

China Pacific Insurance (Group) Co., Ltd.

**Articles of Association
31 December 2012**

Chapter I General Provisions

Article 1 These Articles of Association are formulated in accordance with the *Company Law of the People's Republic of China* (the “**Company Law**”), the *Securities Law of the People's Republic of China*, the *Insurance Law of the People's Republic of China* (the “**Insurance Law**”), the *Special Provisions of the State Council on the Offshore Offering and Listing of Companies Limited By Shares* (the “**Special Provisions**”), the *Mandatory Provisions for the Articles of Association of Companies Listing Overseas* and the *Guidelines on the Articles of Association of Listed Companies* prescribed by the China Securities Regulatory Commission (the “**CSRC**”), the Guiding Opinion on Standardizing the Corporate Governance Structure of Insurance Companies (For Trial Implementation) and the *Opinion Concerning Standardizing the Articles of Association of Insurance Companies* prescribed by the China Insurance Regulatory Commission (the “**CIRC**”), the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (the “**HKSE**”) (the “**Listing Rules**”) and other relevant laws and regulations for the purposes of protecting the legitimate rights and interests of the Company and its shareholders and creditors and regulating the organization and activities of the Company.

Article 2 China Pacific Insurance Co., Ltd. is a joint stock insurance company established in 1991 upon approval by the People's Bank of China via an approval document (*Yin Fu* [1991] No. 149). On 13 May 1991, the Company registered its incorporation with the State Administration for Industry and Commerce (the “**SAIC**”) and obtained the Enterprise Legal Person Business License. In accordance with the requirements stipulated in the Company Law and the Insurance Law, and upon confirmation by an approval reply issued by the CIRC (*Bao Jian Fu* [2001] No. 239), China Pacific Insurance Co., Ltd. is to be regulated as a joint stock company with limited liability and its name has been changed to China Pacific Insurance (Group) Co., Ltd. (the “**Company**”). On 24 October 2001, the Company obtained a replacement of the Enterprise Legal Person Business License issued by the SAIC and the business license number is 1000001001110.

Article 3 The registered name of the Company shall be: 中国太平洋保险（集团）股份有限公司. The English name in full shall be: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

Article 4 The address of the Company shall be: South Tower, Bank of Communications Financial Building, 190 Central Yincheng Road, Pudong New District, Shanghai.

Postal Code: 200120

Telephone: 0086 21 58776688

Fax: 0086 21 68870922

Website: www.cpic.com.cn

Article 5 The legal representative of the Company shall be the chairman of the board of directors (the “**Board**”) of the Company.

Article 6 The Company shall be a perpetually existing company limited by shares.

Article 7 The entire capital of the Company shall be divided into shares of equal value and shareholders shall be liable for the liabilities of the Company to the extent of their respective shareholdings and the Company shall be liable for its debts to the extent of all its assets.

Article 8 These Articles of Association shall be adopted at a shareholders’ general meeting and shall be valid and implemented upon approval by the CIRC.

These Articles of Association shall become a legally binding document that regulates the organization and activities of the Company as well as the rights and obligations between the Company and its shareholders and among the shareholders from the date on which it becomes effective.

Article 9 The Articles of Association shall be binding upon the Company and its shareholders, directors, supervisors, president, vice presidents (including the executive vice presidents, and same as herein below) and other members of senior management. The aforementioned persons may institute a claim relating to matters of the Company in accordance with these Articles of Association.

A shareholder may sue the Company in accordance with these Articles of Association. The Company may sue its shareholders in accordance with these Articles of Association. A shareholder of the Company may sue another shareholder of the Company or any director, supervisor, president, vice president or any other member of senior management of the Company in accordance with these Articles of Association.

For the purposes of the preceding paragraph, the term “sue” shall include the initiation of proceedings before a court or the application to an arbitration organization for arbitration.

Article 10 For the purposes hereof, the term “senior management” shall mean the executive directors, president, vice presidents, secretary to the board of directors, chief financial officer, chief actuary, professional directors or any other management personnel determined by the board of directors. Executive directors refer to directors, who, apart from serving as directors of the Company, also take up other operational and management positions, or whose salaries and welfare benefits are paid by the Company.

Article 11 The Company may invest in any other enterprise pursuant to the relevant laws and regulations, provided that it shall not act as a capital contributor that assumes joint and several liability for the debts incurred by the enterprises in which it has invested in, unless otherwise provided by law. .

Chapter II Purpose and Scope of Business

Article 12 The objective of the Company is to proactively develop its insurance services by leveraging on top quality service, high working efficiency and excellent corporate reputation, and to maximize the profits for its shareholders through prudent decision making and stable operations, so as to promote and support national economic development and the overall progress of society.

On the basis of the modern corporate system, the Company shall operate independently, bear its own risks and losses and exercise self-restraint by adhering to the operating principle of continuous improvement of asset quality and solvency.

Article 13 Upon approval by the CIRC and verification by the SAIC , the scope of business of the Company shall be:

- (1) to hold interests and invest in insurance enterprises;
- (2) to supervise and manage the domestic and international reinsurance businesses of its invested insurance enterprises;
- (3) to supervise and manage the fund utilisation businesses conducted by its invested insurance enterprises;
- (4) to participate in the approved international insurance activities;
- (5) to conduct any other businesses as approved by the CIRC.

Chapter III Shares and Registered Capital

Article 14 The Company shall have ordinary shares at any time. According to its needs, the Company may also have other classes of shares upon approval by the approval departments authorized by the State Council.

Article 15 The shares issued by the Company shall take the form of stocks with par value and the par value of each share shall be RMB1.00.

Article 16 The shares of the Company shall be issued by the Company following the principles of fairness and justice, and each share in the same class shall have the same rights.

For the same class of shares issued at the same time, each share shall be issued on the same conditions and at the same price. All entities or individuals subscribing for the shares shall pay the same price for each share.

Article 17 The Company may issue shares to domestic and overseas investors upon approval by the CIRC and CSRC.

For the purposes of the preceding paragraph, the term “overseas investors” shall refer to investors who are located overseas or in Hong Kong, Macau or Taiwan regions and subscribe for shares issued by the Company. The term “domestic” shall refer to investors who are located within the People’s Republic of China (excluding the aforementioned regions) and subscribe for the shares issued by the Company.

Article 18 Shares issued by the Company to domestic investors and to be subscribed for in Renminbi shall be referred to as “domestic shares”. Domestic shares listed in the People’s Republic of China (the “**PRC**”) shall be referred to as “A Shares”.

Shares issued by the Company to overseas investors and to be subscribed for in foreign currency shall be referred to as “foreign investment shares”. Shares subscribed for by overseas investors which remain unlisted domestically and overseas shall be referred to as “non-listed foreign investment shares” and shares subscribed for by overseas investors which are listed overseas shall be referred to as “overseas-listed foreign investment shares”

Foreign investment shares issued by the Company and listed in Hong Kong shall be referred to as “H Shares”. H Shares are shares admitted for listing on the HKSE with a par value denominated in Renminbi and subscribed for in Hong Kong dollars.

A Shares of the Company are held in custody in a centralized manner at the Shanghai branch of China Securities Depository & Clearing Corporation Limited. H

Shares of the Company are mainly held in custody at the central depository institution under Hong Kong Securities Clearing Company Limited, and may also be held by shareholders in their own names.

Upon approval by the securities regulatory authority of the State Council, holders of domestic shares of the Company may transfer their shares to overseas investors and such shares may be listed or traded on stock exchanges outside the People's Republic of China. The listing or trading of such transferred shares on any stock exchange outside the People's Republic of China shall comply with the regulatory procedures, rules and regulations stipulated by such stock exchanges.

Article 19 Upon approval by the examination and approval authority authorized by the State Council, the Company may issue a total number of up to 9.062 billion ordinary shares.

Article 20 The Company conducted its first share offering of 1,000,000,000 Renminbi-denominated ordinary shares to the general public on 6 December 2007 after approval by the CSRC under an approval document (*Zheng Jian Fa Xin* [2007] No. 456) and such shares were listed on the Shanghai Stock Exchange on 25 December 2007.

The Company conducted its initial public offering of 900,000,000 overseas-listed foreign investment shares on 23 November 2009 after approval by the CSRC under an approval document (*Zheng Jian Xu Ke* [2009] No. 1217) and such shares were listed on the HKSE on 23 December 2009.

The Company conducted a non-public placing of 462,000,000 overseas-listed foreign investment shares to the subscribers after approval by the CSRC on 30 October 2012 under an approval document (*Zheng Jian Xu Ke* [2012] No. 1424) and the placing of such shares was completed and such shares were issued and listed on the HKSE on 14 November 2012. The total number of issued ordinary shares of the Company is 9.062 billion shares, representing 100% of the total number of ordinary shares.

Upon confirmation by an approval reply issued by the CIRC, the promoters of the Company and their then shareholdings are as follows: Shenergy Group Co., Ltd. (300,958,500 shares); Shanghai State-owned Assets Operation Co., Ltd. (190,901,250 shares); Shanghai Jiushi Corporation (190,901,250 shares); Yunan Hongta Group Co., Ltd. (145,000,000 shares); Shanghai Pudong Land Development (Holding) Corporation (8,000,000 shares).

Article 21 Once the plans in respect of the offering of the overseas-listed foreign investment shares and domestic shares have been approved by the securities regulatory authority of the State Council, the Board of the Company may arrange for implementation of such plans by means of a separate offering.

The respective plans of the Company in respect of the offering of the overseas-listed foreign investment shares and domestic shares as provided for in the preceding paragraph may be implemented respectively within 15 months from the date of approval by the securities regulatory authority of the State Council.

Article 22 Where the Company issues overseas-listed foreign investment shares and domestic shares respectively within the total number of shares specified in the share offering plans, such overseas-listed foreign investment shares and domestic shares shall be fully subscribed for in their respective offering. If the shares cannot be fully subscribed for in a single offering due to special circumstances, the shares may, subject to the approval of the securities regulatory authority of the State Council, be issued in several offerings.

Article 23 The registered share capital of the Company shall be RMB9.062 billion.

Article 24 The Company may, based on its operational and development needs, approve the increase of its capital pursuant to the provisions of these Articles of Association.

The Company may increase its capital by any of the following ways:

- (1) public offering of shares;
- (2) private placement of shares;
- (3) distribution of bonus shares to existing shareholders;
- (4) capitalization of capital reserves;
- (5) any other means permitted by laws and administrative regulations.

Upon approval in accordance with these Articles of Association, any increase of capital and issue of new shares by the Company shall be handled in accordance with the procedures as provided for in relevant laws and administrative regulations of the State.

Article 25 Unless otherwise provided for in laws and administrative regulations, the shares of the Company are freely transferrable and are free and clear of any lien.

Article 26 The Company shall not accept any pledge of its shares.

Article 27 The transfer of any shares which had already been issued before the initial public offering shall be conducted pursuant to the laws, administrative regulations and the relevant listing rules.

Directors, supervisors and senior management of the Company shall report to the Company their respective shareholdings in the Company and any change in such shareholding. The number of shares transferred by a director, supervisor or senior management in each year shall not exceed 25% of the shares of the Company held by such person and such persons shall not transfer any shares held by them within 1 year from the date of listing of the shares. Such persons shall not transfer any shares of the Company held by them within 6 months after they leave office.

Article 28 If a director, a supervisor, a member of senior management or any shareholder holding 5% or more of the shares of the Company sells his or its shares in the Company within 6 months of his purchase of such shares, or re-purchases shares of the Company within 6 months after selling shares of the Company, any gains generated from such sale or purchase shall belong to the Company and the Board of the Company shall forfeit such gains. However, where a securities company has purchased unsold shares of the Company pursuant to its underwriting obligations and holds 5% or more of the shares of the Company, such securities company shall not be subject to the 6-month restriction period for selling such shares.

If the Board fails to follow the preceding provision, a shareholder of the Company shall have the right to require the Board to do so within 30 days. If the Board fails to do so within the said time limit, the shareholder shall have the right to bring an action direct before a People's Court in his own name for the benefit of the Company.

If the Board does not follow the requirements as set forth in the first paragraph, the responsible director(s) shall assume joint and several liability in accordance with the law.

Chapter IV Reduction of Capital and Repurchase of Shares

Article 29 The Company may reduce its registered share capital in accordance with these Articles of Association. If the Company reduces its registered share capital, it shall do so in accordance with the procedures provided for in the Company Law, Insurance Law and other relevant provisions, together with these Articles of Association.

Article 30 Where the Company reduces its registered share capital, it must prepare a balance sheet and a list of properties.

The Company shall notify its creditors within 10 days from the date of its resolving to reduce its registered share capital and shall publish a public announcement of such resolution for at least thrice in the newspapers within 30 days of such date. Creditors shall, within 30 days of receiving a written notice, or, in the case of failure to receive a written notice, within 45 days from the date of the first public announcement, be entitled to require the Company to settle its debts in full or to provide a corresponding guarantee for the repayment of its debts.

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

Article 31 In any of the following circumstances, the Company may, subject to the procedures stipulated by these Articles of Association and upon approval by the relevant regulatory competent authority of the PRC, repurchase its outstanding shares:

- (1) cancellation of shares for the reduction of its share capital;
- (2) merger with another company that holds shares in the Company;
- (3) grant of shares to employees of the Company as rewards;
- (4) disagreement of any shareholder with any resolution relating to the merger or division of the Company adopted at a shareholders' general meeting, which results in its requesting the Company to repurchase the shares of the Company held by such shareholder;
- (5) other circumstances as permitted by laws and administrative regulations.

Except as set out above, the Company shall not engage in any other activity relating to the sale or purchase of shares of the Company.

Where the Company purchases its own shares in the circumstances stated in items (1) to (3) in the preceding paragraph, the share purchase shall be approved by a resolution at a shareholders' general meeting. After the Company has purchased its own shares in accordance with the above provisions, the purchased shares shall be cancelled within 10 days from the date of purchase (in the case of item (1)), or shall be transferred or cancelled within 6 months (in the case of items (2) and (4)).

The shares of the Company purchased by the Company pursuant to item (3) of the first paragraph shall not exceed 5% of the total number of issued shares of the Company; the funds used for the share purchase shall be paid out of the profit after tax of the Company. The shares so purchased shall be transferred to the employees within 1 year.

Article 32 Upon the approval by relevant competent authorities of the PRC, the Company may purchase its shares in any of the following manners:

- (1) by making an offer to all shareholders to repurchase their shares on a pro rata basis;
- (2) by repurchasing shares through open transactions on a stock exchange;
- (3) by repurchasing shares through an off-market agreement;
- (4) in any other manner permitted by laws and administrative regulations and as authorized by a regulatory authority.

Article 33 Where the Company repurchases its shares under an off-market agreement, prior approval shall be obtained from the shareholders at a general meeting in accordance with these Articles of Association. Upon obtaining the prior approval of the shareholders at a shareholders' general meeting in the same manner, the Company may rescind or amend any contract concluded in the manner set forth above or waive any of its rights under such contract.

For the purposes of the above paragraph, "share repurchase contracts" shall include but not be limited to share repurchase agreements which include an assumption of the obligations and the rights related to such shares.

The Company shall not assign any contract for the repurchase of its shares or any rights provided in such contract.

Article 34 Where the Company repurchases redeemable shares other than through an open transaction or by tender, the purchase price shall not exceed a certain

price limit. If such shares are repurchased by tender, the tender shall be offered to all shareholders on the same terms.

Article 35 If the Company repurchases and cancels a portion of its shares, it shall apply to the administrative department for industry and commerce for the registration of a change in its registered share capital.

The amount of the registered share capital of the Company shall be reduced by the total par value of the shares so cancelled.

Article 36 Unless the Company is already in liquidation, it must comply with the following provisions in repurchasing any of its issued and outstanding shares:

(1) where the Company repurchases its shares at par value, the payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds from a new issue of shares made for that purpose;

(2) where the Company repurchases its shares at a premium, the payment equivalent to the par value of such shares shall be made out of the book balance of the distributable profits of the Company or out of the proceeds from a new share issue made for that purpose. The payment of the portion in excess of the par value shall be handled as follows:

1. if the shares being repurchased were issued at par value, the 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, the payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds from a new issue of shares made for that purpose, provided that the amount paid out of the proceeds of the new share issue shall not exceed the aggregate amount of premium received by the Company on the issue of the existing repurchased shares nor shall it exceed the book value of the Company's capital reserve fund account (including the premium on the new issue of shares) at the time of the repurchase;

(3) payments made by the Company for the purposes set out below shall be paid out of the Company's distributable profits:

1. acquiring a right to repurchase its shares;

2. modifying any contract for repurchasing its shares;
3. releasing any of its obligations under any repurchase agreement.

(4) after the Company's registered share capital has been reduced by the aggregate 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 of shares which have been repurchased shall be included into the Company's capital reserve fund account.

Chapter V Financial Assistance for Purchasing the Company's Shares

Article 37 The Company or its subsidiaries shall not provide any financial assistance at any time in any form to any purchaser or intended person purchaser of shares of the Company. Purchasers of the Company's shares as mentioned above shall include persons who directly or indirectly undertake any obligations for the purposes of purchasing shares of the Company.

Neither the Company nor its subsidiaries shall provide any financial assistance at any time in any form to the abovementioned obligors to reduce or discharge their obligations.

This Article shall not apply to the circumstances described in Article 39 of these Articles of Association.

Article 38 For the purposes of this Chapter, the term "financial assistance" shall include (but shall not be limited to) the following forms of financial assistance:

- (1) gift;
- (2) guarantee (including the assumption of liability or provisions of property by a guarantor in order to secure the performance of obligations by an obligator), indemnity (excluding, however, the indemnity arising out of the Company's own fault) and release or waiver of rights;
- (3) provision of a loan or conclusion of a contract under which the obligations of the Company are to be performed prior to the obligation of another party to the agreement, or a change in parties to, or an assignment of the rights under, such loan or agreement; and

(4) financial assistance in any other form provided when the Company becomes insolvent or does not have any net assets or where its net assets would thereby be reduced to a material extent.

For the purposes of this Chapter, the expression “assumption of obligations” includes the assumption of obligations by way of contract or by way of arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is to be borne solely by the obligor individually or jointly with any other person), or by any other means which results in a change of his financial position.

Article 39 The acts listed below shall not be regarded as acts prohibited under Article 37 of this Chapter:

- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith for the benefit of the Company, and the main purpose thereof is not to acquire the shares of the Company, or the giving of the financial assistance is an incidental part of an overall plan of the Company;
- (2) the lawful distribution of the Company’s assets in the form of dividends;
- (3) distribution of dividends in the form of shares;
- (4) reduction of registered share capital, repurchase of shares or adjustment of the shareholding structure in accordance with these Articles of Association of the Company;
- (5) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction of the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company’s distributable profits); and
- (6) contributions made by the Company to an employee share ownership scheme (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company).

Chapter VI Share Certificates and Register of Shareholders

Article 40 Share certificates of the Company shall be in registered form.

Unless provided for in the Company Law, the share certificates of the Company shall also specify any other matters required to be stated by the stock exchange(s) on which the shares of the Company are listed.

The overseas-listed foreign investment shares of the Company may be in the form of foreign depository receipts or in other derivative forms of shares in accordance with the laws of, and the securities registration and depository practices prevailing at, the place where the Company's shares are listed.

Article 41 The share certificates of the Company shall be signed by the chairman of the Board. Where the stock exchange(s) on which the Company's shares are listed require(s) other member(s) of senior management of the Company to sign the share certificates, the share certificates shall also be signed by such member(s) of senior management. The share certificates shall become effective after a company seal is affixed thereto or imprinted thereon. Affixing of or imprinting the company seal on the share certificates shall be subject to the authorization of the Board. The signatures of the chairman of the Board or other members of senior management of the Company can be provided in printed form

Article 42 The Company shall keep a register of shareholders, which shall contain the following particulars:

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

Unless there is evidence to the contrary, the register of shareholders shall be sufficient proof of the shareholders' shareholdings in the Company.

Article 43 The Company may, pursuant to an understanding or agreement reached between a securities regulatory authority of the State Council and an overseas securities regulatory authority, keep its register of holders of overseas-listed foreign investment shares outside the People's Republic of China and entrust an overseas agent to manage such register. The register of holders of H Shares shall be maintained in Hong Kong.

The Company shall keep at its place of domicile a duplicate of the register of holders of overseas-listed foreign investment shares. The appointed overseas agent shall ensure the consistency between the original and duplicate of such register at all times. In the event of any inconsistency between the original and duplicate of the register of holders of overseas-listed foreign investment shares, the original shall prevail.

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

The register of shareholders shall comprise the following parts:

- (1) the register kept at the Company's place of domicile other than those provided for under items (2) and (3) of this Article;
- (2) the register of shareholders of the overseas-listed foreign investment shares kept at the place(s) of the stock exchange(s) outside the People's Republic of China on which the shares are listed; and
- (3) the register of shareholders kept in such other places as the Board may deem necessary for the purpose of listing the shares of the Company.

Article 45 The various parts of the register of shareholders shall not overlap with each another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

Any changes to or correction of any part of the register of shareholders shall be effected in accordance with the laws of the place where such part of the register of shareholders is kept.

Article 46 All fully-paid H Shares may be transferred freely in accordance with these Articles of Association, provided that unless the following conditions are met, the Board may refuse to accept any transfer document without giving any reason therefor:

- (1) a fee of HK\$2.50 or such higher amount as agreed from time to time by the HKSE has been paid to the Company for the registration of the instrument of transfer and any other document relating to or which may affect the ownership of the shares;
- (2) the instrument of transfer only relates to the H Shares listed in Hong Kong;
- (3) the stamp duty which is payable for the instrument of transfer has been duly paid;

(4) the relevant share certificate(s) and any other evidence which the Board may reasonably require to show that the transferor has the right to transfer the shares have been provided;

(5) where the shares are proposed to be transferred to joint holders, the number of such joint shareholders shall not be more than 4;

(6) the instruments of transfer together with other documents which relate to, or may have an impact on, the ownership right of the registered securities must be registered;

(7) the relevant shares shall be free and clear of any lien of the Company.

A holder of the foreign investment shares may transfer in writing by an instrument of transfer all or part of his shareholding in the Company in a written form commonly adopted by the listing venue of the foreign investment shares or in such form as the Board may accept. H Shares may be transferred by a standard form of transfer prescribed by the HKSE. The instrument of transfer may only be signed manually, or, in the case that either the transferor or the transferee is a recognised clearing house within the meaning of the Securities and Futures Ordinance (the “**Recognised Clearing House**”) or its agent, may be signed manually or in printed form. All instruments of transfer must be placed at the legal address of the Company or at any other place designated from time to time by the Board. The instruments of transfer shall include the following statements:

(1) The share purchaser agrees with the receiving agents together with each of the Company’s shareholders, and the Company agrees with each of its shareholders, to observe and comply with the Company Law, the Special Provisions and these Articles of Association.

(2) The share purchaser agrees with the Company and each of its shareholders, directors, supervisors, managers and senior management, and the Company also agrees with each of its shareholders on its own behalf and on behalf of each of its directors, managers and senior management, that any dispute or claim relating to the affairs of the Company arising out of the rights or obligations under these Articles of Association or the Company Law or any other laws or administrative regulations shall be resolved by arbitration in accordance with these Articles of Association, and that any arbitration so referred shall be treated as authorizing the arbitration tribunal to conduct an open hearing and to announce the arbitral award. The arbitral award shall be final.

(3) The share purchaser agrees with each of the shareholders that the shares of the Company may be freely transferred by their holders.

(4) The share purchaser authorizes the Company to enter into any contract on their behalf with each of its directors and senior management under which such directors and senior management shall undertake to observe and perform any responsibility owed to the shareholders as provided for in these Articles of Association.

Article 47 No change may be made to the register of shareholders as a result of a transfer of shares during the 30 days prior to the date of a shareholders' general meeting or during the 5 days prior to the record date set by the Company for the purpose of distribution of dividends.

Article 48 When the Company convenes a shareholders' general meeting, distributes dividends, goes into liquidation or performs any other act requiring the confirmation of the identity of the shareholders, the Board or the convener of the shareholders' general meeting shall determine a record date and shareholders whose names appear on the register after market closing on the record date shall be entitled to the relevant rights.

Article 49 Any person who has an objection to the register of shareholders and requests to have his or its name entered into or removed from the register of shareholders may apply to a court of competent jurisdiction to amend the register.

Article 50 Any registered shareholder or any person who/which requires his/its name to be entered into the register of shareholders and who has lost his/its share certificate (the "**Original Share Certificate**") may apply to the Company for the issuance of a replacement certificate in respect of such shares (the "**Relevant Shares**").

Application by a holder of domestic shares who has lost his or its share certificate for replacement of such certificate shall be handled in accordance with Article 144 of the Company Law.

Application by a holder of the overseas-listed foreign investment shares who has lost his/its share certificate for a replacement of such certificate may be handled in accordance with the laws, the stock exchange rules and other relevant provisions of the place where the original of the register of holders of the overseas-listed foreign investment shares is maintained.

Where a holder of H Shares who has lost his share certificate applies for a replacement of such certificate, the replacement of the share certificate shall be subject to the following requirements:

(1) The applicant shall submit the application in the form prescribed by the Company together with a notarized certificate or a statutory declaration. The notarized certificate or statutory declaration shall include the reasons for the application, the circumstances and evidence of the loss of the share certificate and a declaration that no other person may require registration as a shareholder in respect of the Relevant Shares.

(2) The Company has not received any declaration requiring registration as a shareholder from any person other than the applicant in respect of the Relevant Shares before it decides to issue a replacement share certificate.

(3) If the Company decides to issue a replacement share certificate to the applicant, it shall publicly announce its intention to do so in the newspapers or periodicals designated by the Board. The period of the announcement shall be 90 days, during which such announcement shall be published again at least once every 30 days.

(4) Before publishing the announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement proposed to be published on the stock exchange(s) where it is listed and may proceed with publication after having received a reply from the stock exchange(s) confirming that the announcement has been displayed in such stock exchange(s). The announcement shall be displayed in the stock exchange(s) for a period of 90 days.

If the application for issuance of a replacement share certificate was made without the consent of the registered holder(s) of the Relevant Shares, the Company shall mail to such shareholder(s) a photocopy of the announcement that it intends to publish.

(5) Upon expiration of the 90-day period as provided for in items (3) and (4) of the fourth paragraph of this Article, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate in accordance with the applicant's application.

(6) When the Company issues a replacement share certificate under this Article, it shall immediately cancel the Original Share Certificate and record such cancellation and issuance of the replacement share certificate on the register of shareholders.

(7) All expenses incurred by the Company arising from the cancellation of the Original Share Certificate and the issuance of a replacement share certificate shall be borne by the applicant. The Company shall have the right to refuse to take any action until the applicant has provided a reasonable guarantee.

Article 51 After the Company has issued a replacement share certificate in accordance with these Articles of Association, the name of a bona fide purchaser who/which acquires the said new share certificate or a shareholder who/which subsequently registers as an owner of such shares (in the case of a bona fide purchaser) shall not be removed from the register of shareholders.

Article 52 The Company shall not be liable for any damages suffered by any person due to the cancellation of the Original Share Certificate or the issuance of a replacement share certificate, unless the claimant can prove fraud on the part of the Company.

Chapter VII Rights and Obligations of the Shareholders

Article 53 A shareholder of the Company is a person who lawfully holds shares in the Company and whose name is entered in the register of shareholders.

A shareholder shall enjoy rights and assume obligations according to the class and amount of shares held by such shareholder. Shareholders who hold shares of the same class shall have the same rights and obligations.

The Company shall not exercise any power to freeze or otherwise impair any of the rights attached to any share for the reason that a person who is directly or indirectly interested in the Company has failed to disclose his interests to the Company.

Article 54 Where two or more persons are registered as the joint holders of any share(s), they shall be deemed as the joint owners of such share(s), provided that they are subject to the following terms:

(1) if one of the joint shareholders becomes deceased, only the other surviving persons among the joint shareholders shall be regarded as the owners of the relevant shares of the Company, provided that the Board shall have the right to require such persons to provide such documentary evidence of the relevant shareholders' death as it deems appropriate for amending the register of shareholders;

(2) for joint shareholders of any shares, only the joint shareholder whose name appears first in the register of shareholders has the right to receive the share certificate of the relevant shares from the Company, to receive notices of the Company, to attend

the Company's shareholders' general meeting or exercise all the voting rights attached to the relevant shares; and any notice served on such shareholder shall be treated as having been served on all joint shareholders of the relevant shares;

- (3) The number of joint holders shall not be more than 4.

Article 55 Holders of ordinary shares of the Company shall have the following rights:

(1) to receive dividends and other kinds of distribution of interests based on the number of shares held by them;

(2) to call for, convene, preside over, attend or appoint a proxy to attend the shareholders' general meetings, and to exercise voting rights thereat, in accordance with the law;

(3) to supervise and manage the business operations of the Company, and make suggestions and enquiries accordingly;

(4) to transfer, donate as a gift or pledge shares held by them in accordance with the laws, administrative regulations and these Articles of Association;

(5) to obtain relevant information in accordance with these Articles of Association, including:

1. obtaining a copy of these Articles of Association after paying the costs and expenses incurred;

2. having the right to inspect and copy the following documents after paying the reasonable costs incurred:

(i) all parts of the register of shareholders;

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

(A) present and former name and alias;

(B) principal address (place of domicile);

(C) nationality;

(D) primary and all other part-time occupation and duties;

(E) identification documents and identification numbers.

- (iii) status of the share capital of the Company;
 - (iv) counterfoil of the bonds of the Company;
 - (v) financial and accounting reports of the Company;
 - (vi) resolutions adopted at the shareholders' general meeting of the Company;
 - (vii) minutes of the shareholders' general meeting, resolutions adopted at the Board meetings, resolutions adopted at the meetings of the board of supervisors;
 - (viii) reports on the aggregate par value, number of shares, and highest and lowest prices of each class of shares repurchased by the Company since the last accounting year as well as all the expenses paid by the Company therefor; and
 - (ix) photocopies of the annual returns of the most recent period already submitted to the SAIC or other competent authorities for filing;
- (6) to participate in the distribution of the remaining assets of the Company based on the number of shares held by them in the event of the termination or liquidation of the Company;
- (7) for shareholders who disagree with the resolutions in respect of the merger or division of the Company adopted at a shareholders' general meeting, to require the Company to acquire their shares;
- (8) to have any other rights conferred upon them under the laws, administrative regulations and these Articles of Association.

Article 56 Where a shareholder requests to inspect or obtain the relevant information as set forth in the preceding article, such shareholder shall provide the Company with written documentation evidencing the class and number of shares held by such shareholder in the Company and after verification of the shareholder's identity, the Company shall provide the information requested by the shareholder.

Article 57 If the contents of a resolution of the shareholders' general meeting or a board resolution violate the laws and administrative regulations, a shareholder shall have the right to request a People's Court to determine such resolution as invalid.

If the procedure(s) for convening a shareholders' general meeting or Board meeting, or the method of voting thereat, violate(s) the laws, administrative regulations or these Articles of Association, or if the contents of a resolution violate

these Articles of Association, the shareholders shall have the right to request within 60 days from the date of such resolution a People's Court to rescind such resolution.

Article 58 If a director or member of senior management is in breach of any provisions of the laws, administrative regulations or these Articles of Association when performing his duties for the Company which causes loss to the Company, a shareholder individually or shareholders in aggregate holding 1% or more of the shares in the Company for at least 180 consecutive days may request in writing for the board of supervisors to institute proceedings before a People's Court. If the board of supervisors is in breach of the laws, administrative regulations or these Articles of Association when performing their duties for the Company which causes loss to the Company, a shareholder may request in writing for the Board to institute proceedings before a People's Court.

If the board of supervisors or the Board refuses to institute proceedings upon the receipt of the written request from the shareholders under the previous paragraph, or does not do so within 30 days of the receipt of the request, or in the event of emergency where the absence of immediate action would cause irreparable damage to the interest of the Company, the shareholder(s) under the preceding paragraph may directly institute proceedings before a People's Court in his own name for the benefit of the Company.

If a third party infringes the legal interest of the Company and causes loss to the Company, the shareholders under the first paragraph of this Article may institute proceedings before a People's Court pursuant to the provisions of the preceding two paragraphs.

Article 59 If a director or member of senior management violates the laws, administrative regulations or these Articles of Association and such violation harms the interests of shareholders, a shareholder may institute proceedings before a People's Court.

Article 60 Holders of the ordinary shares of the Company shall have the following obligations:

(1) to abide by the laws, administrative regulations and these Articles of Association;

(2) to contribute to the share capital according to the number of shares subscribed by them and the methods of capital contribution;

(3) not to withdraw their contributed share capital save in such circumstances stipulated by the laws and administrative regulations;

(4) not to abuse their shareholder's rights to harm the interests of the Company or that of any other shareholders, and not to abuse the Company's independent status as a legal person and the shareholders' limited liability to harm the interests of the Company's creditors. Where the Company's shareholder(s) abuses shareholders' rights which causes loss to the Company or other shareholders, such shareholder(s) shall be liable for indemnity in accordance with the laws. If the Company's shareholder(s) abuses the Company's independent status as a legal person and the shareholders' limited liability to evade the repayment of debts, where the interests of the creditors are materially damaged, such shareholder(s) shall be jointly and severally liable for the debts of the Company;

(5) to assume any other obligations required under the laws, administrative regulations and these Articles of Association.

Shareholders shall not be liable for making any additional contribution to the share capital of the Company other than according to the terms as agreed by the subscribers of the shares at the time of subscription.

Article 61 Any organization or individual (including their affiliate companies) which or who purchases for its or his own account or in the name of another person 10% or more of the total number of the issued and outstanding shares of the Company shall obtain the prior approval of the CIRC. Unless the prior approval of the CIRC has been obtained, the number of shares of the Company held by a shareholder shall not exceed 10% or more of the total share capital of the Company or such other ratio as may be approved by the CIRC, whichever is higher.

If a shareholder holds without the prior approval of the CIRC shares in excess of such amount provided for in the preceding paragraph (the "**Excess Shares**") , prior to the approval of the CIRC, such shareholder's exercise of the shareholders' rights stipulated in Article 55 of these Articles of Association in respect of the Excess Shares shall be subject to necessary restrictions, including: (1) no voting rights shall be attached to the Excess Shares when a vote is taken at the shareholders' general meeting (including a vote of a meeting of a class of shareholders); and (2) the Excess Shares shall not carry the right under these Articles of Associate to nominate directors and supervisors. Notwithstanding the foregoing provisions, shareholders of the Company who hold Excess Shares shall not be subject to any restrictions when exercising the other rights stipulated in Article 55 of these Articles of Association.

Article 62 If a related party relationship arises between shareholders holding 5% or more of the shares of the Company, the relevant shareholders shall promptly submit a written report to the Company. If such related party relationship results in a change in the interest of such shareholders in the Company, the relevant shareholders shall submit a written report to the Company on the date of the occurrence of such fact or the following day of the occurrence of such fact.

For the purposes of the foregoing, the term “related party relationship” refers to the relationship between the Company’s controlling shareholder, de facto controller, director, supervisor or member of senior management and an enterprise under his or its direct or indirect control, or any other relationship which may lead to a transfer of the Company’s interest, provided that no related party relationship shall exist between State-controlled enterprises only due to the fact that such enterprises are under the common control of the PRC.

Article 63 If a shareholder holding 5% or more of the voting shares of the Company creates a pledge over his or its shares, such shareholder shall submit a written report to the Company on the date of the occurrence of such fact.

If the shares held by a shareholder are involved in a litigation or arbitration, the relevant shareholder shall promptly submit a written report to the Company after the occurrence of such fact.

If the solvency of the Company fails to reach the regulatory requirements, the substantial shareholders of the Company shall support the Company to improve its solvency.

Article 64 The controlling shareholders of the Company shall owe a fiduciary duty to the Company and other shareholders. The controlling shareholders of the Company shall exercise their shareholders’ rights strictly in accordance with the laws and regulations and these Articles of Association and shall neither take the advantage of their controlling position to gain improper benefit nor damage the legal interests of the Company and other shareholders.

In addition to the obligations imposed by the laws, administrative regulations or the listing rules stipulated by a stock exchange located at the place where the shares of the Company are listed, when exercising their rights as shareholders, the controlling shareholders shall not make decisions on the following issues which are detrimental to all or part of the shareholders’ interests by exercising their voting rights:

- (1) relieving a director or supervisor of the responsibility to act in good faith and in the best interests of the Company;
- (2) approving a director's or a supervisor's (for his own benefit or the benefit of a third party) depriving the Company of its property in any manner, including (but not limited to) any opportunities that are favorable to the Company; or
- (3) approving a director's or a supervisor's (for his own benefit or the benefit of a third party) depriving other shareholders of their personal interests, (including but not limited) to any rights to distributions or voting rights, unless such deprivation is pursuant to a restructuring of the Company submitted to and approved by the shareholders' general meeting in accordance with these Articles of Association.

Article 65 For the purpose of the preceding Article, the term “controlling shareholder” shall refer to a person who has satisfied any of the following conditions:

(1) a person, who acting alone or in concert with others, has the power to elect more than half of the number of directors;

(2) a shareholder whose shareholding represents 50% or more of the total share capital of the Company;

(3) a shareholder whose shareholding is less than 50% but whose voting rights attached to his shareholding is sufficient to create a material impact on the resolutions of a shareholders' general meeting, including (but not limited to):

1. a shareholder who, acting alone or in concert with others, has the power to exercise or control the exercise of 30% or more of the voting rights of the Company;

2. a shareholder who, acting alone or in concert with others, holds 30% or more of the issued and outstanding shares of the Company; or

3. a shareholder who, acting alone or in concert with others, has de facto control of the Company by other means.

Chapter VIII Shareholders' General Meeting

Article 66 The shareholders' general meeting shall be the organ of authority of the Company and shall exercise its functions and powers in accordance with the law.

Article 67 The shareholders' general meeting shall exercise the following functions and powers:

(1) to decide on the business operation policies and investment plans of the Company;

(2) to elect and replace directors and supervisors who are not shareholder representatives, and decide on matters concerning the remuneration of the directors and supervisors;

(3) to consider and approve reports of the Board;

(4) to consider and approve reports of the board of supervisors;

(5) to consider and approve proposals on the annual financial budget and final accounts of the Company;

(6) to examine and approve the profit distribution plans and loss recovery plans of the Company;

(7) to adopt resolutions concerning the increase or reduction of the Company's registered share capital;

(8) to pass resolutions on the merger, division, dissolution, liquidation or change of the corporate form of the Company;

(9) to consider and approve all or part of the shares to be listed on any stock exchange or any plan in respect of the issue of the bonds or other securities of the Company;

(10) to pass resolutions on the appointment or dismissal or cessation of appointment of an accounting firm which acts for the Company;

(11) to amend these Articles of Association;

(12) to consider proposals presented by a shareholder who individually or in aggregate holds 3% or more of the total number of the shares in the Company;

(13) to consider and approve matters relating to guarantee as provided for in Article 68;

(14) to consider matters in connection with the acquisition or disposal of material assets conducted within the year with a value in excess of 30% of the audited total assets of the Company for the most recent period;

(15) to consider investment matters in which any of the assets ratio, consideration ratio, profits ration, revenue ratio and equity capital ratio is more than 25% pursuant to the Listing Rules (as amended from time to time) applicable to the Company;

(16) to consider and approve an external investment and the related disposal matters of the Company with a single transaction value in excess of 50% of the audited net asset value of the Company for the most recent period (other than the transaction entered into between the Company and its subsidiaries);

(17) to consider and approve matters in connection with the write-off of assets in which the initial cost of a single or individual asset is in excess of 2% of the audited net asset value of the Company for the most recent period and 5% in aggregate of the audited net asset value of the Company for the most recent period on an annual basis.

(18) to consider and approve matters in connection with donation to third parties with a total expense in excess of 0.5% of the registered share capital of the Company;

(19) to consider and approve matters in connection with the change of the use of proceeds;

(20) to consider the share incentive scheme;

(21) to decide on other matters which, according to the laws, administrative rules and regulations and provisions stipulated by the securities regulators of the places where the shares of the Company are listed and any other provisions which may have a material impact on the business development of the Company together with these Articles of Association, should be resolved at a shareholders' general meeting.

Article 68 Apart from its affiliated companies, the Company shall not provide guarantee for other companies. The guarantee provided by the Company to its affiliated companies shall be subject to consideration and approval at general meetings.

Article 69 The Company shall not, without the prior approval of two-thirds of the shareholders holding voting rights present at a general meeting, enter into any contract with any person (other than a director, supervisor, president, vice president and other senior management) pursuant to which such person shall be responsible for the management of the whole or the material businesses of the Company.

Article 70 Shareholders' general meetings consist of annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the Board.

Annual general meetings shall be convened once every year and shall be held within 6 months from the end of the preceding accounting year.

The Board shall convene an extraordinary general meeting within 2 months in any of the following circumstances:

(1) the number of directors falls below the number of persons stipulated by the Company Law or two-thirds of the number as required under these Articles of Association;

(2) the unrecovered loss of the Company reaches one-third of the Company's total paid-in share capital;

(3) shareholder(s) who individually or in aggregate holds (or hold) 10% or more of the total number of shares of the Company so request;

(4) the Board deems it necessary;

(5) the board of supervisors proposes that the meeting be convened;

(6) two or more independent directors propose to convene the same;

(7) any other circumstances as provided for by the laws, administrative regulations, rules and regulations, the securities regulators located at the places where the shares of the Company are listed and these Articles of Association.

Article 71 When the Company convenes a shareholders' general meeting, written notice of the meeting shall be given 45 days before the date of meeting to notify the shareholders whose names appear in the share register of the matters to be considered at, and the date and place of, the meeting. A shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his attendance at such meeting 20 days before the date of meeting.

Article 72 When the Company convenes a shareholders' general meeting, the Board, board of supervisors and shareholder(s) holding, individually or in aggregate, 3% or more of the shares of the Company shall have the right to propose new motions.

Shareholder(s) holding, individually or in aggregate, 3% or more of the number of the Company's shares shall have the right to propose an *ex tempore* motion 10 days

prior to the general meeting by furnishing the same to the convener in writing. The convener shall issue a supplemental notice of general meeting within 2 days upon receipt of the proposed motion to make public the contents of the *ex tempore* motion. For the purpose hereof, the term “convenor” refers to a person who has the right to convene a shareholders’ general meeting pursuant to these Articles of Association.

The contents of the motion proposed to a shareholders’ general meeting shall fall within the terms of reference of such shareholders’ general meeting, which shall have a clear subject for discussion and specific issues for resolution and shall be in compliance with the laws, administrative regulations and these Articles of Association.

Article 73 The Company shall, based on the written replies that it receives from the shareholders 20 days before the date of the shareholders' general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting amounts to one-half or more of the total number of voting shares of the Company, the Company may convene a shareholders’ general meeting; if not, then the Company shall, within 5 days, notify the shareholders by way of a public announcement the matters to be considered at, and the place and date of, the meeting. The Company may then hold the meeting after publication of such announcement.

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

Article 74 The notice of a shareholders' general meeting shall meet the following requirements:

- (1) it shall be made in writing;
- (2) it shall contain the record date for recording the shareholding interests of shareholders who are entitled to attend the shareholders’ general meeting;
- (3) it shall specify the place, date and time of the meeting;
- (4) it shall describe the matters to be discussed at the meeting;
- (5) it shall provide necessary information and explanations to the shareholders so as to make sensible decision for the matters to be discussed. This principle shall include (but shall not be limited to) the circumstances where the Company proposes a merger, repurchase of shares, reorganization of share capital or other restructuring, the

Company shall provide the specific conditions and contracts (if any) of the proposed transaction and shall earnestly explain the cause and consequence of such transaction;

(6) it shall disclose the nature and extent of the conflict of interest, if any, of any director, supervisor, president, vice president or any other senior management in any matter to be discussed; and provide an explanation for the differences between the way in which the matter to be discussed would affect such director, supervisor, president, vice president or any other senior management in his capacity as shareholders and the way in which such matter would affect other shareholders of the same class;

(7) it shall contain the full text of any special resolutions proposed to be adopted at the meeting

(8) it shall contain a conspicuous statement that shareholders who have the right to attend and vote thereat shall have the right to appoint one or more than one proxy to attend and vote on their behalf and that such proxy need not be a shareholder;

(9) it shall state the time and place for serving the power of attorney in respect of voting at the meeting;

(10) it shall contain the name and phone number of the permanent contact person for the meeting;

(11) if a shareholders' general meeting is conducted online or otherwise, the timing and procedure for voting online or otherwise shall be specified in the notice of shareholders' general meeting.

Article 75 A notice of a shareholders' general meeting shall be served on each shareholder (regardless of whether such shareholder is entitled to vote at the meeting), by hand or prepaid mail to the address of the shareholder as shown in the register of shareholders.

For the holders of domestic shares, the notice of meeting may also be issued by way of public announcement. Such public announcements shall be published in one or more than one newspapers or periodicals designated by the securities regulatory authority of the State Council during a period between 45 and 50 days prior to the convening of the meeting. Once the announcement is made, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

For the holders of overseas-listed foreign investment shares, the notice of meeting may also be issued during a period between 45 and 50 days prior to the convening of the meeting pursuant to Article 243 of these Articles of Association, including the issue by way of a public announcement published on the websites of the Company and the stock exchange located in the place where the shares are listed. Once a notice of meeting is made by way of public announcement or is issued by any other means as permitted under Article 243 of these Articles of Association, all holders of overseas-listed foreign investment shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

Article 76 An accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted thereat.

Article 77 Any individual shareholder who attends the meeting in person should present his identity card and other valid certificates or evidence or proof of his shareholding which can be used to substantiate his identity. If a proxy is appointed to attend the meeting, the proxy shall present his valid identity card and power of attorney issued by the shareholder.

A legal person shareholder shall be represented by its legal representative or proxy appointed by its legal representative to attend the meeting. If the legal representative attends the meeting, he shall present his identity card and valid proof of his qualification as a legal representative. When a proxy is appointed to attend the meeting, he shall present his own identity card and the power of attorney issued by the legal representative of the legal person shareholder in accordance with the law.

Notwithstanding the foregoing provisions, a representative or agent acting on behalf of a recognised clearing house within the meaning of the relevant laws and regulations of the place in which the shares of the Company are listed shall not be required to produce his written power of attorney and proof of shareholding.

Article 78 Any shareholder who is entitled to attend and vote at a shareholders' general meeting shall have the right to appoint one or more than one person (who need not be shareholders) as his proxy/proxies to attend and vote on his behalf. Such proxy may exercise the following rights according to the appointment made by the shareholder:

- (1) the shareholder's right to speak at the meeting;
- (2) the right to demand or join in demanding a poll;

(3) the right to vote by hand or on a poll, except that if a shareholder has appointed more than one proxy, the proxies may only exercise the voting rights by way of poll.

If the said shareholder is a recognized clearing house (or its agent) within the meaning of the relevant laws and regulations of the place in which the shares of the Company are listed, such shareholder may authorize one or more than one persons as he deems appropriate as his proxy/proxies to attend on his behalf any general meeting or any class shareholders' meeting; if one or more than one persons are authorized, a power of attorney shall specify the number and class of shares in connection with such authorization. The person(s) so authorized can exercise the right on behalf of the recognized clearing house (or its agent) as if he is an individual shareholder (or they are individual shareholders) of the Company.

Article 79 Shareholders shall appoint their proxies in writing and the instrument shall be signed by the appointing shareholder or his agent who has been duly authorized in writing; if the appointor is a legal entity, the power of attorney shall be affixed with a chop of the legal person or shall be signed by its director or the duly authorized agent.

A power of attorney in respect of the voting proxy shall specify the following contents:

- (1) the name of the proxy;
- (2) whether or not the proxy has the right to vote;
- (3) the instructions on voting in favour of, against or abstention from voting in respect of each item of businesses included in the agenda of the shareholders' general meeting;
- (4) the issue date and valid term of the power of attorney;
- (5) the signature (or seal) of the appointor.

Article 80 A power of attorney in respect of a voting proxy shall be placed at the domicile of the Company or such other place as specified in the notice for convening the meeting at least 24 hours before the convening of the relevant meeting at which the proxy will be voted under such proxy or 24 hours prior to the specified time of voting. If the power of attorney is signed by a person authorized by the appointor, the authorization letter in respect of the authority to sign together with other authorization documents shall be notarized. The notarized authorization letter or other authorization instruments shall be placed together with the power of attorney in

respect of voting proxy at the domicile of the Company, or at any other place designated in the notice of meeting.

If the appointor is a legal person, its legal representative or any person authorized by resolution of its board of directors or other decision-making body shall attend a shareholders' general meeting on behalf of the Company.

Article 81 The power of attorney issued by the Board of the Company to the shareholders for the appointment of proxies shall enable the shareholders to freely instruct their proxies to vote in favour of or against the motions and to give the respective instructions in respect of each individual matter to be voted at the meeting. The power of attorney shall contain a statement that, in the absence of instructions from the shareholder, the proxy may vote as he thinks fit.

Article 82 A vote given in accordance with the proxy shall be valid notwithstanding the death or loss of capacity of the appointor, the revocation of the authority under which a proxy letter was executed or the transfer of the relevant shares, insofar as the Company has not received any written notice in respect of such matters before the commencement of the relevant meeting.

Article 83 The Company shall convene a shareholders' general meeting at its place of domicile or at a place designated by the Board.

A meeting place shall be provided for convening a shareholders' general meeting in the form of a physical meeting. The Company shall, on the premise of ensuring the lawfulness and validity of the general meeting, provide convenience to shareholders in attending the shareholders' general meeting through various means and channels, including the provision of modern information technology measures such as online voting platforms. Shareholders attending the shareholders' general meeting by the said method shall be deemed to have been present thereat.

The same voting right shall only be exercised by selecting to vote at the scene, online or otherwise. If the same right to vote has been exercised for multiple times, only the first voting result shall prevail.

Article 84 The convenor and the legal adviser retained by the Company shall verify the legality of the qualification of the shareholders based on the shareholder register provided by the securities registration and clearing authority and shall register the names of the shareholders together with the numbers of voting shares in their possession. Before the chairman of the meeting declares the number of shareholders and proxies present at the meeting onsite as well as the total number of voting shares in their possession, the registration formalities of the meeting shall be closed.

Article 85 When convening a shareholders' general meeting, all directors, supervisors and the secretary to the Board shall attend the meeting, and the president and other senior management shall attend the meeting as non-voting attendees.

Article 86 When considering a proposal at a shareholders' general meeting, no change shall be made to such proposal; otherwise, the relevant change shall be treated as a new proposal which cannot be voted at the general meeting.

Article 87 Prior to voting, the chairman of the meeting shall declare the number of shareholders and proxies present at the meeting onsite as well as the total number of voting shares in their possession. The number of shareholders and proxies present at the meeting onsite as well as the total number of voting shares in their possession shall be determined as those that have been registered at such meeting.

Article 88 Resolutions of shareholders at a general meeting shall take the forms of ordinary resolutions and special resolutions.

An ordinary resolution must be adopted by votes representing at least one-half of the voting rights represented by the shareholders (including proxies) present at the shareholders' general meeting.

A special resolution must be adopted by votes representing at least two-thirds of the voting rights represented by the shareholders (including proxies) present at the shareholders' general meeting.

Article 89 At the time of voting at a shareholders' general meeting, shareholders (including proxies) shall exercise their voting rights based on the number of voting shares represented by them, and each share shall carry one voting right. However, the shares held by the Company shall neither carry any voting right nor shall they be counted in the total number of voting shares represented at the general meeting.

Article 90 The Board, independent directors and shareholders who meet the relevant requirements may solicit from other shareholders their rights to vote at a shareholders' general meeting. When considering matters in relation to the related party transactions at a shareholders' general meeting, related party shareholders shall abstain from voting, and the number of voting shares held by them shall not be counted into the total number of valid votes. The announcement of resolutions adopted at a shareholders' general meeting shall fully disclose the votes cast by the non-related party shareholders.

Article 91 At a shareholders' general meeting, a resolution shall be decided by a show of hands, unless a poll is required under the Listing Rules of the HKSE or is demanded by the following persons before or after a vote has been carried out by a show of hands:

- (1) the chairman of the meeting;
- (2) at least two shareholders with voting rights or their proxies; or
- (3) one or several shareholders (including proxies) holding individually or in aggregate more than 10% (inclusive) of the voting shares at the meeting.

Unless otherwise provided for in the Listing Rules of the HKSE, or unless a poll is demanded, the chairman of the meeting shall declare that a resolution has been adopted based on the results of the votes by a show of hands, and shall record the same in the minutes of the meeting, which shall serve as conclusive evidence without the need to provide evidence of the number or proportion of the votes cast in favour of or against such resolution.

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

Article 92 A poll demanded for resolving matters on the election of the chairman of the meeting or on the adjournment of the meeting shall be taken forthwith. A poll demanded for resolving any other matter shall be taken at a time decided by the chairman of the meeting, and the meeting may proceed to discuss any other business and the result of the poll shall still be treated as a resolution adopted at such meeting.

Article 93 On a poll taken at a meeting, a shareholder (including a proxy) entitled to have two or more than two votes need not cast his votes either all for or all against the resolution. When counting the votes, the number of shares represented by invalid votes shall not be counted into the total number of voting shares held by the shareholders present at the meeting.

Article 94 The following matters shall be adopted by an ordinary resolution at a shareholders' general meeting:

- (1) working reports of the Board and the board of supervisors;
- (2) profit distribution plans and loss recovery plans formulated by the Board;
- (3) appointment and removal of members of the Board and board of supervisors, their remuneration and methods of payment of their remuneration;

(4) annual reports and reports on annual budget and final accounts of the Company;

(5) the appointment, dismissal or cessation of appointment of an accounting firm which acts for the Company;

(6) investment matters in which any of the assets ratio, consideration ratio, profits ratio, revenue ratio and equity capital ratio is more than 25% pursuant to the Listing Rules (as amended from time to time) applicable to the Company;

(7) external investment and the related disposal matters of the Company with a single transaction value in excess of 50% of the audited net asset value of the Company for the most recent period (other than transactions entered into between the Company and its subsidiaries);

(8) matters in connection with the write-off of assets in which the initial cost of a single or individual asset is in excess of 2% of the audited net asset value of the Company for the most recent period and 5% in aggregate of the audited net asset value of the Company for the most recent period on an annual basis;

(9) matters in connection with donation to external parties with a total expense in excess of 0.5% of the registered share capital of the Company;

(10) any other matters other than those which should be adopted by special resolutions pursuant to the laws, administrative regulations or these Articles of Association.

Article 95 The following matters shall be adopted by a special resolution at a shareholders' general meeting:

(1) the division, merger, dissolution and liquidation of the Company;

(2) the issue of bonds of the Company;

(3) the amendment of these Articles of Association;

(4) the consideration of any acquisition or disposition of material assets, or any provision of a guarantee, by the Company within one year that are in excess of 30% of the audited total assets of the Company for the most recent period;

(5) share incentive schemes;

(6) any other matter that, if resolved by way of an ordinary resolution at the shareholders' general meeting may have a material impact on the Company or any other matters required to be adopted by special resolution.

Article 96 An extraordinary general meeting or a class shareholders' meeting requested to be convened by a shareholder shall comply with the following procedures:

(1) Shareholders holding individually or in aggregate 10% or more of the Company's shares may sign one or several written requisitions in the same format and with the same content, requiring the Board to convene an extraordinary general meeting or a class shareholders' meeting and stating the proposed matters to be discussed thereat. The Board shall, in accordance with the laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within 10 days upon receipt of such requisition(s). The shareholdings referred to in the above shall be calculated as at the date on which the shareholder(s) propose(s) such written requisition(s).

(2) If the Board agrees to convene an extraordinary general meeting or a class shareholders' meeting, the notice of convening such meeting shall be issued within five days after adopting the relevant resolution of the Board. Any changes to the original proposal made in the notice shall require prior approval of the relevant shareholders.

(3) If the Board does not agree to convene an extraordinary general meeting or a class shareholders' meeting, or does not furnish any reply within ten days upon receipt of such requisition, shareholders holding individually or in aggregate 10% or more of the shares of the Company shall have the right to propose to the board of supervisors the convening of an extraordinary general meeting and such proposal to the board of supervisors shall be made in writing.

(4) If the board of supervisors agrees to convene an extraordinary general meeting or class shareholders' meeting, the notice of such meeting shall be issued within five days upon receipt of such requisition. Any changes to the original requisition made in the notice shall require prior approval of the relevant shareholders.

(5) Failure of the board of supervisors to issue a notice of general meeting within the prescribed period shall be treated as the circumstances that the board of supervisors does not convene or preside over the shareholders' general meeting, and shareholders individually or in aggregate holding 10% or more of the Company's

shares for 90 consecutive days or more shall be entitled to convene and preside over the meeting at their own discretion.

Any reasonable expenses incurred by a shareholder who convenes and holds a meeting on his own by reason of the failure of the Board to do so shall be borne by the Company and shall be deducted from the sums owed by the Company to the defaulting directors.

Article 97 The chairman of the Board shall serve as the chairman of the shareholders' general meeting. If the chairman of the Board is unable to, or does not, perform his duties, the vice chairman of the Board shall serve as the chairman of the meeting. If the vice chairman of the Board is unable to, or does not, perform his duties, at least half of the number of the directors shall jointly elect a director to serve as the chairman of the meeting.

If the board of supervisors convenes a shareholders' general meeting on its own, the chairman of the board of supervisors shall serve as the chairman of the meeting. If the chairman of the board of supervisors is unable to, or does not, perform his duties, at least half of the number of the supervisors shall jointly elect a supervisor to serve as the chairman of the meeting.

If a shareholder convenes a shareholders' general meeting on his own, the convenor shall elect a representative as the chairman of the meeting. If the shareholders fail to elect a chairman for any reason, the shareholder (including his proxy) holding the highest number of voting shares present at the meeting shall be the chairman of the meeting.

When convening a shareholders' general meeting, if the chairman of the meeting violates the rules of procedures to the effect that the meeting cannot be proceeded, another person may be elected to serve as the chairman of the meeting with the approval of the majority of the shareholders with voting right present at the meeting.

Article 98 If the chairman of the meeting has any doubt as to the result of a resolution, he may have the votes re-counted. If the chairman of the meeting has not re-counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be re-counted and the chairman of the meeting shall forthwith re-count the votes.

Article 99 If the votes are re-counted at a shareholders' general meeting, the re-counting result shall be recorded in the minutes of the meeting.

Minutes shall, together with the attendance book relating to the shareholders and the power of attorney for proxies attending the meeting, be kept at the place of domicile of the Company.

Article 100 Shareholders may have access to copies of the minutes of the shareholders' general meeting free of charge during the office hours of the Company. If any shareholder requests to obtain from the Company a copy of the relevant minutes, the Company shall deliver such copy within 7 days after receipt of the reasonable fees incurred.

Article 101 If a shareholder is required to abstain from voting on any particular resolution, or is restricted to voting only for or only against any particular resolution, under the Listing Rules of the HKSE, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

Article 102 When convening a shareholders' general meeting, the Company shall retain a legal counsel to give legal advice and make an announcement on the following issues:

- (1) whether or not the procedures for summoning and convening a general meeting comply with the requirements of the laws, administrative regulations and these Articles of Association;
- (2) whether the qualifications of the people attending and convening the shareholders' general meeting are legally valid;
- (3) whether the voting procedures for, and the voting results of, the general meeting are legally valid;
- (4) the issuance of the legal opinion(s) on other relevant issues at the request of the Company.

Article 103 Minutes of meetings shall be prepared for a shareholders' general meeting, and the secretary of the Board shall be responsible for such minutes. The minutes of meeting shall record the following information:

- (1) time, venue and agenda of the meeting and name of the convenor;
- (2) names of the chairman of the meeting as well as the directors, supervisors, managers and other senior management present at the meeting or attending the meeting on a non-voting basis;

(3) the number of shareholders and proxies present at the meeting, the number of voting shares held by such shareholders and proxies, and its proportion to the total number of shares of the Company;

(4) details of the consideration of, key points of discussion relating to, and the voting result of, each resolution;

(5) shareholders' enquiries and suggestions, and corresponding answers or explanation;

(6) Names of legal adviser, vote counting officers and scrutineer;

(7) Any other issues that should be recorded in minutes of meeting as provided for in these Articles of Association.

Article 104 The convenor shall ensure that the content of the minutes shall be true, accurate and complete. Directors, supervisors, board secretary, convenor or its representative and chairman of the meeting present at the meeting shall sign on the minutes. Minutes shall, together with the attendance book relating to the shareholders present in person at the meeting and the power of attorney for proxies attending the meeting and information on online voting or voting by other methods, be kept on a permanent basis.

Chapter IX Special Voting Procedures for Class Shareholders

Article 105 Shareholders who hold different classes of shares shall be class shareholders.

Class shareholders shall have rights and obligations in accordance with the laws, administrative regulations and these Articles of Association.

If the share capital of the Company comprises of non-voting shares, the words "non-voting" shall be added to the title of such shares.

If the share capital comprises of shares attached with different voting rights, the words "limited voting right" or "restricted voting right" shall be added to the title of each class of share (except for shares with the most favourable voting right attached).

Article 106 If the Company intends to change or abrogate the rights of class shareholders, it may do so only after such change or abrogation has been approved by way of a special resolution at a shareholders' general meeting and by a separate shareholders' meeting convened by the affected class shareholders in accordance with Articles 108 to 112.

Article 107 The following circumstances shall be deemed to be a change or abrogation of the rights attached to a particular class of shares:

(1) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of shares of that class;

(2) to exchange all or part of the shares of that class for shares of another class, or to exchange or create a right to exchange all or part of the shares of another class for shares of that class;

(3) to cancel or reduce the right to accrued dividends or the right to cumulative dividends attached to shares of that class;

(4) to reduce or cancel the preferential right attached to shares of that class to receive dividends or to enjoy the distribution of assets in the event that the Company is liquidated;

(5) to add, cancel or reduce conversion rights, election rights, voting rights, transfer rights or pre-emptive rights, or rights to acquire securities of the Company attached to shares of that class;

(6) to cancel or reduce rights to receive payment payable by the Company in particular currencies attached to shares of that class;

(7) to create a new class of shares having the voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;

(8) to restrict the transfer or ownership of shares of that class or to increase the types of restrictions attaching thereto;

(9) to grant the right to subscribe for or convert into shares of the Company of that class or another class;

(10) to increase the rights or privileges of shares of another class;

(11) to propose to restructure the Company in such a way so as to result in the disproportionate distribution of obligations between the various classes of shareholders;

(12) to alter or abrogate the provisions of this Chapter.

Article 108 Shareholders of the affected class shall, regardless of whether having the right to vote or not at shareholders' general meetings, have the right to vote

at class shareholders' meetings in respect of matters concerning sub-paragraphs (2) to (8), (11) and (12) of Article 107, but interested shareholders shall not be entitled to vote at such class shareholders' meetings.

For the purposes of the preceding paragraph, the term "interested shareholders" shall have the following meanings

(1) if the Company has made a repurchase offer to all shareholders in the same proportion or has repurchased its own shares through open transactions on a stock exchange in accordance with Article 32 hereof, the controlling shareholders as defined in Article 65 of these Articles of Association shall be the "interested shareholders";

(2) if the Company has repurchased its own shares under an off-market agreement in accordance with Article 32 of these Articles of Association, shareholders who are connected with such agreement shall be the "interested shareholders";

(3) under a restructuring proposal of the Company, shareholders who will assume responsibility for a proportion lower than that assumed by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from that of other shareholders of the same class, shall be the "interested shareholders".

Article 109 Resolutions of a class shareholders' meeting shall be adopted by two-thirds or more of the votes cast by class shareholders carrying voting rights and attending the class shareholders' meeting in accordance with Article 108.

Article 110 When convening a class shareholders' meeting, the Company shall issue a written notice to all class shareholders whose names appear on the register of shareholders 45 days before the class shareholders' meeting is convened, and notify them of the matters to be considered at such meeting and the date and place of the meeting. Shareholders who intend to attend the meeting shall deliver a written reply to the Company 20 days before the meeting is convened.

If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is at least one-half of the total number of shares of that class carrying the right to vote at the meeting, the Company may convene a class shareholders' meeting. If not, the Company shall within 5 days inform the shareholders once again of the matters to be considered at the meeting and the place, date and time of the meeting in the form of a public announcement. Upon

notification by public announcement, the Company may convene the class shareholders' meeting.

The quorum for convening any of the above class shareholders' meetings (other than the adjournment of meeting) for the purpose of considering the alteration of any class of shares shall be at least one-third of the holders of the issued shares of such class.

Article 111 Notice of class shareholders' meetings need only be served on shareholders entitled to vote thereat.

Class shareholders' meetings shall be conducted in a manner similar to the shareholders' general meetings to the fullest extent as possible. The provisions relating to the conduct of a shareholders' general meeting as contained in these Articles of Association shall also apply to a class shareholders' meeting.

Article 112 Except for the holders of other classes of shares, the holders of domestic shares and holders of overseas-listed foreign investment shares shall be treated as holders of different classes of shares.

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

(1) where the Company issues, either separately or concurrently, domestic shares and overseas-listed foreign investment shares at an interval of 12 months upon the approval by special resolution of its shareholders in a general meeting, and the number of the domestic shares and overseas-listed foreign investment shares intended to be issued does not exceed 20% of the issued and outstanding shares of each of such class;

(2) where the plan for the issue of the domestic shares and overseas-listed foreign investment shares at the establishment of the Company is completed within 15 months from the date of approval of the CSRC;

(3) upon the approval by the securities regulatory authority of the State Council, any shares held by holders of domestic shares of the Company have been transferred to foreign investors and listed or traded at a stock exchange outside the PRC.

Chapter X Board of Directors

Section 1 Directors

Article 113 Directors shall be natural persons and elected at the shareholders' general meeting. The term of office shall be three years, calculated from the date of being duly appointed until the expiration of the term of office of the relevant session of the Board. A director may be re-elected to serve consecutive terms upon expiration of such term of office. Where re-election is not carried out promptly upon expiration of the term of office of a director, the existing director shall continue to perform the duties of a director pursuant to the laws, administrative regulations, departmental rules and regulations and these Articles of Association until a successor is elected to take up the position.

The list of candidates for directorship shall be proposed to be resolved at a shareholders' general meeting by resolution under a motion. The Board shall provide the resumes and general information of the candidates to the shareholders. For resolutions on the election of directors to be considered at a shareholders' general meeting, the voting for each of the candidates shall be conducted one by one and the resolution shall be adopted by way of an ordinary resolution.

A written notice stating the intention to nominate a candidate for directorship and the candidate's willingness to accept the nomination shall be dispatched to the Company after the Company has issued the notice of a shareholders' general meeting in respect of the election of such director no less than 7 days prior to the date of convening the shareholders' general meeting, and such notice period shall not be less than 7 days.

Subject to the relevant laws and administrative regulations, a director whose term of office has not expired may be dismissed by an ordinary resolution at a shareholders' general meeting (provided that any claim for indemnity which may be raised under any contract shall not be affected thereby).

The chairman and vice chairman of the Board shall be elected and removed by a simple majority vote of all members of the Board. The term of office of the chairman and vice chairman shall be three years which shall be commenced from the date of appointment and is renewable upon re-election.

Directors are not required to hold shares of the Company.

Article 114 Directors elected as additional or alternative directors at a general meeting shall hold office from the effective date of such election until the expiration date of the term of such session of the Board.

Subject to the laws and regulations of the PRC, these Articles of Association as well as other provisions, any person appointed by the Board to fill a casual vacancy of the Board or to serve as an additional director shall hold office until the next following annual general meeting of the Company only, and shall then be eligible for re-appointment upon re-election.

Article 115 Directors shall have excellent conduct and reputation and shall also have sufficient time and necessary knowledge and ability to perform their duties. The Board should require, and shall have the right to require, the management to fully and accurately provide in a timely fashion all information reflecting the operation and management of the Company and to fully and accurately give an explanation on the relevant issues in a timely fashion.

Article 116 The Company may establish the necessary director's liability insurance system.

Article 117 A director shall be deemed to be unable to carry out his duties if he fails to attend two consecutive Board meetings in person and fails to appoint another director to attend the Board meetings on his behalf. The Board shall propose at a shareholders' general meeting for the removal of such director.

Article 118 A director who intends to resign shall submit a written resignation report to the Board. The Board shall disclose the relevant particulars in accordance with the listing rules of the place of listing.

If the number of the members of the Board falls below the quorum due to the resignation of some directors from the Board, the original directors shall, before the newly elected directors take office, perform their functions and duties as directors in accordance with laws, administrative regulations, departmental rules and these Articles of Association.

Except for the circumstances set out in the preceding paragraph, resignation of a director shall take effect from the time when the resignation report is served on the Board.

Section 2 Board of Directors

Article 119 The Company shall have a board of directors, which shall be accountable and report its work to the shareholders' general meeting. The Board shall consist of fifteen directors, and the independent directors shall be not less than one-third of the members of the Board, and the number of executive directors shall at least be two. The Board shall have one chairman and one vice-chairman. The chairman and vice-chairman shall be elected by more than half of all directors.

Article 120 The Board shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers:

(1) to be responsible for convening the shareholders' general meeting and to report its work to the shareholders' general meeting;

(2) to implement the resolutions of the shareholders' general meeting;

(3) to decide on the annual business plans and investment plans of the Company;

(4) to formulate the annual financial budget plans and the final budget plans of the Company

(5) to formulate the plans for profit distribution (including plans for year-end dividend distribution) and loss minimisation of the Company

(6) to formulate plans for the increase or reduction of the registered share capital of the Company, and for issuance and listing of corporate bonds and other securities;

(7) to formulate plans for substantial acquisition or acquisition of the shares in the Company or for merger, division, dissolution and change of the corporate form of the Company;

(8) Unless otherwise stipulated by laws, administrative regulations, departmental rules and these Articles of Association, to make decisions on, formulate procedures for conducting strict review and making decisions on, and establish clear limits on the authority of examination and approval in relation to external investments, acquisition and sale of assets, write-off of assets after verification, mortgage of assets, investment entrustment arrangements, related party transactions and donation to a third party;

(9) to decide on the setup of the Company's internal management departments;

(10) to appoint or dismiss the president and the secretary to the Board of the Company; to appoint or dismiss and determine the remuneration of the vice presidents, chief financial officer , chief actuary, professional chief controllers and other senior management of the Company in accordance with nominations by the president;

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

(12) to formulate amendments to these Articles of Association;

(13) to take charge of the information disclosure of the Company;

(14) to submit for the consideration of the shareholders' general meeting proposals on the engagement, dismissal, non-renewal or replacement of an accounting firm acting as the Company's auditor;

(15) to receive work reports of the president of the Company and review the president's work;

(16) other functions and powers conferred by laws, administrative regulations, departmental rules, regulatory rules of the stock exchange of the place of listing or these Articles of Association.

In principle, the statutory functions and powers of the Board shall not be granted to the chairman, directors or other individuals or institutions for exercising. Where it is really necessary for authority to be granted for certain specific matters involving decision-making, authority shall be granted by way of board resolutions in accordance with laws. Each authorization shall be made for one specific matter only. The functions and powers of the Board shall not be granted in general or permanently to other individuals and institutions for exercising.

Article 121 The Board shall set up a strategic and investment decision-making committee, an audit committee, a nomination and remuneration committee, a risk management committee and other special committees where necessary. The special committees shall carry out its work as authorized by the Board, and shall be accountable to the Board. The rules of procedure and the duties and responsibilities of each committee shall be formulated by the Board.

Article 122 If the Board intends to dispose of the fixed assets, and if the total of the expected value of the fixed assets to be disposed of and the amount of consideration received from disposals of fixed assets in the 4 months immediately preceding the disposal exceeds 33% of the value of the Company's fixed assets as shown in the latest balance sheet reviewed by the shareholders' general meeting, then

the Board may not dispose of or agree to dispose of the fixed assets without the prior approval of the shareholders' general meeting.

The “disposal of fixed assets” referred to in this Article includes transfers of interests in certain assets, but does not include pledge of fixed assets as guarantee.

The validity of any transaction carried out by the Company for disposal of fixed assets shall not be affected by any violation of the first paragraph of this Article.

In making decisions on market development, merger and acquisition, investment in new areas and on other aspects, where the amount of investment or the amount of assets to be merged or acquired under a project is not less than 10% of the total assets of the Company, the Board shall engage public consultancy institutions to give professional views on the intended transactions which shall be an important basis on which the Board makes its decisions.

Article 123 The chairman shall exercise the following functions and powers:

- (1) to preside over the shareholders’ general meeting and to convene and preside over Board meetings;
- (2) to oversee implementation of the resolutions of the Board
- (3) to sign securities issued by the Company;
- (4) other functions and powers as conferred by the Board.

The vice-chairman shall assist the chairman with his functions and duties . Where the chairman is unable or fails to perform his functions and duties, the vice-chairman shall act on his behalf; where the vice-chairman is unable or fails to perform his functions and duties, a director elected by more than half of all directors shall act on his behalf.

Article 124 The Board shall convene four regular Board meetings a year. The Board meetings shall be convened by the chairman. Notice of a regular Board meeting shall be given to all directors and supervisors at least fourteen days before the meeting is convened.

A notice of Board meeting shall include the following: date/time and venue of meeting, duration of meeting, purposes and agenda of meeting, date of the notice.

Where there is an urgent matter, shareholders representing one-tenth or more of the voting rights, one-third or more of the directors, two or more independent directors, or the chairman of the board of supervisors or the chairman of the Board,

may propose that an extraordinary Board meeting be convened. The chairman of the Board shall within ten days of receipt of the notice convene and preside over a Board meeting. To convene an extraordinary Board meeting, notice shall be given to all directors three days prior to the meeting.

Article 125 The agenda and meeting documents of a Board meeting shall be delivered to all directors promptly, and in any event shall be delivered to all directors at least three days (or such other time limit as agreed) prior to the date fixed for the Board meeting.

Any material matter which is subject to the decision of the Board shall be notified to all executive directors and non-executive directors within the time limit stipulated in this Article, and sufficient materials shall be provided at the same time and the meeting shall be held strictly in accordance with stipulated procedures. Directors shall be entitled to demand additional materials.

If a director has attended the meeting, and has not raised any opposition either before or at the meeting stating that notice of meeting has not been received, notice of meeting shall be deemed to have been issued to that director.

The Board meeting may be held in the form of teleconference or with similar communication equipment. To hold such a meeting, so far as all directors present can clearly hear what the other directors say and communicate with them, all directors shall be deemed to be personally present at the meeting.

Article 126 In so far as ensuring that directors can give their views fully, the Company may hold Board meetings by circulating documents for votes to be taken and then adopt resolutions on that basis. A resolution shall take effect when it is signed by the last director whose signature is required for its effectiveness.

In principle, the Board meeting shall not resolve on any motion which is not set out in the notice of meeting. If an organization or individual who has the right to raise a motion raises a motion for a special reason, and all directors unanimously agree to grant a waiver of procedural defects for the provisional motion, the provisional motion may be considered and a vote may be taken on it.

Article 127 A Board meeting shall be held only if more than half of the directors (including directors who are appointed to attend as proxy in accordance with the provision of Article 128 of these Articles of Association) are present.

Resolutions of the Board shall be voted on by a show of hands or by verbal or written vote. Each director shall have one vote. A board resolution shall be passed

only if a majority of all directors vote in favour of it. Where the negative votes and the affirmative votes are equal in number in a vote taken by the Board, the chairman has no right to cast another vote.

Article 128 Board meetings shall be attended by the directors in person. A director who is unable to attend a Board meeting for some reason may appoint another director in writing to attend it on his behalf. The power of attorney shall set forth the name of the proxy, proxy matters, the scope of authorization and the period of validity, and shall be signed or sealed by the appointor . One director shall not in principle accept proxy appointment from more than two directors who do not attend the meeting in person.

A director who attends a meeting on behalf of another director shall exercise the rights of the director within his scope of authorization. A director who has neither attended a meeting in person nor appointed a proxy to attend it on his behalf shall be deemed to have waived his voting right at that meeting.

Article 129 A director who has a related party relationship with an enterprise involved in a matter to be resolved at the Board meeting shall not exercise the voting right of his own or on behalf of other directors in respect of the resolution. The Board meeting may be held if it is attended by a majority of directors who do not have such related party relationship. A resolution at the Board meeting shall be adopted if a majority of directors who do not have such related party relationship vote in favour of it. If the number of directors who do not have such related party relationship and is present at the Board meeting is less than three, the matter shall be submitted to the shareholders' general meeting of the Company for consideration. The related party relationship mentioned above shall be handled in accordance with the provisions of the relevant laws and regulations and the rules of regulatory authorities.

Article 130 The Board shall prepare minutes for matters discussed at its meeting. The directors and the secretary to the board who are present at the meeting shall sign the meeting minutes. The directors present at the meeting shall have the right to request that explanatory notes be made in the minutes for their speeches. The directors shall be responsible for the resolutions adopted by the Board. Where the resolutions of the Board violate the laws, administrative regulations, these Articles of Association or the resolutions of the shareholders' general meetings and result in severe losses to the Company, the directors who participate in the resolution shall be liable to the Company for compensation, provided that a director who can prove that he has raised an opposition and has it recorded at the meeting minutes may be absolved from such liability. The secretary to the board shall maintain minutes of Board meetings. If a

director gives reasonable notice, the secretary to the board shall make the relevant minutes available for the director's inspection during reasonable time slots.

Article 131 If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose associates, have no material interest in the transaction should be present at that board meeting.

Section 3 Independent Directors

Article 132 Independent directors shall meet the directorship qualifications requirements and the independence requirements of the relevant laws and regulations.

Article 133 The independent directors bear the duties of good faith and due diligence and care towards the Company and all shareholders. The independent directors shall, pursuant to the requirements of the relevant laws and regulations and these Articles of Association, earnestly perform their duties, protect the overall interests of the Company, and, in particular, ensure that the legitimate rights and interests of the insured and the minority shareholders are protected from being harmed.

An independent director shall not assume any post in any other insurance company operating a similar main business or act as an independent director in more than four companies at the same time, and shall ensure that he has sufficient time and energy to perform his duties as an independent director.

Article 134 The independent directors shall perform their functions and duties independently, free from any influence from the major shareholders or actual controller of the Company or other organizations or individuals who have an interest in the Company.

Article 135 The independent directors of the Company shall meet the following basic conditions:

- (1) having the qualifications required to act as a director of a listed company in accordance with the provisions of laws, administrative regulations and other relevant provisions;
- (2) meeting the requirements of independence;
- (3) having basic knowledge of the operations of listed companies, being conversant with the relevant laws, administrative regulations, ordinances and rules;

(4) having not less than five years of experience in legal, economic or other areas which is necessary for performing the duties as independent directors;

(5) other conditions as prescribed by the Company;

Article 136 The independent directors shall meet the requirements of independence. The following persons shall not serve as independent directors:

(1) persons who have worked for a shareholder holding not less than 5% of the shares in the insurance company or who have worked for the top ten shareholders of the insurance company, in the most recent three years in each case, and their close relatives;

(2) persons who have worked in the insurance company or an enterprise under its actual control in the most recent three years, and their close relatives;

(3) persons who have provided legal, audit, actuary and management consultancy or similar services to the insurance company in the most recent twelve months;

(4) persons who have acted as partners, controlling shareholders or senior management of a banking, law, consultancy and audit institution which has dealings with the insurance company;

(5) other persons who are identified by the CIRC as persons whose independent judgment may be affected;

(6) any person who fails to meet the eligibility requirements for independent directors of the securities regulatory authorities of the place of listing.

Article 137 The independent directors shall be nominated in the following ways:

(1) direct nomination to the shareholders' general meeting by shareholders who individually or jointly hold not less than 3 percent of the shares in the insurance company, provided that one shareholder may only nominate one independent shareholder;

(2) nomination by the nomination and remuneration committee of the Board;

(3) nomination by the board of supervisors;

(4) other ways as identified by the CIRC.

Article 138 The nominator of an independent director shall seek the consent of the nominee before the nomination. The nominator shall fully understand the occupation, educational qualifications, job title, detailed work experience, all part-time jobs and other particulars of the nominee, and shall give his view on the nominee's qualifications and independence as independent directors. The nominee shall make a statement stating that there is no such relationship between himself and the Company as to affect the independence and objectivity of his judgment.

Article 139 The term of office of each session of independent directors shall be the same as that of other directors of the Company. Upon expiry of the term, an independent director may serve another term if re-elected, provided that his consecutive terms shall not exceed six years in total.

Article 140 If an independent director fails to attend a Board meeting for three consecutive times, the Board shall submit to the shareholders' general meeting that the independent director be dismissed. Except for the circumstances mentioned above and such other circumstances as prescribed in the Company Law in which a person shall not act as a director, an independent director shall not be dismissed without reason before the expiry of his term of office. If an independent director is dismissed prematurely, the Company shall disclose the dismissal as a matter requiring special disclosure. A dismissed independent director who considers his dismissal unjustified may make a public statement.

Article 141 An independent director may resign before his term of office expires. An independent director who wants to resign shall submit a written resignation report to the Board to spell out any circumstances related to the resignation or those which he considers to be necessary to draw to the attention of the shareholders or the creditors of the Company. If the resignation of an independent director results in the proportion of the independent directors to the directors of the Company falling below the minimum requirement of these Articles of Association, the written resignation report of the independent director shall take effect only after his successor fills the resultant vacancy.

Article 142 In order to bring the role of the independent directors into full play, in addition to the functions and powers conferred on them by the Company Law, these Articles of Association and the relevant laws and regulations, the Company confers the following special functions and powers on the independent directors:

(1) Exercise of the functions and powers mentioned above by independent directors shall be subject to the consent of not less than half of all independent directors. Material related party transactions shall be subject to the approval of the independent directors before they are submitted to the Board for consideration. Before

making any judgment, the independent directors may engage an intermediary institution to issue an independent financial advisor report as the basis of their judgment;

(2) to submit to the Board the engagement or dismissal of an accounting firm;

(3) to request the Board to convene an extraordinary shareholders' general meeting;

(4) to propose that a Board meeting be convened;

(5) to engage external audit institutions or consulting institutions independently;

(6) Before exercising the functions and powers mentioned above, the independent directors shall obtain the consent of no less than one half of all independent directors.

Article 143 In addition to performing the functions and powers conferred on them by the preceding article, the independent directors shall also give their independent views to the Board or the shareholders' general meeting on the following matters:

(1) nomination or removal of directors;

(2) appointment or dismissal of senior management;

(3) remuneration of the directors and senior management of the Company;

(4) existing or new borrowings lent by the Company to the actual controller of the Company or his affiliated enterprises with a total value exceeding 5% of the latest audited net asset value of the Company or other financial transactions, and whether the Company has taken effective measures to recover the amounts owed;

(5) matters considered by the independent directors to be potentially detrimental to the rights and interests of the minority shareholders or the insured;

(6) other matters as stipulated by these Articles of Association.

Article 144 The independent directors shall give one of the following types of view on the matters mentioned above: in favour of; reservation (and the reasons); against (and the reasons); incapability to give a view and the obstacles.

Article 145 Where the Board does not accept the view of the independent directors, not less than two independent directors may request that the Board convene an extraordinary shareholders' general meeting. Where the Board does not agree to convene an extraordinary shareholders' general meeting or the shareholders' general meeting does not accept the view of the independent shareholders, the independent shareholders shall make a report to the CIRC.

Article 146 The Company shall ensure that the independent directors have the same right of access to information as the other directors. For all matters to be decided by the Board, the Company shall inform the independent directors in advance as statutorily required, together with sufficient information. If two or more independent directors consider the information insufficient or any argument unclear, the independent directors may jointly request the Board in writing that the Board meeting or the matter to be considered be postponed, and the Board should adopt such request.

The Company and the independent directors themselves shall keep the information provided by the Company to the independent directors for at least five years.

Article 147 The Company shall provide the independent directors with the working conditions they need to perform their duties. The secretary to the board of the Company shall actively assist the independent directors in performing their duties, such as providing background information and relevant materials to them.

Article 148 When independent directors exercise their functions and powers, the relevant officers of the Company shall actively cooperate with them, and shall not refuse to provide or obstruct their access to information or conceal information from them, and shall not interfere with their independent exercise of powers.

Article 149 The costs incurred by the independent directors in engaging an intermediary and in exercising their other powers and functions shall be borne by the Company.

Article 150 The Company shall give due allowance to the independent directors. The proposed standards for allowance shall be formulated by the Board, considered by the shareholders' general meeting, and disclosed in the annual reports of the Company.

Except for the above allowance, the independent directors shall not obtain additional, undisclosed benefits from the major shareholders of Company or institutions or individuals who have a related interest.

Section 4 Secretary to the Board of the Company

Article 151 The Company shall have a secretary to the board. The secretary to the board shall be a senior management of the Company.

Article 152 The secretary to the board of the Company shall be a natural person who has the necessary professional knowledge and experience, and shall be appointed by the Board. The secretary to the board of the Company shall be responsible for preparing the shareholders' general meeting and Board meetings of the Company, filing documents and keeping records, doing corporate equity administrative work, making information disclosure and handling other work. His principal duties and responsibilities shall be:

- (1) to ensure that the Company has a complete set of constitutional documents and records;
- (2) to ensure that the Company prepares and submits the reports and documents required by the relevant institutions in accordance with laws;
- (3) to ensure the proper establishment of the register of shareholders of the Company; to ensure that persons who are entitled to have access to the relevant records and documents of the Company will have access to such records and documents promptly.

Article 153 The directors or other senior management of the Company may serve concurrently as secretary to the board of the Company. The accountants of an accounting firm engaged by the Company shall not serve concurrently as secretary to the board of the Company.

Where a director works concurrently as secretary to the board of the Company and a certain act shall be performed by the director and the secretary to the board separately, the person who serves concurrently as director and secretary to the Board shall not perform the act in dual capacity.

Chapter XI President and Other Senior management

Article 154 The Company shall have a president, vice presidents, a secretary to the Board, a chief financial officer, a chief actuary and professional controllers. Such senior management and other senior management designated by the president shall jointly form the operation management committee of the Company. The president shall be accountable to the Board, and shall preside over the work of the operation management committee.

Article 155 The president of the Company shall exercise the following functions and powers:

(1) to make arrangements for implementing the resolutions of the Board, and to report the work to the Board;

(2) to take charge of the operation and management of the Company; to make arrangements for implementing the annual business plans and investment programs of the Company;

(3) to formulate plans for setting up the internal management organs of the Company;

(4) to formulate the fundamental management systems of the Company;

(5) to formulate the fundamental rules and regulations of the Company;

(6) to submit for consideration proposals on engagement or dismissal of the vice presidents, chief financial officer, chief actuary, professional controllers and other senior management of the Company;

(7) to appoint or dismiss management officers other than those whom shall be appointed or dismissed by the Board;

(8) other functions and powers conferred by these Articles of Association and the Board.

Article 156 The president of the Company shall attend Board meetings. A president who is not a director shall not have any right to vote at board meetings.

Article 157 In exercising his functions and powers, the president of the Company shall fulfil the duty of good faith and due diligence and care in accordance with the provisions of laws, administrative regulations and these Articles of Association.

Article 158 The president shall, at the request of the Board, the chairman or the board of supervisors, report on the entry into and the implementation of the material contracts, the asset management, the use of funds, and the profits or losses and other operation and management status of the Company. The president must ensure the authenticity of such reports.

Article 159 The president shall formulate the president's working rules which shall be implemented after approval by the Board.

Article 160 The working rules of the president shall include the following:

- (1) the conditions and procedures for convening a meeting of the president and the persons eligible to attend it;
- (2) the respective duties and responsibilities of the president, vice presidents and other senior management, and the specific division of work among them;
- (3) the limits of the authority to use the funds and assets of, and to enter into material contracts on behalf of, the Company, and the system for reporting to the Board and the board of supervisors;
- (4) other matters considered to be necessary by the Board.

Article 161 The chief financial officer shall report to the Board and the president on his work, and shall perform the following duties and responsibilities:

- (1) to be responsible for conducting financial audit and preparing financial reports; to establish and maintain internal control system relating to financial reports; to be responsible for the authenticity of the financial accounting information;
- (2) to be responsible for financial management, including budget management, cost control, funds management, income distribution, operation results assessment, and so forth;
- (3) to be responsible for or to take part in risk management and solvency management;
- (4) to participate in strategic planning and other major operation and management activities;
- (5) in accordance with the provisions of laws, administrative regulations and relevant regulatory rules, to audit or sign off the relevant data and reports to be disclosed to the public ;
- (6) other duties and responsibilities stipulated by the CIRC and in accordance with the law.

The chief financial officer shall have the right of access to the necessary data, files, materials and other relevant information, and shall have the right to attend, as a non-voting member, Board meetings related to his duties.

Article 162 The senior management of the Company who violate the provisions of laws, administrative regulations, departmental rules or these Articles of Association

in performing the respective duties of their positions in the Company and cause losses to the Company shall be liable for compensation.

Chapter XII Board of Supervisors

Article 163 The Company shall have a board of supervisors.

Article 164 The board of supervisors shall consist of five supervisors, one of which shall act as the chairman of the board of supervisors. The appointment and removal of the chairman of the board of supervisors shall be subject to an affirmative vote of a majority of not less than two-thirds of the members of the board of supervisors.

The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. Where the chairman of the board of supervisors is unable or fails to perform his functions and duties, a supervisor jointly elected by more than half of all supervisors shall convene and preside over the meeting.

The term of office of a supervisor shall be three years and a supervisor may serve for another term if he is re-elected. A supervisor may resign before his term of office expires, and the procedure for his resignation shall follow the procedure for a director's resignation.

Article 165 The members of the board of supervisors shall consist of three shareholder representatives and two employee representatives. The shareholder representative shall be elected and removed by the shareholders' general meeting. The employee representative shall be elected and removed by the employees of the Company by democratic means.

A supervisor, who is elected by the shareholders' general meeting or by the employees of the Company as an additional supervisor, or in a by-election to fill a vacancy, shall serve for a term of office commencing on his date of election and until the date on which the term of the relevant session of the board of supervisors expires.

Article 166 Where the term of office of a supervisor expires and a by-election is not held in time, or where a supervisor resigns during his term of office and the number of members of the board of supervisors falls below the quorum as a result, before a new supervisor is elected by a by-election, the incumbent supervisor shall still perform his functions and duties as supervisor in accordance with the provisions of laws, administrative regulations and these Articles of Association. The directors and senior management of the Company shall not concurrently serve as supervisors of the Company.

Article 167 The board of supervisors shall meet at least twice a year, and shall meet at least once every six months. The meetings shall be convened by the chairman of the board of supervisors.

In so far as ensuring that supervisors can give their views fully, the Company may hold meetings of the board of supervisors by way of circulating documents for votes to be taken and adopt a resolution on that basis. The resolution shall take effect when it is signed by the last supervisor whose signature is required for its effectiveness.

Article 168 The board of supervisors shall be accountable to the shareholders' general meeting, and shall perform the following functions and duties in accordance with laws:

- (1) to examine the financial affairs of the Company;
- (2) to supervise the acts done by the directors, president, vice presidents and other senior management of the Company in performing their respective duties and responsibilities of their positions in the Company; to propose the dismissal of directors, the president, vice presidents and other senior management who are in breach of laws, administrative regulations, these Articles of Association or resolutions adopted by the shareholders' general meeting.
- (3) to request rectification from the directors, president, vice presidents and other senior management of the Company where the acts of the foregoing persons harm the interests of the Company;
- (4) to check the financial reports, operation reports and profit distribution plans and other financial information to be submitted by the Board to the shareholders' general meeting, and, whenever any doubt is identified, to appoint certified public accountants or practising auditors in the name of the Company to assist in the review;
- (5) to propose extraordinary shareholders' general meetings, and to convene and preside over the shareholders' general meeting when the Board fails to perform the duties prescribed in the Company Law to convene and preside over the shareholders' general meeting;
- (6) to raise motions to the shareholders' general meeting;
- (7) to negotiate with the directors or senior management on behalf of the Company, or initiate litigation against the directors or senior management;

(8) to carry out investigation after finding any irregularity in the operation of the Company; where necessary, to engage, at the expense of the Company, accounting firms or law firms or other professional institutions to assist them with their work;

(9) other functions and powers stipulated in these Articles of Association;

(10) The board of supervisors may give its views on engagement of accounting firms by the Company and, where necessary, may appoint in the name of the Company another accounting firm to examine the financial affairs of the Company independently, and may report the particulars directly to the CSRC and other departments concerned.

The supervisors may attend Board meetings as non-voting members, and shall have the right to query or give suggestions on matters to be resolved at Board meetings.

Article 169 Where the board of supervisors finds a board resolution to be in breach of laws, regulations or these Articles of Association, the board of supervisors shall request in accordance with laws that the Board make rectification. If the Board refuses or delays in carrying out rectification measures, the board of supervisors shall propose that a shareholders' general meeting be convened. If the shareholders' general meeting does not accept the views of the board of supervisors, the board of supervisors shall make a report to the CIRC.

Article 170 A meeting of the board of supervisors shall be held only if not less than two-thirds of the supervisors are present. Each supervisor shall have one vote. A resolution put to the board of supervisors shall require the affirmative votes of two-thirds or more of the members of the board of supervisors to be adopted.

Article 171 The board of supervisors shall formulate the rules of procedures of the board of supervisors in order to set out expressly the rules of procedure of and the voting procedures of the board of supervisors, so as to ensure that the board of supervisors works efficiently and makes decisions scientifically.

Article 172 The board of supervisors shall prepare minutes for matters which are discussed at its meeting. The supervisors present at the meeting shall sign the meeting minutes. The supervisors present at the meeting shall have the right to request that explanatory notes be made in the minutes for their speeches. The minutes of the meetings of the Board shall be kept permanently as records of the Company.

Article 173 A notice of the meeting of the board of supervisors shall include the following:

- (1) the date/time and venue of the meeting, and duration of the meeting;
- (2) purposes and agenda;
- (3) date of the notice.

Article 174 The reasonable expenses incurred by the board of supervisors in engaging lawyers, certified public accountants, practising auditors or other professionals shall be borne by the Company.

Article 175 The board of supervisors shall faithfully perform their supervisory duties in accordance with the provisions of laws, administrative regulations and these Articles of Association.

Chapter XIII Qualifications and Obligations of the Directors, Supervisors, President, Vice President and Other Senior management of the Company

Article 176 Any person who falls in any of the following circumstances shall not act as director, supervisor, president, vice president or any other senior management of the Company;

- (1) a person without or with limited capacity for civil acts;
- (2) a person who has been convicted of and sentenced to punishment for crimes of corruption, bribery, encroachment of property and misappropriation of property or sabotage of social or economic order, and less than five years have elapsed since completion of the service of the sentence, or a person who has been deprived of his political rights for commission of a crime, and less than five years have elapsed since completion of the service of the sentence;
- (3) a person who has acted as director or factory manager or manager of a company or enterprise of poor operation and management, and who bears personal responsibility for the bankruptcy of such company and enterprise, and less than three years have elapsed since the end of the bankruptcy and liquidation of such companies;
- (4) a person who has acted as legal representative of a company or enterprise the business licence of which has been revoked for violation of law and who bears personal responsibility for such revocation, and less than three years have elapsed since the business licence of such company and enterprise is revoked;
- (5) a person with a relatively large amount of debt due and outstanding;
- (6) a person under investigation by a judicial organ for suspected violation of criminal law and the investigation is not yet concluded;

(7) a person who is prohibited to act as management officer by the provisions of laws or administrative regulations;

(8) a non-natural person;

(9) a person who has been found by competent authorities to be in breach of the provisions of relevant securities laws and regulations, and who is involved in fraudulent and dishonest acts, and less than five years have elapsed since the date of ruling.

Article 177 The validity of any act done by a director, president, vice president or any other senior management of the Company towards a third party who acts in good faith shall not be affected by any irregularity of such person in the performance of his duty, election or qualifications.

Article 178 In addition to the obligations required by laws, administrative regulations or the listing rules of the stock exchange of the place where the shares of the Company are listed, the directors, supervisors, president, vice presidents and other senior management of the Company shall also bear the following obligations to each shareholder in the exercise of their duties and functions:

(1) not to make the Company operate beyond the scope of business stipulated in its business licence;

(2) to act in good faith and in the best interests of the Company;

(3) not to deprive the property of the Company in any way, including but not limited to depriving the Company of any opportunity advantageous to the Company;

(4) not to deprive the personal rights and interests of shareholders, including but not limited to the right to distribution and the right to vote, but not including submitting company restructuring proposals to the shareholders' general meeting in accordance with these Articles of Association.

Article 179 The directors, supervisors, president, vice presidents and other senior management of the Company have a responsibility to apply such care, diligence and skills to exercise their rights or perform their obligations as should be shown by a reasonably prudent person in similar circumstances.

Article 180 The directors, supervisors, president, vice presidents and other senior management of the Company must adhere to the principle of integrity in exercising their duties and responsibilities, and shall not put himself in any situation

where his personal interests may conflict with the obligations he has undertaken. This principle shall include but not limited to the following obligations:

- (1) to act in good faith and in the best interests of the Company;
- (2) to exercise his powers within the scope of his functions and powers and shall not act ultra vires;
- (3) to exercise in person and free from manipulation by others the discretion conferred on him; and, without the permission of laws and administrative regulations or the informed consent of the shareholders' general meeting, not to transfer his discretion to others for exercising;
- (4) to deal with shareholders of the same class in the same way, and to deal with shareholders of different classes fairly;
- (5) not to enter into any contract, transaction or arrangement with the Company except as otherwise prescribed by these Articles of Association or under the informed approval of the shareholders' general meeting;
- (6) not to use any property of the Company in any way to seek personal benefits without the informed consent of the shareholders' general meeting;
- (7) not to accept bribes or other illegal income by taking advantage of his position or powers, not to encroach on the property of the Company in any way, such property including, without limitation, any opportunities advantageous to the Company;
- (8) not to accept any commission related to transactions of the Company without the informed consent of the shareholders' general meeting;
- (9) to comply with these Articles of Association, perform duties and responsibilities faithfully and safeguard the interests of the Company, not to take advantage of his position and powers in the Company to seek personal interests;
- (10) not to engage in any form of competition with the Company without the informed consent of the shareholders' general meeting;
- (11) not to misappropriate the funds of the Company or lend the funds of the Company to others, not to put any assets of the Company under any account opened in his own name or in the name of others, not to pledge the Company's assets as security for the debts of the shareholders of the Company or other individuals;

(12) without the informed consent of the shareholders' general meeting, not to divulge any confidential information involving the Company and obtained by him during his tenure; and not to use such information except for the interests of the Company, provided that such information may be disclosed to the court or other competent government authorities in the following circumstances:

1. in accordance with laws;
2. in public interests;
3. in the interests of directors, supervisors, president, vice presidents and other senior management.

Article 181 The directors, supervisors, president, vice presidents and other senior management of the Company shall not direct the following persons or institutions ("**Relevant Persons**") to do any acts which the directors, supervisors, president, vice presidents and other senior management shall not do:

(1) the spouse or minor of any of the directors, supervisors, president, vice presidents and other senior management of the Company;

(2) a trustee of any of the directors, supervisors, president, vice presidents and other senior management of the Company or a trustee of the persons referred to in item (1) of this Article;

(3) a partner of any of the directors, supervisors, president, vice presidents and other senior management of the Company or a partner of the persons referred to in items (1) and (2) of this Article;

(4) a company which is under the de facto control of any of the directors, supervisors, president, vice presidents and other senior management of the Company, or a company which is under the de facto joint control of the persons referred to in items (1), (2) and (3) of this Article or any other directors, supervisors, president, vice presidents and other senior management of the Company;

(5) any of the directors, supervisors, president, vice presidents and other senior management of the companies referred to in item (4) of this Article.

Article 182 The fiduciary duty owed by the directors, supervisors, president, vice presidents and other senior management of the Company shall not necessarily be terminated by the end of their terms of office, and their obligation of keeping confidentiality of the trade secrets of the Company shall remain valid after the end of their terms of office. The duration of other obligations shall be determined in

accordance with the principle of fairness, depending on the length of time between an occurrence and the time of leaving office, and the circumstances and conditions under which the relationship with the Company is terminated.

Article 183 The liability to be borne by the directors, supervisors, president, vice presidents and other senior management of the Company for breach of a certain specific duty may be discharged by the informed consent of the shareholders, except for the circumstances prescribed in Article 64 of these Articles of Association.

Article 184 The directors, supervisors, president, vice presidents and other senior management of the Company who directly or indirectly have material interests in any contracts, transactions, arrangements which are made or planned by the Company (except for employment contracts between the Company and the directors, supervisors, president, vice presidents and other senior management), whether such interests are subject to the approval or consent of the Board in normal circumstances, shall disclose the nature and extent of such interests to the Board as soon as possible.

A director shall not at any time vote at any meeting held to approve contracts, transactions or arrangements in which he or his affiliate has a material interest, nor shall he be counted into the quorum for the meeting.

Unless the directors, supervisors, president, vice presidents and other senior management of the Company who have an interest disclose their interest to the Board in accordance with the requirements of the preceding paragraph of this Article, and the Board approves such matter without counting the persons mentioned above into the quorum and without their participating in the vote, the Company shall have the right to rescind such contracts, transactions or arrangements, except for circumstances in which the counterparty is a party acting in good faith and without knowing that the act of the directors, supervisors, president, vice presidents and other senior management are in breach of their obligations.

If any person relating to any of the directors, supervisors, president, vice presidents and other senior management of the Company has an interest in a certain contract, transaction or arrangement, such director, supervisor, president, vice president and senior management of the Company shall be deemed to be interested.

Article 185 If any of the directors, supervisors, president, vice presidents and other senior management of the Company inform the Company in writing before the Company considers entering into the relevant contracts, transactions or arrangements for the first time, stating that due to the content set out in the notice, he has an interest in the contracts, transactions or arrangements to be entered into by the Company in the future, then, to such extent as set out in the notice, such director, supervisor,

president, vice president and other senior management concerned shall be deemed to have made the disclosure prescribed in the preceding article of this chapter.

Article 186 The Company shall not in any way pay on behalf of the directors, supervisors, president, vice presidents and other senior management of the Company such taxes which should be payable by them.

Article 187 The Company shall not, directly or indirectly, provide any loan or loan guarantee to the directors, supervisors, president, vice presidents and other senior management of the Company and of its holding company, nor shall the Company provide any loan or loan guarantee to the foregoing persons or their related parties.

The preceding paragraph shall not apply to the following circumstances:

(1) loans provided by the Company to its subsidiaries, or loan guarantees provided by the Company for its subsidiaries;

(2) the Company provides loans, loan guarantees or other monies to the directors, supervisors, president, vice presidents or other senior management of the Company in accordance with the employment contracts adopted by the shareholders' general meeting so that the foregoing persons may pay the expenses incurred for the purposes of the Company or for performing their respective duties and responsibilities of their positions in the Company;

(3) If the normal scope of business of the Company includes provision of loans and loan guarantees, the Company may provide loans and loan guarantees to the directors, supervisors, president, vice presidents and other senior management of the Company and their related persons, provided that the loans and loan guarantees shall be provided on normal commercial conditions.

Article 188 If the Company provides a loan in breach of the provisions of the preceding article, regardless of the conditions of the loan, the person who has received the loan shall repay it immediately.

Article 189 The Company shall not be compelled to fulfil any loan guarantee provided by the Company in violation of the first paragraph of Article 187, except for the following circumstances:

(1) where a loan is provided to the directors, supervisors, president, vice presidents and other senior management of the Company or of its parent company and the loan provider is not aware of the facts;

(2) the security provided by the Company has been sold legally by the loan provider to a purchaser of good faith;

Article 190 The “guarantee” referred to in the preceding articles of this chapter includes acts whereby the guarantor undertakes responsibilities or provides property to guarantee that the obligor will perform its obligations.

Article 191 When the directors, supervisors, president, vice presidents and other senior management of the Company are in breach of the obligations they owe to the Company, except for various rights and remedial measures stipulated by laws and administrative regulations, the Company shall have the right to take the following measures:

(1) to request the directors, supervisors, president, vice presidents and other senior management concerned to compensate for the loss caused to the Company by their dereliction of duty;

(2) to rescind any contract or transaction concluded between the Company and the directors, supervisors, president, vice presidents and other senior management concerned, and the contracts or transactions concluded between the Company and a third party (when the third party is knowingly aware or should be aware that the directors, supervisors, president, vice presidents and other senior management representing the Company are in breach of the obligations they owe to the Company);

(3) to require the directors, supervisors, president, vice presidents and other senior management concerned to surrender any gains which they have obtained via their breach of obligations;

(4) to recover from the directors, supervisors, president, vice presidents and other senior management concerned the amounts which should have been received by the Company, including but not limited to commissions;

(5) to request the directors, supervisors, president, vice presidents and other senior management concerned to repay the interest which is or may be earned from the monies which should have been paid to the Company.

Article 192 The Company shall enter into written contracts with the directors and the supervisors in relation to remuneration matters, subject to the approval of the shareholders’ general meeting. The remuneration matters mentioned above include:

(1) remuneration payable to the directors, supervisors or senior management of the Company;

(2) remuneration payable to the directors, supervisors or senior management of the subsidiaries of the Company;

(3) remuneration for providing other services for the purpose of the management of the Company and its subsidiaries;

(4) compensation for a director or supervisor for his loss of position or for his retirement.

Except for the contracts mentioned above, the directors and supervisors shall not initiate litigation against the Company for gains due to them because of the foregoing matters.

Article 193 The contracts entered into between the Company and the directors or supervisors of the Company in relation to remuneration matters shall stipulate that if the Company is acquired, the directors and supervisors of the Company, subject to prior approval of the shareholders' general meeting, shall be entitled to compensation or other monies for loss of positions or for retirement. The "acquisition of the Company" mentioned in the preceding sentence refers to one of the following circumstances:

- (1) offer of acquisition made by any person to all shareholders;
- (2) offer of acquisition made by any person with intent to make the offeror the controlling shareholder. The definition of controlling shareholder shall be the same as the definition in Article 65 of these Articles of Association.

If the directors and supervisors concerned do not comply with the provisions of this article, any monies they receive shall go to the persons who take the offer mentioned above and sell their shares, and such directors and supervisors shall bear the expenses arising from distributing such monies in proportion.

Article 194 The Company shall enter into a written contract with each of the directors and senior management, which shall at least include the following:

- (1) the directors or senior management shall undertake to the Company that they will observe and comply with the provisions of the Company Law, Special Provisions, these Articles of Association, Code of Acquisition and the Shares Repurchase Rules, and they shall agree that the Company shall be entitled to the remedial measures prescribed in these Articles of Association, and that such contract and the position shall not be transferred;

(2) the directors or senior management of the Company shall undertake to the Company, which represents each of the shareholders, that they will observe and perform the provisions of these Articles of Association and the responsibilities they owe to the shareholders; and

(3) an arbitration clause equivalent to Article 241.

Chapter XIV Finance and Accounting System, Profit Distribution and Internal Audit

Section 1 Finance and Accounting System and Profit Distribution

Article 195 The Company shall establish its finance and accounting system in accordance with laws, administrative regulations and the PRC accounting standards formulated by the finance authority under the State Council.

Article 196 The Company shall prepare an annual financial report at the end of each accounting year, which shall be audited by an accounting firm in accordance with laws.

The annual financial report of the Company shall include the following: balance sheet, income statement, statement of changes in owners' equity, cash flow statement and notes to financial statements.

The accounting year of the Company shall coincide with the calendar year, i.e. from 1 January to 31 December of the Gregorian calendar. The Company adopts Renminbi as its accounts keeping unit.

Article 197 The Board of the Company shall submit to each shareholders' annual general meeting the financial reports which shall be prepared by the Company as prescribed by the relevant laws, administrative regulations, and the normative documents issued by local governments and competent departments.

Article 198 The financial reports of the Company shall be made available at the Company 20 days or earlier before the convening of the shareholders' annual general meeting for shareholders' inspection. Every shareholder of the Company shall be entitled to receive the financial reports mentioned in this Chapter.

The Company shall send the report of the Board, together with the balance sheet (including documents to be attached thereto in accordance with the provisions of laws and administrative regulations of China) and the profit and loss statement or income and expenditure account (including the report mentioned above) or a financial report summary, by prepaid mail to each of the holders of overseas-listed foreign investment

shares at their respective addresses as set out in the register of shareholders at least 21 days before the convening of the shareholders' general meeting.

Article 199 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 international accounting standards or the accounting standards permitted to be adopted by the overseas listing place. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in the notes to the financial statements. When the Company is to distribute its after-tax profits for the accounting year concerned, the lower of the two after-tax profits as shown in the two financial statements mentioned above shall be adopted. Where the overseas listing place permits the preparation of financial statements in accordance with PRC accounting standards, financial statements may be prepared by only adopting the PRC accounting standards, and, therefore, it is not required to prepare two financial statements in accordance with the accounting standards of the overseas listing place and the accounting standards of the PRC respectively.

Article 200 Any interim results or financial information announced or disclosed by the Company must be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or the accounting standards permitted to be adopted by the overseas listing place. Where the overseas listing place permits the preparation of financial statements in accordance with PRC accounting standards, financial statements may be prepared by only adopting the PRC accounting standards, and, therefore, for publication or disclosure of interim results or financial information, it is not required to prepare two financial statements in accordance with the accounting standards of the overseas listing place and the accounting standards of the PRC respectively.

Article 201 The Company shall announce its financial report twice in each accounting year, i.e. to announce its interim financial report within 60 days after the end of the first six months of each accounting year, and announce the annual financial report within 120 days after the end of each accounting year.

Article 202 The Company shall not maintain any accounting books other than the statutory ones. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Article 203 After the interim accounting reports and annual accounting reports of the Company are prepared, procedures shall be gone through for them as prescribed

in the relevant securities laws, regulations and the rules of the stock exchange of the place where the shares of the Company are listed, and they shall be announced;

Article 204 The profits of the Company after payment of income tax shall be distributed in the following order:

- (1) to make up for the loss of previous years;
- (2) to make a 10% allocation to the statutory reserve fund;
- (3) to make allocation to the discretionary reserve fund;
- (4) to pay the dividends of ordinary shares.

Article 205 If the cumulative amount of the statutory reserve fund of the Company is fifty percent or more of the registered share capital of the Company, it is not strictly required to make further allocation to the fund. After the Company makes allocation from its after-tax profits to the statutory reserve fund and subject to the approval of the shareholders' general meeting by way of resolution, the Company may make allocation from the after-tax profits to the discretionary reserve fund. Before making up for loss and making allocation to the statutory reserve fund, the Company shall not distribute any profits to shareholders.

Article 206 The capital reserve fund shall include the following:

- (1) amount obtained from shares issued at a premium;
- (2) other income which shall be allocated to the capital reserve fund under the provisions of the finance authority under the State Council.

Article 207 The reserve fund of the Company shall be used for making up for the loss of the Company, expansion of the production and operation of the Company or capitalization, provided that the capital reserve fund shall not be used for making up for the loss of the Company.

When the statutory reserve fund is capitalized, the retained portion of the fund shall not be less than twenty-five percent of the registered share capital of the Company before the capitalization.

Article 208 After the shareholders' general meeting adopts a profit distribution plan by way of resolution, the Board shall complete the distribution of dividends (or shares) within two months of the shareholders' general meeting.

Article 209 The Company may distribute dividend in the following ways:

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

In distributing the profits of the Company, the Company shall focus on giving investors a reasonable return on their investment. The profit distribution policy of the Company shall maintain a certain level of continuity and stability. The Company may make an interim distribution of profits.

The Company shall give priority to profit distribution in cash.

The cumulative profit distribution in cash of the Company in the last three years shall not be less than 30% of the average annual distributable profits of the last three years, except that:

- (i) the solvency level of the Company falls below the prescribed level set by CIRC;
- (ii) the operation and financial position of the Company are materially affected by force majeure events, such as war and natural disaster;
- (iii) the operation and financial position of the Company are materially affected by the changes in the external environment where the Company operates;
- (iv) there are material adverse changes in the operation of the Company;
- (v) in other circumstances which make dividend distribution inappropriate according to the relevant laws, regulations and regulatory documents.

The Company may adjust its profit distribution policies, which shall be resolved by the Board after thorough consideration and submitted to the shareholders' general meeting together with the opinions of the independent directors for approval by way of special resolution. The Board and shareholders' general meeting shall properly consider the opinions from the independent directors and public investors and communicate with public investors through various channels. The implementation of the profit distribution policies shall be supervised by the independent directors and public investors.

Article 210 The Company shall appoint a collection agent for holders of overseas-listed foreign investment shares. The collection agent shall collect on behalf of the shareholders concerned the dividends distributed by the Company in respect of the overseas-listed foreign investment shares and other amounts payable, and the

collection agent shall keep such amounts for such holders of securities pending payment to such holders.

The collection agent appointed by the Company shall meet the requirements of the law of the place where it is listed or the relevant provisions of the stock exchange.

The collection agent appointed by the Company for the holders of its H shares which are listed in Hong Kong shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

Article 211 The Company shall have the right to send dividend warrants by mail, and shall have the right to cease sending dividend warrants by mail if any of the following circumstances arises:

- (1) such dividend warrants are not cashed for at least two consecutive times ;
or
- (2) such dividend warrant fails to be served on the recipient after it is sent for the first time and is returned.

Article 212 Monies which have been paid on any shares before calls on shares shall be entitled to interest, provided that, for payment on shares made in advance, holders of the shares shall not be entitled to dividends subsequently declared. If any forfeiture of unclaimed dividend is authorized, such authority shall not be exercised before the applicable time limit expires.

Article 213 Provided that the following two provisions are met, the Company shall have the right to sell the shares of shareholders who are uncontactable:

- (1) a dividend has been declared on the shares concerned for at least three times in the last 12 years and nobody claims the dividend during the period;
- (2) the Company has published an announcement in the press stating its intention to sell the shares and has inform the HKSE of such intention.

Article 214 The Company shall allocate and pay or use various deposits, liability reserve funds and insurance protection funds in accordance with the relevant provisions of the regulatory authorities of the PRC.

Section 2 Internal Audit

Article 215 The Company shall adopt an internal audit system and employ full-time audit staff, and shall carry out internal audit of and supervise the financial

income and expenditure and operating activities of the Company and its investment holding companies.

Article 216 The internal audit system and the duties and responsibilities of the audit staff shall be carried out upon approval of the Board. The chief audit controller shall be accountable and shall report his work to the Board.

Chapter XV Engagement of Accounting Firms

Article 217 The Company shall engage an accounting firm, which shall meet the relevant provisions of the PRC and be independent, to audit the annual financial reports of the Company and also audit other financial reports of the Company.

Article 218 The term for which the Company engages an accounting firm shall be from the conclusion of each shareholders' annual general meeting until the conclusion of the next following annual shareholders' general meeting.

Article 219 An accounting firm engaged by the Company shall have the following rights:

(1) to inspect the books, records or vouchers of the Company at any time, and shall be entitled to request the directors, manager or other senior management to provide relevant information and explanations;

(2) to request that the Company adopt all reasonable measures to obtain from its subsidiaries such information and explanations as required by the accounting firm for performing its duties;

(3) to attend the shareholders' general meeting, and to obtain the notice of meeting or such other information about the meeting as any shareholders are entitled to, and to speak at any shareholders' general meeting on matters involving it as the accounting firm of the Company.

Article 220 If the position of the accounting firm is vacant, before the convening of the shareholders' general meeting, the Board may appoint an accounting firm to fill the vacancy, provided that during the duration of the vacancy, if the Company has any incumbent accounting firm in place, such accounting firm may still carry on their duties and responsibilities.

Article 221 Notwithstanding anything in any contract between the accounting firm and the Company, the shareholders' general meeting may, before the term of office of any accounting firm expires, dismiss the accounting firm by way of a general

resolution. If the accounting firm has any right to claim compensation against the Company for being dismissed, such right shall not be affected as a result.

Article 222 The remuneration of or the means of determining the remuneration of the accounting firm shall be determined by the shareholders' general meeting. The remuneration of an accounting firm engaged by the Board shall be determined by the Board.

Article 223 The way in which the Company engages, dismisses or discontinues the engagement of an accounting firm shall be determined by the shareholders' general meeting, and shall be reported to the regulatory authority under the State Council for the record.

Article 224 Where the shareholders' general meeting intends to adopt a resolution to engage a non-incumbent accounting firm to fill any vacancy for an accounting firm, or renew the term of engagement of an accounting firm which is engaged by the Board to fill a vacancy, or dismiss an accounting firm the term of office of which has not yet expired, the following conditions shall be met:

(1) The motion on engagement or dismissal shall, before the notice of the shareholders' general meeting is issued, be delivered to the accounting firm which is to be engaged, or which is leaving office, or which has left office in the relevant accounting year. "Leaving office" means being dismissed, having resigned or having retired.

(2) If an accounting firm which is leaving office makes a written statement and requests the Company to inform the shareholders of the statement, and the Company shall take the following measures, unless the written statement is received at a time too late:

1. to state in the notice which is issued for the purpose of adopting a resolution that the accounting firm which is leaving office has made a statement;
2. to attach a copy of the statement to the notice as a schedule and dispatch the same to the shareholders in such way as prescribed in these Articles of Association.

(3) If the Company has not dispatched the statement of the accounting firm in accordance with paragraph (2) of this Article, the accounting firm may require that the statement be read at the shareholders' general meeting, and may make further complaints.

(4) The accounting firm leaving office shall have the right to attend the following meetings:

1. the shareholders' general meeting which shall be held on the expiry of its term of office;
2. the shareholders' meeting held to fill the vacancy left as a result of its dismissal;
3. the shareholders' general meeting held as a result of its resignation on its own initiative.

The accounting firm leaving office shall have the right to receive all notices of the meetings mentioned above or other information relating to the meetings, and may speak at the meeting mentioned above on matters which involves it as the former accounting firm of the Company.

Article 225 Where the Company intends to dismiss or does not renew the engagement of an accounting firm, the Company shall inform the accounting firm in advance. The accounting firm shall have the right to state its view to the shareholders' general meeting. An accounting firm which resigns shall state to the shareholders' general meeting if there is any irregularity.

Article 226 An accounting firm may resign from its position by leaving written notice of resignation at the registered address of the Company. The notice shall take effect on the date when it is left at the registered address of the Company or such later date as specified in the notice. The notice shall include the following statement:

(1) a statement explaining that its resignation does not involve any circumstances for which an account shall be given to the shareholders or creditors of the Company; or

(2) a statement of any circumstances for which an account shall be given.

Within 14 days upon receipt of the notice specified in the preceding paragraph, the Company shall dispatch a copy of the notice to the authority concerned. If the notice contains any statement mentioned in item (2) of the preceding paragraph, the Company shall send by prepaid mail a copy of the statement to each shareholder who is entitled to receive the financial report of the Company, and the address of the recipient shall be that recorded in the register of shareholders.

If the notice of resignation of the accounting firm contains any reference to a situation for which an account shall be given, the accounting firm may request that the

Board convene an extraordinary shareholders' general meeting so that the shareholders may listen to the explanation to be given by it in connection with its resignation.

Chapter XVI Merger and Division of the Company

Article 227 For merger or division of the Company, the Board of the Company shall propose a plan and, after the plan is adopted through the procedures stipulated in these Articles of Association, go through the relevant examination and approval procedure in accordance with laws. Shareholders who oppose to the plan of merger or division of the Company shall have the right to request that the Company or shareholders who agree to the merger or division of the Company to purchase its shares at a fair price. The content of the merger or division of the Company shall be prepared as a special document for shareholders' inspection. For holders of H shares, the documents mentioned above shall be sent by mail.

Article 228 The merger of the Company may take two forms: merger by absorption or merger by new establishment.

For a merger of the Company, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property inventory sheet. The Company shall inform the creditors within 10 days from the date on which a resolution is adopted in favour of the merger, and shall publish an announcement for at least three times in thirty days in the press.

After merger of the Company, the claims and debts of all parties to the merger shall be assumed by the surviving company or the newly-established company.

Article 229 The creditors shall within thirty days of the day on which a notice is received, and, in the case where no notice is received, within forty-five days, request that the Company repay its indebtedness or provide corresponding guarantee.

Article 230 Where the Company is divided, its property shall be divided correspondingly.

Where the Company is divided, the parties to the division shall enter into a division agreement, and shall prepare a balance sheet and a property inventory list. The Company shall within ten days of adopting a resolution in favour of the division inform the creditors, and shall publish an announcement for at least three times in the press within thirty days.

The debts owed by the Company before the division shall be borne by the companies formed after division in accordance with any agreements reached.

Article 231 In any merger or division of the Company, if there is any change to any registered matters, an application for modification of registration shall be made to the registration authority pursuant to laws. If the Company is dissolved, the procedures for cancellation of registration shall be gone through pursuant to laws. If a new company is established, the procedures for registration of establishment shall be gone through pursuant to laws.

Chapter XVII Dissolution and Liquidation of the Company

Article 232 In any of the following circumstances, the Company may be dissolved upon approval and liquidated in accordance with the law:

- (1) dissolution as resolved by the shareholders' general meeting;
- (2) dissolution as a result of merger or division of the Company;
- (3) dissolution pursuant to the law due to the failure of the Company to settle its debts due;
- (4) its business licence is revoked or it is ordered to close down its business or its business licence is cancelled in accordance with the law;
- (5) Where the operation and management of the Company falls into serious difficulties and its continuing existence will bring heavy losses to shareholders, such difficulties being impossible to be resolved in other ways, shareholders holding not less than 10% of the voting right of the Company may request the People's Court to dissolve the Company.

Dissolution of the Company shall be reported to the CIRC for approval to be effective.

The liquidation procedure shall be carried out under the supervision and guidance of the CIRC.

Article 233 Where the Company is dissolved in the circumstances set out in items (1) or (5) of the preceding article, a liquidation team shall be established within fifteen days. Members of the liquidation team shall be selected by the shareholders' general meeting by way of a general resolution.

Where the Company is dissolved in the circumstances set out in item (2), the liquidation procedure shall be carried out by the parties to the merger or division in accordance with the contract entered into at the time of merger or division.

Where the Company is dissolved in the circumstances set out in item (3), the People's Court shall, in accordance with the provisions of the relevant laws, make arrangements for shareholders, the organs concerned and professionals to form a liquidation team to carry out liquidation.

Where the Company is dissolved in the circumstances set out in item (4), the CIRC shall make arrangements for shareholders, the organs concerned and professionals to form a liquidation team to carry out liquidation.

Article 234 If the Board decides that the Company shall be liquidated (other than liquidation as a result of declaration of bankruptcy by the Company), the Board shall state in the notice convening a shareholders' general meeting for the purpose that the Board Has made a comprehensive investigation into the situation of the Company and opines that the Company can settle the debts of the Company within 12 months after commencement of the liquidation.

After the shareholders' general meeting adopts a resolution in favour of the liquidation, the functions and powers of the Board of the Company shall be terminated immediately.

The liquidation team shall follow the instructions of the shareholders' general meeting and shall report to the shareholders' general meeting at least once a year on the revenue and expenditure of the liquidation team, the business of the Company and the progress of the liquidation, and shall make a final report to the shareholders' general meeting upon conclusion of the liquidation.

Article 235 The liquidation team shall within ten days of its establishment inform the creditors, and shall publish an announcement for at least three times in 60 days in a newspaper designated by the CIRC. The creditors shall, within 30 days of the receipt of the notice, or, within 45 days of the receipt of the announcement if a notice is not received, put forward its claims to the liquidation team. The liquidation team shall register such claims. During the period for the submission of claims, the liquidation committee shall not settle any debts owed to creditors.

Article 236 The settlement team shall exercise the following functions and powers during the period of liquidation:

- (1) to liquidate the property of the Company and prepare a balance sheet and a property inventory list separately;
- (2) to inform or make an announcement to the creditors;
- (3) to deal with any liquidation-related and outstanding debts of the Company;

- (4) to settle any taxes owed and any taxes arising in the course of liquidation;
- (5) to liquidate claims and debts;
- (6) to handle the remaining property of the Company after the liquidation;
- (7) to participate in civil litigation on behalf of the Company.

The liquidation team shall engage an accounting firm or law firm of good creditability to assess the claims and debts of the Company.

Article 237 After liquidating the property of the Company and preparing a balance sheet and a property inventory list, the liquidation team shall formulate a liquidation plan and submit it to the shareholders' general meeting or the competent authority for confirmation.

The property of the Company shall be used for settlement in the following order:

- (1) settlement of costs;
- (2) salaries owed to employees of the Company;
- (3) social insurance fees and statutory compensation;
- (4) compensation or insurance payment;
- (5) payment of any taxes owed;
- (6) settlement of any debts of the Company.

The property which remains after settlement is made in accordance with the provisions of the preceding paragraph shall be distributed by the shareholders of the Company in proportion to the class and proportion of the shares they hold.

During the liquidation period, the Company shall continue in existence but shall not carry on any operating activity which does not relate to liquidation.

Article 238 Where liquidation is carried out as a result of the dissolution of the Company, after liquidating the property of the Company and preparing a balance sheet and a property inventory, if the liquidation team finds the property of the Company to be insufficient for the settlement of its debts, the liquidation team shall immediately apply to the People's Court for declaration of bankruptcy.

After a ruling is made by the People's Court that the Company be declared bankrupt, the liquidation team shall hand over its liquidation work to the People's Court.

Article 239 Upon conclusion of the liquidation, the liquidation team shall prepare a liquidation report, a statement of the revenue and expenditure during the liquidation and the financial books, and, upon verification by PRC certified public accountants, submit the same to the shareholders' meeting or the authority concerned for confirmation.

The liquidation committee shall, within 30 days of the shareholders' general meeting or the date of confirmation by the authority concerned, submit the documents mentioned above to the company registration authority, apply for cancellation of the Company's registration and make an announcement of the closure of the Company.

Chapter XVIII Procedures for Amending these Articles of Association

Article 240 The Company may amend these Articles of Association in accordance with the provisions of the law, administrative rules and these Articles of Association. The Company shall amend these Articles of Association in any of the following circumstances:

(1) after amendments to the Company Law or the relevant laws and administrative regulations, any matter prescribed in these Articles of Association becomes in conflict with the provisions of the amended laws and administrative regulations;

(2) there is such change to the state of affairs of the Company that they become inconsistent with the matters set out in these Articles of Association;

(3) an amendment is to be made to these Articles of Association pursuant to a resolution adopted by the shareholders' general meeting.

Article 241 Where, in accordance with the law of the People's Republic of China, the amendments adopted by the shareholders' general meeting to be made to these Articles of Association shall be subject to the examination and approval of the authority concerned, such amendments shall be submitted to the original examination and approving authority for the approval to be effective. Where an amendment involves the Mandatory Provisions for Companies to be Listed Overseas, it shall be approved by the company examination and approving department, authorized by the State Council, and the CSRC to be effective. Where an amendment involves matters

in relation to company registration, the procedures for modification of registration shall be completed.

The Board shall amend these Articles of Association in accordance with any resolution adopted by the Board on amending these Articles of Association and the examination and approval opinion given by the authority concerned.

Where an amendment to be made to these Articles of Association involves information to be disclosed under laws and regulations, an announcement shall be made as stipulated.

Chapter XIX Resolution of Disputes Involving Holders of H Shares

Article 242 The Company shall comply with the following rules in relation to the resolution of disputes:

(1) Where any dispute or claim of rights arises between a holder of H shares and the Company; or between a holder of H shares and a director, supervisor, manager or any other senior management of the Company; or between a holder of H shares and a holder of domestic shares, out of the rights and obligations prescribed in connection with the affairs of the Company by these Articles of Association, the Company Law and the relevant laws and administrative regulations, the parties concerned shall submit such dispute or claim of rights to arbitration.

Where the dispute or claim of rights mentioned above is submitted to arbitration, the claim of rights or dispute so submitted shall represent such claim of rights or the rights in its entirety. All persons who have a cause of action or whose participation is needed for the resolution of such dispute or claim of rights, provided that they are the Company or shareholders, directors, supervisors, managers or other senior management of the Company, shall submit to the arbitration.

Disputes relating to the definition of shareholders or to the register of shareholders may not be resolved by way of arbitration.

(2) An arbitration applicant may choose to refer the dispute to the China International Economic and Trade Arbitration Committee for arbitration in accordance with its rules of arbitration, or to the Hong Kong International Arbitration Centre for arbitration in accordance with its Securities Arbitration Rules. After the arbitration applicant submits the dispute or claim of rights for arbitration, the other party must proceed with the arbitration in the arbitration institution selected by the applicant. If the arbitration applicant chooses to have the arbitration conducted in the Hong Kong International Arbitration Centre, either party may request in accordance

with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre that the arbitration be conducted in Shenzhen.

(3) Where the dispute or claim of rights stated in item (1) is to be resolved by way of arbitration, the law of the People's Republic of China shall apply, unless stipulated otherwise by laws and administrative regulations.

(4) The awards made by the arbitration institutions shall be final and binding on the parties.

Chapter XX Notice

Article 243 Notice of the Company shall be given in the following ways:

- (1) by hand;
- (2) by mail;
- (3) by courier;
- (4) by email;
- (5) by fax;
- (6) by announcement;

(7) posted on the websites of the Company and the stock exchange of the place of listing, subject to compliance with the laws, administrative regulations or the listing rules of the place of listing;

(8) by way of an announcement in the press or other designated media;

(9) other ways which have been agreed in advance between the Company and the party to be notified, or which are recognized upon receipt of the notice by the party to be notified;

(10) other ways recognized by the securities regulatory authority of the place where the shares of the Company are listed or prescribed in these Articles of Association.

Notwithstanding anything in these Articles of Association on the ways to release or give any notice, communication or other documents, subject to compliance with the listing rules of the place where the shares of the Company are listed, the Company may choose to issue notice, communication or other written materials in the ways

stipulated in item (7) of this Article in place of any written document to be sent by hand or prepaid mail to each holder of overseas-listed foreign investment shares.

Article 244 Any notice, document, information or written declaration served on the Company by a shareholder or director may be delivered to the registered address of the Company by hand or by registered mail.

Article 245 Where the notice is delivered by mail, it is only necessary to write the address and name of recipient legibly, prepay the postage, and put the notice into an envelope, and the same shall be deemed to have been received 48 hours after the envelope containing the notice is posted.

Article 246 Any notice, information or written statement issued by the Company to holders of overseas-listed foreign investment shares, unless it has been delivered in accordance with the provisions of Article 243, shall be delivered by hand to each of the holders of overseas-listed foreign investment shares (holding registered shares) at his registered address, or by mail or otherwise to each of the holders of overseas-listed foreign investment shares at his address set out in the register of shareholders.

Article 247 To prove that the shareholders or directors have delivered a notice, document, information or a written statement to the Company, proof shall be provided that such notice, document, information or written statement has been delivered within the time specified for delivery and in the way prescribed in Article 244 of these Articles of Association. Where delivery is made by hand, an acknowledgement of receipt by the Company shall be provided. Where delivery is made by registered mail, any proof evidencing that the mail with legible address written on it has been sent by prepaid mail to the correct address shall be sufficient.

Article 248 All notices or other documents which shall be submitted to the HKSE in accordance with Chapter 13 of the Listing Rules shall be written in English or attached with a certified English translation.

Chapter XXI Supplemental Provisions

Article 249 The Board shall, in accordance with the provisions of these Articles of Association, formulate provisions regulating the governance of the Company. Such provisions shall not be in conflict with the provisions of these Articles of Association.

Article 250 These Articles of Association shall be written in Chinese and English. Both versions are equally valid and effective. If there is any discrepancy between the two versions, the most recent Chinese version approved for registration by the SAIC of the People's Republic of China shall prevail.

Article 251 For the purposes of these Articles of Association, the terms “at least” / “or more” / “not less than”, “within” and “not more than” shall include the given figure; “over”, “below”, “beyond”, “less than” and “more than” shall not include the given figure. The “accounting firm” referred to in these Articles of Association shall have the same meaning as an “auditor”.

Article 252 The power of interpretation of these Articles of Association shall be vested in the Board of the Company.

Article 253 The schedules to these Articles of Association shall include the Rules of Procedure of the Shareholders’ General Meeting, the Rules of Procedure of the Board, and the Rules of Procedure of the Board of Supervisors.