by the regulatory authorities,;

(5) to be responsible for coordinating and organizing the Company's disclosure of information, establish and improve the information disclosure system, participate in all of the Company's meetings involving the disclosure of information, and keep informed of the Company's material operation decisions and related information in a timely manner;

(6) to be responsible for keeping the Company's price-sensitive information confidential and work out effective and practical confidentiality systems and measures; where there is any leakage of the Company's price-sensitive information due to any reason, necessary remedial measures shall be taken, timely explanation and clarification shall be made, and relevant reports shall be submitted to the stock exchange(s) on which the shares of the Company are listed and to China Securities Regulatory Commission;

(7) to be responsible for coordinating reception of visitors, keep in touch with news media; coordinating replies to inquiries from the public, handle the relationship with the intermediary institutions, regulatory authorities and the media and organize the submission of reports to China Securities Regulatory Commission on the relevant matters;

(8) to ensure the proper maintenance of the register of members and that the persons who have the rights of access to the relevant documents and records of the Company can obtain those records and documents in a timely manner;

(9) to assist directors and the president in fully complying with the domestic and foreign laws, regulations, the Articles of Association and other related requirements when exercising their functions and powers; upon becoming aware that the Company has passed or may pass resolutions which may breach the relevant requirements, to be obliged to promptly remind the board of directors and is entitled to report the fact to the China Securities Regulatory Commission and other regulatory authorities;

(10) to coordinate in providing the necessary information to the Company's supervisory board and other supervising and audit authorities to facilitate the discharge of their supervision duties; assist in carrying out investigation into the performance of the fiduciary duties by chief financial officer, directors and the president of the Company;

(11) to perform other duties as delegated by the board of directors and other duties as required by the stock exchange(s) on which the shares of the Company are listed.

Article 157 Directors or other senior management members of the Company may concurrently hold the post of the board secretary. The accountant(s) of the certified public accountants' firm appointed by the Company and the senior management members of the Controlling Shareholders shall not concurrently hold the post of the board secretary. Mandatory Provisions Article 98

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

CHAPTER 12 PRESIDENT

Article 158 The Company shall have one president who shall be employed and dismissed by the board of directors, and several vice presidents, one financial controller and one general legal counsel who shall be nominated by the president and employed and dismissed by the board of directors. A director may also act as the president, vice president and other members of senior management.

Mandatory Provisions Article 99 Guidelines Articles 96, 124, 127

The board of directors may determine the board members to act as the president and other senior management members concurrently but the total number of directors who act as the president and other senior management members concurrently shall not account for more than half of the members of the board of directors.

The term of office of the president and other senior management members shall be three years and they can be re-appointed.

Article 159 Personnel who holds any positions other than directorship in any companies of the Controlling Shareholders and beneficial controllers of the Company shall not act as senior management of the Company.

Guidelines Article 126

Article 160 The president of the Company shall be accountable to the board of directors and exercise the following powers and functions:

Company Law Articles 50, 114

(1) to lead the Company's production, operation and management, organize the implementation of the resolutions made by the board of directors;

(2) to organize the implementation of the Company's annual business plans and investment plans;

Mandatory Provisions Article 100

(3) to formulate plans for the establishment of the Company's internal management department;

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- (4) to formulate the Company's basic management system; Guidelines
Article 128
- (5) to formulate specific regulations of the Company;
- (6) to propose the appointment or dismissal of the Company's vice presidents, financial controller and general legal counsel;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (8) to formulate proposals for the transformation, division, restructuring and liquidation of the wholly-owned subsidiaries of the Company;
- (9) to formulate the structure of the branch organizations of the Company;
- (10) to make decision on the Company's investments, financing, contracts and transactions under the authorization of the board of the directors;
- (11) to decide on the matters relating to external donation of the Company and its subsidiaries, the annual cumulative value of which is within RMB5,000,000 (inclusive);
- (12) to propose the holding of extraordinary general meeting in case of emergency;
- (13) to exercise other powers and functions conferred by the Articles of Association and the board of directors.

The vice presidents, the financial controller, the general legal counsel and other members of the senior management shall assist the president.

Article 161 The president of the Company shall attend board meetings. The president who is not a director does not have any voting rights at board meetings. Mandatory Provisions
Article 101

Article 162 The president shall, in accordance with the requirements of the board of directors or the supervisory board, report to the board of directors or the supervisory board regarding the signing and implementation of major contracts and application of funds. The president shall ensure the truthfulness of such reports.

Article 163 The rules of work for president shall be formulated by the president of the Company and be reported to the board of directors for approval and implementation upon approval. Guidelines Article 129

Article 164 The terms of reference of the rules of work for president shall cover the following aspects: Guidelines Article 130

- (1) The conditions, procedures and attendees of president's meetings;
- (2) The respective specific duties of the president and other members of the senior management and the division of such duties;
- (3) The use of the Company's funds and assets, limitation of power to sign major contracts and the system to report to the board of directors and the supervisory board;
- (4) Other matters as the board of directors may consider necessary.

Article 165 The president of the Company, in performing his functions and powers, shall act with integrity and diligently and in accordance with the laws, administrative regulations and the Articles of Association. Mandatory Provisions Article 102

As authorized by the board of directors, the president may exercise part of the powers and functions of the board of directors provided that such authorization shall be in compliance with the laws and regulations of the State and the relevant requirements of the stock exchange(s) on which the Company's shares are listed.

Article 166 The president may tender resignation prior to expiry of his term of office. The specific procedures and measures for the resignation of the president shall be provided in the labour contract between the president and the Company. Guidelines Article 131

CHAPTER 13 SUPERVISORY BOARD

Article 167 The Company shall establish a supervisory board. Mandatory Provisions Article 103

Article 168 The supervisory board shall consist of seven to nine supervisors, among whom at least one-third shall be employees' representatives. Supervisors shall have a term of three years and be eligible for re-election upon expiry of the term. Mandatory Provisions Article 104

The supervisory board shall have one chairman. The appointment and removal of the chairman shall be approved by more than two-thirds of the members of the supervisory board. Hong Kong Listing Rules Appendix 13D Rule 1(d)(i)

Where the re-election is not made in a timely manner upon expiry of the term of office of a supervisor, or a supervisor's resignation during his term of office results in the number of members of the supervisory board falling below the quorum required, the said original supervisor shall, prior to a new supervisor taking up the office, continue to perform his duties as a supervisor in accordance with the provisions of the laws, administrative regulations and the Articles of Association. Opinion Circular Number 5 Guidelines Articles 137, 138, 143

<p>Article 169 Supervisors who are not representatives of employees shall be elected and removed at shareholders' general meeting and supervisors who are representatives of employees shall be elected and removed by the employees of the Company democratically and shall represent not less than one-third of the total number of supervisors.</p>	<p>Company Law Article 118 Mandatory Provisions Article 105 Guidelines Article 143</p>
<p>Article 170 The directors, president and other senior management members of the Company shall not assume the position of supervisors.</p>	<p>Mandatory Provisions Article 106 Guidelines Article 135</p>
<p>Article 171 The supervisory board shall convene meeting at least twice a year. The meeting shall be convened by the chairman of the supervisory board for at least every six months. Supervisors may propose to convene an extraordinary meeting. Where the chairman of the supervisory board is unable or not to perform his duties, a supervisor may be elected by more than one-half of the supervisors to convene and preside over the meeting of the supervisory board. Notice of meeting of the supervisory board shall include the following information:</p>	<p>Mandatory Provisions Article 107 Company Law Article 118</p>
<p>(1) The date, venue and duration of the meeting;</p>	<p>Guidelines Articles</p>
<p>(2) The matters and objects to be discussed; and</p>	<p>145, 148</p>
<p>(3) The date of the notice.</p>	

Article 172 The supervisory board is accountable to the shareholders' general meeting and exercises the following powers and functions in accordance with the laws: Mandatory Provisions Article 108

(1) To review the Company's financial position and the periodic reports of the Company prepared by the board of directors and render written review comments thereon; Guidelines Articles 140, 144

(2) To supervise the performance by directors and senior management in executing the duties of the Company and to propose the removal of any director or senior management who have violated any laws, administrative regulations, the Articles of Association or resolutions passed at the shareholder's general meeting;

(3) To require correction of any acts of directors and other senior management which are harmful to the Company's interests;

(4) To verify the financial information such as the financial reports, reports on operations and profit distribution proposals to be presented by the board of directors to the shareholders' general meeting; if in doubt of such report, to appoint certified public accountants and practicing auditors to carry out review in the name of the Company;

(5) To propose the convening of shareholders' extraordinary general meeting and to convene and preside over the shareholders' general meeting when the board of directors is unable or not to convene and preside over such meeting;

(6) To propose any resolution at shareholders' general meetings;

(7) To deal with or take legal actions against directors and senior management members on behalf of the Company;

(8) To conduct investigations whenever unusual operation of the Company arises; if necessary, to engage professional firms such as certified public accountants and lawyers to assist in the investigations; and

(9) To exercise other powers and functions as stipulated herein.
Supervisors may attend meetings of the board of directors.

Article 173 Supervisors shall have the right to request the chairman of the supervisory board to convene an extraordinary meeting with reasonable cause. Notices of meetings of the supervisory board stamped with the seal of the supervisory board shall be given by the staff to all supervisors ten days prior to such meeting by way of direct delivery in person or by mail, facsimile, e-mail or telephone. Indirect delivery shall also be confirmed by telephone and being recorded. The notice shall include the date and venue of the meeting, the duration of the meeting, issues to be discussed at the meeting and the date of issue of the notice.

Mandatory Provisions
Article 109
Opinion Circular
Number 6
Hong Kong Listing Rules
Appendix 13D
Rule 1 (d)(ii)

Meetings of the supervisory board shall be held only when over two-thirds of the members are in attendance. Resolutions at the meetings of the supervisory board shall be decided by an open ballot and each supervisor shall have one vote. Supervisors shall attend meetings of the supervisory board in person. If a supervisor is unable to attend the meeting for any reason, he may entrust other supervisors to attend the meeting on his behalf by signing a power of attorney, which shall state the scope of authorization.

Resolutions of regular meetings and resolutions of extraordinary meetings of the supervisory board shall all be resolutions of the supervisory board, and shall be passed by over two-thirds of the supervisors by voting.

Article 174 The supervisory board shall maintain records of its meetings. The supervisors shall be entitled to make particular illustrative statements regarding their opinions expressed at the meeting recorded in the minutes. The minutes of a meeting shall be signed by the attending supervisors and

Guidelines
Article 147

the person for taking record. Minutes of the meetings of the supervisory board shall be maintained by the board secretary and kept as records of the Company for a period of ten years.

Article 175 The supervisory board shall maintain a record for the implementation of the resolutions of the supervisory board meeting. The resolutions of the supervisory board shall be implemented or supervised by designated supervisor. The supervisor so designated shall record the progress on the implementation of the resolution and report to the supervisory board thereon.

Article 176 Supervisors and the supervisory board shall not be liable for resolutions of the board of directors. However, if the supervisory board considers that the resolution of the board of directors is in violation of the laws, regulations and the Articles of Association or prejudicing the interests of the Company, the supervisory board may resolve to propose re-consideration by the board of directors.

Article 177 All reasonable expenses incurred in respect of the employment of professionals such as lawyers, certified public accountants or practicing auditors as required by the supervisory board in discharging its duties shall be borne by the Company. Mandatory Provisions Article 110

The reasonable costs incurred by supervisors in attending meetings of the supervisory board shall be borne by the Company.

Article 178 Supervisors shall discharge their supervising duties diligently in accordance with the laws, administrative regulations and the Articles of Association. Mandatory Provisions Article 111

Supervisors shall ensure that all information disclosed by the Company shall be true, accurate and complete. Guidelines Articles 139, 141

Supervisors shall not infringe the interests of the Company by taking advantage of their connected relationship with the Company. The responsible supervisor shall be liable for any losses incurred by the Company as a result of such infringement.

Article 179 The supervisory board shall formulate rules of procedures for the meetings of the supervisory board, specifying the conduct and voting procedures of meetings, in order to ensure that the work of the supervisory board is efficiency and decision making is scientific. Guidelines Article 146

CHAPTER 14 QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS, PRESIDENT, AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Article 180 A person may not serve as a director, supervisor, president, or any other senior management member of the Company if any of the following circumstances applies: Mandatory Provisions Article 112

(1) a person without civil capacity or with restricted civil 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 on committing an offence, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation; Company Law Article 147 Guidelines Article 95

(3) a person who is a former director, factory manager or president (manager) of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date 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 and ordered for closure due to a violation of law and he is personally liable for that, where less than three years has elapsed since the date of the revocation of the business licence;

(5) a person who has a relatively large amount of debts outstanding and past due;

(6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where the said investigation or prosecution is not yet concluded;

(7) a person who is not eligible for enterprise leadership according to the laws and administrative regulations;

(8) not a natural person;

(9) a person convicted of 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 have elapsed since the date of the conviction;

(10) anyone prohibited by the China Securities Regulatory Commission to access the securities market and such prohibition period has not yet expired

(11) other circumstances as prescribed by the laws and regulations of the place of listing of the Company's shares.

Article 181 The validity of an act of a director, president 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 non-compliance behavior in his qualification. Mandatory Provisions Article 113

Article 182 In addition to obligations imposed by the laws, administrative regulations or required by the stock exchange(s) on which the Company's shares are listed, in the exercise of the functions and powers entrusted to him, each of the Company's directors, supervisors, president and other senior management members owes the following obligations to each shareholder:

Mandatory Provisions
Article 114
Guidelines
Article 98

(1) not to cause the Company to go beyond 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 form 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 for the restructuring of the Company approved at the general meeting in accordance with the Articles of Association.

Article 183 Each of the Company's directors, supervisors, president 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
Guidelines
Article 98

Article 184 Each of the Company's directors, supervisors, president and other senior management members shall exercise his powers or carry out his duties in accordance with the principle of fiduciary and shall not put himself in a position where his duties and his interests may be in conflict. This principle includes (without limitation) discharging the following obligations:

Mandatory Provisions
Article 116
Guidelines
Article 97

(1) to act honestly in the best interest of the Company;

(2) to exercise powers within the scope of his functions and 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 the 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 misappropriate the Company's fund and infringe the property of the Company 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 duties and protect the Company's interests, and not to exploit his position and the functions and powers in the Company to advance his own private interests;

(10) not to compete with the Company in any form unless with the 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 guarantee for the shareholder(s) of the Company or other individual(s) with the Company's assets;

(12) not to infringe the interests of the Company by taking advantage of his connected relationship with the Company; and

(13) unless otherwise permitted by informed shareholders in general meeting, not to leak out 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:

1. such disclosure is made under compulsion of law;
2. disclosure is required for public interest;
3. disclosure is required for the interests of the relevant director, supervisor, president and other senior management members.

Article 185 Each director, supervisor, president and other senior management member of the Company shall not cause the following persons or institutions (hereinafter referred to as "associates") to do what he is prohibited from doing: Mandatory Provisions Article 117

(1) the spouse or minor child of that director, supervisor, president and other senior management member of the Company;

(2) a person acting in the capacity of trustee of that director, supervisor, president and other senior management member of the Company or any person referred to in clause (1) of this Article;

(3) a person acting in the capacity of partner of that director, supervisor, president and other senior management member of the Company or any person referred to in clauses (1) and (2) of this Article;

(4) a company in which that director, supervisor, president and other senior management member of the Company, alone or jointly with one or more persons referred to in clauses (1), (2) and (3) above or other director, supervisor, president and other senior management member of the Company have de facto common controlling interest; and

(5) a director, supervisor, president and other senior management member of the company under control referred to in clause (4) of this Article; and

(6) any person deemed to be an associate of a director, supervisor, president and other senior management member of the Company under the Hong Kong Listing Rules.

Article 186 The fiduciary duties of a director, supervisor, president and other senior management member of the Company do not necessarily cease with the termination of their tenure. The duty of maintaining confidentiality in relation to trade secrets of the Company shall remain valid upon the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances and conditions under which the relationships between them and the Company are terminated.	Mandatory Provisions Article 118 Guidelines Article 101
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Article 187 Any losses suffered by the Company as a result of any violation of the laws, administrative regulations, departmental regulations or the Articles of Association by directors, supervisors, president and other senior management members of the Company in performance of their duties shall be borne by them. Guidelines Articles 103, 134, 142

Article 188 Except for circumstances prescribed in Article 58, a director, supervisor, president 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 189 Where a director, supervisor, president 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 the contract of service of the director, supervisor, president and other senior management member with the Company), he shall declare the nature and extent of his interests to the board of directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the board of directors under normal circumstances. Mandatory Provisions Article 120 Guidelines Article 119 Hong Kong Listing Rules Appendix 3 Rule 4(1)

In the event that a director is connected to companies (as defined in the listing rules as amended from time to time of the stock exchange(s) on which the Company's shares are listed) associated with matters to be resolved at the board meeting, such director shall not exercise his voting rights on such resolution, nor shall he vote on behalf of other directors and shall abstain from voting. The board meeting may be convened with a majority of the non-connected directors. Resolutions shall be approved by a majority of non-connected directors at the board meeting. When there are less than three non-connected directors present at the board meeting, such matters shall be submitted to the shareholders' general meeting for consideration.

A director shall not vote nor shall he be counted in the quorum on any board resolution approving any contract, arrangement or any other proposal in which he or any of his associates (as defined in the applicable listing rules) has a material interest.

Unless the interested director, supervisor, president and other senior management member of the Company discloses his interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the board of directors at a meeting in which the interested director, supervisor, president and other senior management member of the Company is not counted in the quorum and refrains from voting, a contract, transaction or arrangement in which that director, supervisor, president and other senior management member of the Company 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, supervisor, president and other senior management member of the Company.

A director, supervisor, president and other senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which a connected person or an associate of that director, supervisor, president (manager) and senior management member is interested.

Article 190 Where a director, supervisor, president and other senior management member of the Company gives to the board of directors 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 Article of this Chapter 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 question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.

Mandatory
Provisions
Article 121

Article 191 The Company shall not in any manner pay taxes for or on behalf of its directors, supervisors, president and other senior management members of the Company. Mandatory Provisions Article 122

The Company may insure for the various possible legal risks faced by the directors, supervisors, president and other senior management members of the Company in the ordinary course of performing their duties.

Article 192 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, president 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 guarantee for a loan to a company which is a subsidiary of the Company;

(2) the provision by the Company of a loan or guarantee in connection with the making of a loan or any other funds to any of its directors, supervisors, president and other senior management members of the Company 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 the engagement 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 director, supervisor, president and other senior management member of the Company 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 provision of guarantee in connection with the making of a loan.

Article 193 A loan made by the Company in breach of the provision of the preceding Article shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan. Mandatory Provisions Article 124

Article 194 A loan guarantee provided by the Company in breach of clause 1 of Article 192 shall not be enforceable against the Company, except that: Mandatory Provisions Article 125

(1) the loan was advanced to an associate of any of the directors, supervisors, president and other senior management members of the Company or of the Company's parent company where the lender did not know the relevant circumstances;

(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 195 For the purposes of the foregoing provisions of this Chapter, a guarantee includes the undertaking of responsibility or provision of property to secure the performance of obligations by the obligor. Mandatory Provisions Article 126

Article 196 In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, president and other senior management member of the Company is in breach of his duties to the Company, the Company has the right to: Mandatory Provisions Article 127

(1) claim damages from the director, supervisor, president and other senior management member of the Company in compensation for losses incurred by the Company as a result of such breach;

(2) rescind any contract or transaction entered into by the Company with the director, supervisor, president and other senior management member of the Company 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, president and other senior management member of the Company);

(3) demand the director, supervisor, president and other senior management member of the Company to surrender the profits made by him as a result of breaching his duties;

(4) recover any monies received by the director, supervisor, president and other senior management member of the Company 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, president and other senior management member of the Company on the monies that should have been paid to the Company.

Article 197 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 subsidiaries 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 198 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 59.

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. The expenses incurred in distributing that sum pro rata amongst those persons shall be borne by the relevant directors or supervisors and shall not be paid out of that sum.

CHAPTER 15 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 199 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

Guidelines
Article 149

Article 200 At the end of each fiscal year, the Company shall prepare a financial report which shall be audited by certified public accountants in compliance with the law. Mandatory Provisions Article 131

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 201 The board of directors of the Company shall present before the shareholders at every annual general meeting such financial reports as are required by any laws, administrative regulations or directives promulgated by regional government and competent governmental authorities to be prepared by the Company.

Mandatory
Provisions
Article 132

Article 202 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 deliver or send to each shareholder of overseas listed foreign shares by prepaid mail the abovementioned reports not later than twenty-one days before the date of every annual general meeting. The address of the recipient shall be the address registered in the register of members. In compliance with the laws and regulations and the listing rules in the jurisdiction in which the Company's shares are listed, the Company may deliver or send the same to the shareholders by posting the same on the websites of the stock exchange and the Company's website or by electronic means, and the Company may not be required to deliver or send the same through the means stated in this Article.

Opinion
Circular
Number 7
Listing Rules
Appendix 3
Rule 5

Article 203 The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the accounting standards where the Company's shares are listed overseas. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the notes to the financial statements. When the Company is to distribute its after-tax profits for the accounting

Mandatory
Provisions
Article 134

year, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

Article 204 The interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations as well as the international accounting standards or such accounting standards in the place of listing overseas.

Mandatory
Provisions
Article 135

Article 205 The Company shall file with the relevant regulatory authorities its annual financial report within four months after the end of every financial year, interim financial and accounting report within two months from the end of the first six months of the financial year, and quarterly financial and accounting reports within one month after the end of the first three months and nine months of the financial year.

Mandatory
Provisions
Article 136
Guidelines
Article 150

All financial and accounting reports shall be prepared in accordance with the relevant laws, administrative regulations and departmental regulations.

Article 206 The Company shall not keep accounting books other than those required by law. Assets of the Company will not be deposited into any account opened in the name of an individual.

Mandatory
Provisions
Article 137

Guidelines
Article 151

Article 207 When allocating the after-tax profits of the current year, the Company shall allocate 10% of its profit to the legal reserve fund. In the event that the accumulated legal reserve fund of the Company has reached more than 50% of the registered capital of the Company, no further allocation is required.

Company
Law
Article 167
Guidelines
Article 152

In the event that the legal reserve fund of the Company is insufficient to make up the losses of the Company for the previous year, before allocating the legal reserve fund in accordance with the provision of the previous paragraph, the Company shall first make up the losses by using the profits for the current year.

After allocating the legal reserve fund from the after-tax profits of the Company, the Company may allocate the discretionary reserve fund according to the resolution of shareholders' general meeting.

The remaining profits after making up the losses and allocating to the reserve funds shall be distributed in proportion to the shareholdings of shareholders unless as stipulated in the Articles of Association that such distribution shall not be made in proportion to the shareholdings.

Where the general meeting violates the preceding provisions and decides on the distribution of profits to shareholders prior to making up the losses of the Company and allocating to the legal reserve fund, shareholders must return the profit so distributed to the Company.

The shares held by the Company shall not be entitled to any profit distribution.

Article 208 Capital reserve fund includes the following items:

Mandatory
Provisions

(1) premium received when shares are issued at a premium to their par value;

Article 138

(2) other income required to be included in the capital reserve fund by the competent finance department of the State Council.

Article 209 The reserve funds of the Company shall be used to make up the losses of the Company, expand its production and operation or increase its capital. However, the capital reserve fund shall not be used to make up any losses of the Company.

In capitalizing the legal reserve fund, the remaining balance of such fund shall not be less than 25% of the registered capital of the Company prior to such capitalization.

Article 210 The basic principles of dividend distribution policy of the Company are:

- (1) Taking into full account of the investor return, the dividend distributed to the shareholders in the past three years shall be no less than 30% of the average annual distributable profit attributable to shareholders of the listed company realized in the past three years, as recorded in the consolidated financial statements;
- (2) The Company shall maintain continuity and stability of the dividend distribution policy, and give proper consideration to long-term interests of the Company, the interests of all shareholders as a whole and sustainable development of the Company;
- (3) The Company will give priority to cash dividend.

Article 211 The detailed policies of profits distribution are set out below:

- (1) The form of distribution: the Company may distribute dividends in cash, in shares, or in a combination of both cash and shares. When the conditions are satisfied, the Company may declare interim dividends.
- (2) Conditions and proportion of cash dividend distribution:

Subject to special circumstances, the Company shall distribute cash dividend when the Company makes profit in the year and the accumulated undistributed profit shall be a positive figure. In principle, the accumulated dividend distributed by the Company in cash in the past three years shall be no less than 30% of the average annual distributable profits realized in the past three years. (Average annual distributable profits refer to such average annual profits that attributable to shareholders of the listed company realized in the past three years, as recorded in the consolidated financial statements).

Special circumstances refer to material investments or cash expenditures (excluding fund-raising projects) made by the Company. Material investments or cash expenditures refer to those matters that need review and approval of shareholders' general meeting pursuant to the relevant laws and regulations and requirements of these Articles of Associations.

(3) Differentiated cash dividend distribution policies:

When carrying out cash dividend distribution, the board of directors shall take into comprehensive consideration of such factors as the characteristics of the industries the Company operate in and the business lifecycle of the Company, its own business model, profitability level, as well as whether it has any substantial capital expenditure arrangement, and structure differentiated cash dividend distribution policies applicable to the following situations in accordance with the procedures specified in the Articles of Association:

(i) Where the Company is in a maturity phase with no substantial capital expenditure, the cash dividend distributed shall not be less than 80% of the total profits distributed when carrying out profits distribution;

(ii) Where the Company is in a maturity phase with substantial capital expenditure, the cash dividend distributed shall not be less than 40% of the total profits distributed when carrying out profits distribution;

(iii) Where the Company is in a growth phase with substantial capital expenditure, the cash dividend distributed shall not be less than 20% of the total profits distributed when carrying out profits distribution; where the phase of the business lifecycle of the Company is difficult to define and where Company has substantial capital expenditure arrangement, the profit distribution may be dealt with pursuant to the preceding provisions.

(4) Conditions of dividend distribution in shares:

When the Company is in good condition and the board of directors considers that the share price and share capital size do not match, and to distribute dividends in shares is in the interests of the shareholders as a whole, the board of directors may, provides that the conditions of cash dividend distribution stated in Clause (2) above are satisfied, propose to distribute dividends in shares.

In distributing dividend in shares, the Company shall focus on capital expansion and performance growth, taking into account of such reasonable factors as the business growth and dilution of net asset value per share.

Article 212 Review and approval procedure for profit distribution proposal:

(1) The profit distribution proposal shall be proposed by the management and submitted to the board of directors for review and approval, and independent directors shall express definite opinions in this regard. The board of directors shall record a resolution and submit to the shareholders' general meeting for review and approval.

(2) The board of directors shall fully consider the profit distribution proposal pursuant to the provisions of the Articles of Association, having taken into full account of the Company's ability to operate on an ongoing basis, and the capital required for ensuring ordinary production, operation and business development as well as reasonable returns to investors. In deliberating and decision-making of the profit distribution proposal, the board of directors shall communicate and exchange ideas with independent directors and minority shareholders through multiple channels and take full account of the views of independent directors and the demands of minority shareholders.

(3) Independent directors may solicit opinions from minority shareholders, put forth dividends distribution proposals and directly submitted to the board of directors for review and approval.

(4) The profit distribution proposal shall be submitted to the supervisory board for review and approval and shall be approved by the supervisory board.

(5) If the Company decides not to distribute cash dividend due to special circumstances stipulated in Article 211, the board of directors shall provide a special explanation on matters relating to the detailed reasons, the exact purpose of the retained proceeds and estimated return on investment. After the independent directors express opinion, the special explanation shall be submitted to the shareholders' general meeting for review and approval, and disclosed on the media designated by the Company.

Article 213 Implementation of profit distribution:

Subsequent to the passing of the resolution in respect of the profit distribution plan by the shareholders' general meeting, the board of directors of the Company shall complete the distribution of dividends (or shares) within two months from the date of the shareholders' general meeting.

Dividends and other distributions declared by the Company to holders of domestic shares shall be declared and denominated in renminbi, and paid in renminbi. Dividends and other distributions declared by the Company to holders of foreign shares shall be declared and denominated in renminbi, and paid in foreign currency. The exchange rate shall be based on the average middle exchange rate of the relevant foreign currency against renminbi announced by the People's Bank of China over the five working days preceding the date on which such dividends or other distribution are declared. Foreign currencies payable by the Company to holders of foreign shares shall be obtained pursuant to relevant State regulations on the administration of foreign exchange.

Article 214 Adjustment of profit distribution policies:

In case of war, natural disasters and other force majeure, or the changes in external operating environment which significantly affect the Company's production and operation, or significant changes in the Company's own operation status, the Company may adjust its profit distribution policies.

When the Company needs to adjust its profit distribution policies, the board of directors shall carry out a special topic discussion to discuss in details and explain the reasons of adjustment. After being reviewed and approved by the independent directors, a written report shall be submitted to the shareholders' general meeting, the passing of which should be by way of a special resolution. The Company shall provide an internet voting for the shareholders when the adjustment of profit distribution policies is in review and discussion.

<p>Article 215 The Company shall appoint a receiving agent for holders of overseas listed foreign shares. The receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed foreign shares.</p>	<p>Mandatory Provisions Article 140 Opinion Circular</p>
<p>The receiving agent appointed by the Company shall satisfy the requirements under the laws of the jurisdiction where the Company's shares are listed or under the rules of such stock exchange.</p>	<p>Number 8 Hong Kong Listing Rules</p>
<p>The receiving agent appointed by the Company for H Shareholders shall be a trust company registered under the Trustee Ordinance of Hong Kong.</p>	<p>Appendix 13D Section 1(c)</p>
<p>The Company has the right to terminate the despatch of dividend warrants to holders of overseas listed foreign shares by mail, provided that such right shall not be exercised until the dividend warrants have not been cashed for two consecutive occasions. However, where the dividend warrant is, for the first time, undelivered to the addressee and returned, the Company may also exercise such right.</p>	<p>Hong Kong Listing Rules Appendix 3 Rules 13(1), 2(2), 13(2), 3(2), 3(1)</p>
<p>In connection with exercising the authority to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms the physical loss of the original warrants.</p>	

The Company has the right to sell, in such manner as the board of directors thinks fit, any shares of an overseas listed foreign shareholder who is untraceable, subject to the following conditions:

- (1) the Company has distributed dividends for at least 3 times to such shares within 12 years, but none of such dividends was claimed; and
- (2) The Company, after the termination of the 12 year period, made public announcement on the newspaper(s) at the jurisdiction where the Company is listed, stating its intention to sell such shares, and notified the stock exchange(s) on which such shares are listed.

The board of directors may, for the interests of the Company, invest the dividend which is unclaimed for one year after the date on which the dividend is declared by the Company or apply such dividend for other purposes. In compliance with the relevant laws and regulations of the PRC, the Company can forfeit the rights to the unclaimed dividends of shareholders if such dividend has not been claimed for over six years after the distribution was declared.

Any amount paid up in advance of calls on any of the Company's shares may carry interest but shall not entitle the holder of such share(s) to the dividend subsequently declared.

Article 216 The Company shall implement the internal audit system and designate an audit team to supervise the internal audit of the financial income and expenses and the economic activities of the Company. Guidelines Article 156

Article 217 The internal audit system and duties of the audit team shall be implemented upon obtaining the approval from the board of directors. The person in charge of the audit team shall be accountable and report to the board of directors. Guidelines Article 157

CHAPTER 16 APPOINTMENT OF ACCOUNTANTS' FIRM

Article 218 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 statements and the Company's other financial reports.

Mandatory
Provisions
Article 141

Guidelines
Article 158

Article 219 The term of service of the certified public accountants' firm shall be one year commencing at the conclusion of the current annual general meeting and ending at the conclusion of the next annual general meeting. The term may be renewed upon expiry.

Mandatory
Provisions
Article 142

Guidelines
Article 158

Article 220 The Company must provide true and complete accounting vouchers, books and accounts, financial and accounting reports and other accounting data to the certified public accountants' firm engaged without any refusal, withholding and misrepresentation.

Guidelines
Article 160

Article 221 The certified public accountants' 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, president (manager) or 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 certified public accountants' 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 certified public accountants' firm of the Company.

Article 222 Before the convening of the shareholders' general meeting, the board of directors may appoint certified public accountants' firm to fill any casual vacancy in the office of the certified public accountants' firm, but while any such vacancy continues, the surviving or continuing certified public accountants' firm, if any, may still act.

Mandatory
Provisions
Article 144

Article 223 The shareholders in general meeting may, by ordinary resolution, remove a certified public accountants' firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the certified public accountants' 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 224 The remuneration of a certified public accountants' firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in general meeting. The remuneration of a certified public accountants' firm appointed by the board of directors shall be determined by the board of directors.

Mandatory
Provisions
Article 146
Guidelines
Article 161

Article 225 The Company's appointment of, removal of and non-reappointment of a certified public accountants' firm shall be resolved by shareholders in general meeting. The resolution of the shareholders' general meeting shall be filed with the competent securities regulatory authority of the State Council.

Mandatory
Provisions
Article 147
Opinion
Circular
Number 9

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

Hong Kong
Listing
Rules
Appendix
13D Section
1(e)(i)

(1) A copy of the proposal about appointment or removal shall be sent to the certified public accountants' firm proposed to be appointed or to leave its office or the certified public accountants' firm which has left its office in the relevant fiscal year before notice of meeting is given to the shareholders.

Leaving includes leaving by removal, resignation and retirement.

(2) If the leaving certified public accountants' 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):

1. in any notice given to shareholders about a resolution to be made, state the representations that have been made by the certified public accountants' firm which is about to leave; and

2. 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 certified public accountants' firm's representations are not sent in accordance with clause (2) above, the relevant certified public accountants' firm may require that the representations be read out at the shareholders' general meeting and may lodge further complaints.

(4) A certified public accountants' firm which is leaving its office shall be entitled to attend:

1. the shareholders' general meeting relating to the expiry of its term of office;
2. any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and
3. any shareholders' general meeting convened on its resignation;

and 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 certified public accountants' firm of the Company.

Article 226 Prior to the removal or the non-reappointment of the certified public accountants' firm, notice of such removal or non-reappointment shall be given in advance to the certified public accountants' firm who shall be entitled to make representation at the general meeting. Where the certified public accountants' firm resigns, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

Mandatory
Provisions
Article 148
Guidelines
Article 162

The certified public accountants' firm may tender resignation by delivery a written notice to the Company's legal address. The resignation shall become effective on the date of delivery or on such later date as may be stipulated in such resignation. The written notice shall include the following information:

Opinion
Circular
Number 10

- (1) a statement to the effect that there are no circumstances relating to its resignation which it considers should be brought to the attention of the shareholders or creditors of the Company; or
- (2) a statement of any such circumstances which should be brought to attention.

Hong Kong
Listing Rules
Appendix
13D Section
1(e)(ii), (iii),
(iv)

The Company shall, within fourteen days after the receipt of the notice as mentioned in preceding paragraph, serve a copy of the notice to the relevant competent authorities. If the notice contains the statement as mentioned in sub-clause (2) of the preceding paragraph, a copy of such statement shall be placed at the domicile of the Company for the inspection of shareholders. The Company shall also send a copy of such statement by post (with postage paid) to each holder of overseas listed foreign shares at his address on the register of members. Provided that there shall be no violation of any laws, regulations and listing rules, the Company may also issue or provide such statement to the holders of overseas listed foreign shares through the websites of the stock exchange(s) and of the Company or by electronic means.

Where the notice of resignation of the certified public accountants' firm contains the statement as mentioned in sub-clause (2) of the second paragraph of this Article, the certified public accountants' firm may require the board of directors to convene an extraordinary general meeting for the purpose of receiving explanation about its resignation.

CHAPTER 17 MERGER, DIVISION AND INCREASE AND REDUCTION IN CAPITAL OF THE COMPANY

Article 227 In the event of the merger or division of the Company, a plan shall be proposed by the board of directors 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.

Mandatory
Provisions
Article 149

The aforesaid document should also be dispatched to the holders of overseas listed foreign shares by mail. The recipient's address should be based on the information contained in the register of members.

Article 228 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 a list 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 within thirty days of the date of the Company's resolution on merger. Creditors may, within thirty days after receipt of such notice from the Company, or within forty-five days of the date of the newspaper announcement for those who do not receive such notice, to demand that the Company repay their debts to that creditor or provide a corresponding guarantee for such debts. Company Law Articles 173, 174, 175 Guidelines Articles 171, 172, 173

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 229 In a division, the assets shall be split in an appropriate manner. Mandatory Provisions

In the event of division of the Company, the parties concerned shall enter into a division agreement and prepare balance sheets and a list of assets. The Company shall notify all creditors within ten days after adoption of the resolution on division and shall make an announcement in newspapers within thirty days. Article 151 Company Law Articles 176, 177

The debts of the Company before division shall be borne by the companies established after division jointly and severally, save as otherwise agreed in writing between the Company and the creditors in respect of debt settlement before division.

Guidelines
Articles 174,
175

Article 230 Where the Company reduces its registered capital, it must prepare a balance sheet and a list of assets.

Guidelines
Article 176

The Company shall notify its creditors within ten days from the date of the Company's resolution on reduction in registered capital and shall publish an announcement in newspapers within thirty days from the date of such resolution. Creditors of the Company shall be entitled, within thirty days from the date of receipt of the notice from the Company or, in case of a creditor who has not received such notice, within forty-five days of the date of the announcement, to require the Company to repay its debts or provide a corresponding guarantee for such debt.

The Company's registered capital after capital reduction shall not be lower than the statutory minimum requirement.

Article 231 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
Guidelines
Article 177

Changes of registration particulars shall be filed and registered with the companies' registration authority in respect of any increase or reduction in the registered capital of the Company.

CHAPTER 18 DISSOLUTION AND LIQUIDATION OF THE COMPANY

- Article 232 Under any of the following circumstances, the Company shall be lawfully dissolved and liquidated: Mandatory Provisions Article 153
- (1) The general shareholders' meeting adopts a resolution to dissolve the Company;
- (2) The Company needs to be dissolved for the purpose of merger or division; Company Law Articles 181, 183
- (3) The Company is declared bankrupt by law as a result of failure to pay debts upon maturity;
- (4) Where the Company encounters significant difficulties in business and management, its continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of the shares carrying voting rights may request the People's Court to dissolve the Company; Guidelines Article 178
- (5) The business licence of the Company is cancelled or the Company is ordered to be closed down or deregistered due to violation of the laws and administrative regulations.
- Article 233 Where the Company is dissolved by virtue of the reasons set out in clauses (1), (3), (4) and (5) in the preceding Article, the Company shall establish a liquidation committee within 15 days, and the members of the liquidation committee shall be selected at shareholders' general meeting in the form of ordinary resolution. In the event of failure to establish the liquidation committee on time, the creditors may request the People's Court to designate the relevant persons to form the liquidation committee to effect the liquidation. Mandatory Provisions Article 154
Company Law Article 184
Guidelines Article 180

Article 234 Where the board of directors decides to liquidate the Company due to causes other than where the Company has declared that it is insolvent, the board of directors shall include a statement in its notice convening a shareholders' general meeting to consider the liquidation to the effect that, after making full inquiry into the affairs of the Company, the board of directors is of the opinion that the Company will be able to pay its debts in full within 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 of directors 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 liquidation and to present a final report to the shareholders' general meeting on completion of the liquidation.

Article 235 The liquidation committee shall notify creditors within ten days from the date of its establishment and make newspaper announcement within sixty days of that date. Creditors should, within thirty days after receipt of the notice, or for those who do not receive the notice, within forty-five days from the date of the announcement, declare their claims to the liquidation committee. The liquidation committee shall register the claims according to the requirements of the law.

Mandatory
Provisions
Article 156
Company
Law Article
186

The creditors shall explain the matters related to their claims and provide supporting materials when declaring their claims. The liquidation committee shall register the claims. The liquidation committee shall not settle any debt with the creditors during the period of claim declaration.

Guidelines
Article 182

Article 236 During the liquidation period, the liquidation committee shall exercise the following functions and duties:

Mandatory
Provisions
Article 157

(1) to liquidate the Company's assets and separately prepare a balance sheet and a list of assets;

Guidelines
Article 181

(2) to notify creditors by sending notice or by making announcement;

(3) to deal with and settle the Company's outstanding business in relation to the liquidation;

(4) to settle outstanding taxes as well as taxes arising in the course of liquidation;

(5) to settle 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 237 After checking the Company's assets and preparing a balance sheet and a list of assets, the liquidation committee shall formulate a liquidation plan and submit the same to the shareholders' general meeting or the competent authority for confirmation.

Mandatory
Provisions
Article 158

The liquidation expenses, including remunerations for the members and consultants of the liquidation committee, shall be paid from the Company's assets in priority before repayment of the debts of other creditors.

Company
Law Article
187

After the shareholders' general meeting resolved to dissolve the Company or after the Company is declared bankrupt or ordered to close down in accordance with the law, no one shall distribute the Company's assets without the approval of the liquidation committee.

Guidelines
Article 183

The Company's assets shall be distributed for repayments in the following sequence: payment of liquidation expenses, staff wages, labour insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts.

The Company's residual assets after repayment of its debts in accordance with the preceding paragraph shall be distributed to its shareholders according to the class and proportion of their shareholdings.

During the liquidation period, the Company remains in existence; however, it shall not carry out any business activities irrelevant with the liquidation.

The Company's assets shall not be distributed to its shareholders prior to repaying debts in accordance with the foregoing provisions.

Article 238 In the event of the Company's liquidation owing to dissolution, if the liquidation committee, after liquidating the Company's assets and preparing a balance sheet and a list of assets, discovers that the Company's assets are insufficient to repay off its debts, it shall immediately apply to the People's Court for declaration of bankruptcy.

Mandatory Provisions
Article 159
Guidelines
Article 184

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 239 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 verified by PRC certified public accountants and then submitted to the shareholders' general meeting or relevant competent authorities for confirmation.

Mandatory Provisions
Article 160
Guidelines
Article 185

The liquidation committee shall, within thirty days after confirmation from the shareholders' general meeting or the relevant competent authority, submit the documents referred to in the preceding paragraph to the company registration authority and apply for cancellation of registration of the Company, and publish a public announcement relating to the termination of the Company.

Article 240 Members of the liquidation committee shall exercise diligence in the performance of the liquidation obligations in accordance with the law. Guidelines Article 186

Members of the liquidation committee shall not abuse their authority to receive bribes or other illegal income, nor shall they misappropriate the assets of the Company.

Members of the liquidation committee shall be liable for the losses of the Company or the creditors as a result of their malicious acts or material errors.

Article 241 If the Company is declared bankrupt in accordance with the law, the Company shall undergo liquidation in accordance with the law in relation to bankruptcy of an enterprise. Guidelines Article 187

CHAPTER 19 PROCEDURES FOR AMENDMENT OF THE ARTICLES OF ASSOCIATION

Article 242 The Articles of Association may be amended in accordance with the laws, administrative regulations and the provisions of the Articles of Association. Mandatory Provisions Article 161

The Articles of Association shall be amended on occurrence of any of the followings: Guidelines Article 188

(1) The Articles of Association contradict with any amendments made to the Company Law or the relevant laws and administrative regulations;

(2) Any changes in the Company resulting in inconsistency with the matters set out in the Articles of Association;

(3) It is resolved to amend the Articles of Association at the shareholders' general meeting.

Article 243 Any amendments to the Articles of Association shall be made in the following procedures: Company Law Article 104

(1) the board of directors shall, in accordance with the Articles of Association, pass a resolution to propose to the shareholders' general meeting to amend the Articles of Association, and draw up a proposal for such amendments;

(2) the amendments proposal shall be notified to shareholders, and a shareholders' general meeting shall be convened to vote on the amendments;

(3) subject to the relevant requirements of the Articles of Association, the amendments submitted to the general meeting for approval are approved by way of special resolution.

Article 244 Amendment of the Articles of Association which involves the content of the Mandatory Provisions shall become effective upon receipt of approvals from the examination and approval department authorized by the State Council and the competent securities regulatory authority of the State Council. If there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with the law. Mandatory Provisions Article 162 Guidelines Article 189

Article 245 The board of directors shall amend the Articles of Association in accordance with the resolutions on amendments of the Articles of Association at the general shareholders' meeting and the opinions of approval issued by the relevant competent authorities. Amendments of the Articles of Association are information required for disclosure under the laws and regulations and announcement is required.

Guidelines
Articles 190,
191

CHAPTER 20 NOTICES

Article 246 Notices of the Company (for the purpose of this Chapter, "notices" include notices of general meetings issued by the Company to shareholders, corporate communications of the Company or other written materials) may be issued in each of the following manner: (1) delivery in person; (2) delivery by mail; (3) in the form of an announcement; (4) in a manner recognized by the listing and/or securities authorities regulating the stock exchange(s) on which the Company's shares are listed, or in a manner that is otherwise permissible under the Articles of Association.

Hong Kong
Listing Rules
Appendix 3
Rules 7(1)
and (3)

Guidelines
Articles 163,
170

Notices issued in the form of an announcement shall be published in the relevant publications as designated by the regulatory authorities and stock exchange(s) of the places where the Company's shares are listed and/or the relevant designated media (including websites) of the relevant listing and/or securities authorities regulating the stock exchange(s) on which the Company's shares are listed.

In relation to the Hong Kong Listing Rules requirements for the manner of issuance and/or distribution of corporate communications and in accordance with the laws and regulations of the relevant listing and/or securities authorities regulating the stock exchange(s) on which the Company's shares are listed, the Company may issue and/or provide corporate communications to the holders of H Shares by electronic means or on the websites of the Company and of the SEHK in lieu of issuing and/or providing the corporate communications by delivery in person or by mail (with full postage paid).

“Corporate communications” means any documents issued, or will be issued by the Company to the holders of any securities of the Company for their reference or for their action, including but not limited to: (i) reports of the board of directors, the Company’s annual accounts and auditor’s reports and the Company’s summary financial report (if applicable); (ii) the Company’s interim reports and the Company’s summary interim reports (if applicable); (iii) notices of meetings of the Company; (iv) listing documents of the Company; (v) the Company’s circulars; (vi) authorization letters for proxy; and (vii) reply forms and other documentary materials.

Article 247 If the Company delivers the notice by hand, the person on whom the notice is served shall sign (or affix the seal) on the receipt and the date of service shall be the date on which such person is served; when a notice is delivered by post, it shall be deemed delivered to the extent that the envelope is properly addressed, the postage is prepaid, the notice is contained in the envelope and the envelope which contains the notice is posted at the post office. The notice shall be deemed as having received two working days after delivery. Guidelines Articles 164, 168

If the documents as mentioned in Article 242 hereof are provided by the Company to its shareholders by electronic means, such documents shall be deemed as having received when they are published on the websites of the stock exchange(s) and the Company in accordance with the requirements of the stock exchange(s).

If the notice is given by way of announcement, it shall be deemed as having delivered on the date of first announcement.

CHAPTER 21 SETTLEMENT OF DISPUTES

Article 248 The Company shall act according to the following regulations in settlement of disputes:

Opinion
Circular
Number 11

(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, president 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.

Mandatory
Provisions
Article 163

Where a dispute or claim of rights aforementioned is referred to arbitration, the dispute or claim must be referred in its entirety to arbitration and any person (being the Company or a shareholder, director, supervisor, president or other senior management member 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 members 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 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 clause (1) above are referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in the laws and administrative regulations.

(4) The award of an arbitration body shall be final and conclusive and binding on all parties.

CHAPTER 22 SUPPLEMENTARY PROVISIONS

Article 249 All “over”, “within” and “under” in the Articles of Association include themselves; “more than”, “beyond” and “more” does not include themselves. Guidelines Article 195

Article 250 “Certified public accountant(s)” as mentioned in the Articles of Association shall have the same meaning as “Auditor(s)”. Mandatory Provisions Article 165

Article 251 The Articles of Association are prepared in Chinese. Should there be any discrepancies between the versions in other languages and the Chinese version, the Chinese version shall prevail. Guidelines Articles 194, 196

The Articles of Association shall be construed by the board of directors of the Company. Any matters not covered by the Articles of Association shall be proposed by the board of directors for consideration at the shareholders' general meeting. Should there be any inconsistencies between the Articles of Association and the relevant laws, regulations, regulatory documents and the rules of listing of the places where the Company's shares are listed, the latter shall prevail.

Article 252 The rules of procedures for shareholders' general meetings, Guidelines
meetings of the board of directors and meetings of the supervisory board are Article 197
annexed to the Articles of Association.

BBMG Corporation

August 2017

Note: In these Articles of Association, "Company Law" refers to the Company Law revised on 27 October 2005 and effective on 1 January 2006, "Mandatory Provisions" refer to the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas jointly issued by the former State Council Securities Policy Committee and the former State Commission for Restructuring the Economic System, "Opinion Circular" refers to the Circular Regarding Opinions on the Amendments of Articles of Association of Companies Listed in Hong Kong jointly issued by the Overseas-Listing Department of the China Securities Regulatory Commission and the Production System Department of the former State Commission for Restructuring the Economic System (Zheng Jian Hai Han [1995] No.1), "Regulatory Opinions" refer to the Opinions on Further Standardizing Operations and Intensifying Reforms of Companies Listing Overseas jointly issued by the State Economic and Trade Commission and the China Securities Regulatory Commission (Guo Jing Mao Qi Gai [1999] No. 230), "Hong Kong Listing Rules" refer to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, "Guidelines", "Standard of Corporate Governance", "Rules for Shareholders' General Meeting", "Requirements on Public Shareholders", "Independent Director Opinion", and "Notice of Guarantee" refer to Guidelines on Articles of Association of Listed Companies (amended in 2006), Standards of Corporate Governance of Listed Companies, Rules of Shareholders' General Meetings of Listed Companies, Certain Regulations on Strengthening of the Protection of Public Shareholders, Interests, Guidance Opinion on the Establishment of Systems of Independent Directors of Listed Companies and Notice on the Regulation of External Guarantees of Listed Companies issued by CSRC respectively.