CRRC CORPORATION LIMITED
ARTICLES OF ASSOCIATION

The Articles of Association was originally drafted in Chinese and the English translation thereof is not an official version and for your reference only. In case of any inconsistencies and/or discrepancies between the Chinese version and the English version, the Chinese version shall always prevail.

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CRRC CORPORATION LIMITED
ARTICLES OF ASSOCIATION

CHAPTER 1 GENERAL PROVISIONS

Article 1 CRRC Corporation Limited (the "**Company**") is a joint stock limited Company jointly established by the former CSR Corporation Limited (the "**Former CSR**") and the former CNR Corporation Limited (the "**Former CNR**") with the approval of the State-owned Assets Supervision and Administration Commission of the State Council (the "**SASAC of the State Council**"), and shares of which were listed on the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

To safeguard the legitimate rights and interest of the Company, its shareholders and creditors, and to regulate the organization and activities of the Company, the Articles of Association are hereby 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 Special Regulations of the State Council in Relation to the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the "**Special Regulations**"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the "**Mandatory Provisions**"), the Guidelines on Articles of Association of Listed Companies, the Letter of Opinions on Supplementary Amendments to Articles of Association of Companies to be Listed in Hong Kong (the "**Letter of Opinions on Amendments**"), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities of The Hong Kong Stock Exchange Limited (the "**Hong Kong Listing Rules**") and other relevant laws, regulations and departmental rules.

Article 2 The Company is a joint stock limited company incorporated in the People's Republic of China (the "**PRC**") pursuant to the Company Law, the Special Regulations and other relevant laws and regulations.

Guided by the principles of "a merger of equals, focusing on the future, seeking joint development and adhering to well-designed plan, steady progress in compliance with regulations", the Former CSR merged with the Former CNR by way of absorption and a share for share exchange. The Company completed its business registration update with the Beijing Administration for Industry and Commerce and obtained the business license on 1 June 2015.

The Former CSR was established by way of promotion with the approval of the SASAC of the State Council on 28 December 2007. It was registered with the State Administration for Industry and Commerce and obtained the business license on 28 December 2007. Since the establishment of the Former CSR, as approved by China Securities Regulatory Commission (the "**CSRC**"), it first issued 3,000,000,000 ordinary shares dominated in RMB to the public and was listed on the Shanghai Stock Exchange on 18 August 2008 and issued 1,840,000,000 overseas listed foreign shares (including 240,000,000 over-allotment shares) to overseas investors and was listed on the Hong Kong Stock Exchange on 21 August 2008.

The Former CNR was established by way of promotion with the approval of the SASAC of the State Council on 26 June 2008. It was registered with the State Administration for Industry and Commerce and obtained the business license on 26 June 2008. Since the establishment of the Former CNR, as approved by the CSRC, it first issued 2,500,000,000 ordinary shares dominated in RMB to the public and was listed on the Shanghai Stock Exchange on 29 December 2009 and issued 2,094,380,000 overseas listed foreign shares (including 273,180,000 over-allotment shares) to overseas investors and was listed on the Hong Kong Stock Exchange on 22 May 2014.

Article 3 Registered name of the Company:

Chinese (in full): 中國中車股份有限公司

Chinese (abbreviation): 中國中車

English (in full): CRRC Corporation Limited

English (abbreviation): CRRC

Article 4 Domicile of the Company: No. 16, Central West Fourth Ring Road, Haidian District, Beijing

Postal Code: 100036

Article 5 The Chairman of the Company shall be the Company's legal representative.

Article 6 The registered capital of the Company is RMB28,698,864,088.

Article 7 The Company is a joint stock limited company in perpetual existence.

Article 8 From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders.

Article 9 The Articles of Association are binding on the Company and its shareholders, Directors, Supervisors and senior management members, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

Article 10 The Articles of Association are actionable by a shareholder against the Company and vice versa, by the Company against shareholders, by shareholders against each other and by a shareholder against the Directors, Supervisors and senior management members of the Company.

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

Article 11 The Company may invest in other enterprises such as companies with limited liabilities and joint stock liability companies. The Company's liabilities to an investee company shall be limited to the amount of its capital contribution or value of its subscribed shares to such investee company.

Article 12 All assets of the Company are divided into shares with the same par value per share.

Shareholders' liabilities of the Company are limited to the shares subscribed by them, and the Company's liability to the debts is limited to the amount of its entire assets.

Article 13 Based on the requirement for business development and upon approval by the approving department authorized by the State Council, the Company may establish, assign and revoke domestic and overseas entities including but not limited to branches, subsidiaries and representative offices in accordance with laws, regulations, departmental rules and the Articles of Association. Save as subsidiaries, the organizations aforementioned are not entitled to rights of an independent legal person, but may carry on businesses within the scope approved by the Company and in compliance with the law. Such organizations shall be under the centralized management of the Company and the Company shall assume their civil liabilities.

Article 14 In accordance with the Company Law and the Constitution of the Communist Party of China, the Company shall set up Party organizations and related working organs, and shall maintain an adequate level of staffing to han.537 0 Td( )Tj00.537 0 Td( )Tjg7 0 T

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Section 1 Issue of Shares

Article 18 There must, at all times, be ordinary shares in the Company. Subject to the approval from the company approval department authorized by the State Council, the Company may issue other classes of shares according to its requirements. The shares of the Company are evidenced by share certificates.

Article 19 The shares issued by the Company shall have a par value of Renminbi 1 each.

Article 20 Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors.

The foreign investors referred to in the preceding paragraph mean those investors from foreign countries and from the regions of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company. Domestic investors mean those investors within the territory of the PRC (excluding investors from the regions referred to in the preceding sentence) who subscribe for shares issued by the Company.

Article 21 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as foreign invested shares. Foreign invested shares which are listed outside the PRC shall be referred to as overseas listed foreign invested shares.

Holders of domestic shares and holders of overseas listed foreign invested shares shall be holders of ordinary shares, both of whom shall be entitled to the same rights and shall undertake the same obligations.

Article 22 Foreign invested shares issued by the Company and listed in Hong Kong shall be called H shares. H shares refer to the shares approved to be listed on the Hong Kong Stock Exchange, the par value of which are denominated in Renminbi, and are subscribed for and traded in Hong Kong dollars.

Article 24 Upon approval by the securities regulatory authority of the State Council of the proposal for issue of overseas listed foreign invested shares and domestic shares of the Company, the Board of the Company may make implementation arrangements of separate issue.

The Company's proposal for separate issue of overseas listed foreign invested shares and domestic shares pursuant to the preceding paragraph may be implemented within fifteen (15) months from the date of approval by the securities regulatory authority of the State Council.

Article 25 Where the Company issues overseas listed foreign invested shares and domestic shares respectively within the total number of shares as stated in the issuance proposal, the respective shares shall be subscribed for in full at one time. If they cannot be fully subscribed for at one time under special circumstances, these shares may be issued in several issues subject to the approval of the securities regulatory authority of the State Council.

Article 26 The domestic shares issued by the Company shall be collectively deposited with the China Securities Depository and Clearing Corporation Limited, whereas the overseas listed foreign invested shares issued by the Company shall be deposited in accordance with the requirement under Article 49 of the Articles of Association.

Article 27 Shares of the Company shall be issued in an open, fair and just manner. Shares of the same class shall rank pari passu with each other.

For the same class of shares issued in the same tranche, each share shall be issued at the same price and subject to the same conditions. For the shares subscribed by any organization or individual under the same offering, the price payable for each of such shares shall be the same.

Section 2 Change in and Repurchase of Shares

Article 28 Subject to separate resolution made at the general meeting and in accordance with laws and regulations, the Company may, based on its requirements for operation and development, approve an increase of capital in the following manner:

(1) public issue;

(2) non-public issue;

(3) bonus issue of new shares to existing shareholders;

(4) placing new shares to existing shareholders;

(5) convert statutory reserve fund to increase share capital;

(6) other means as permitted by the laws, regulations and the securities regulatory authority of the State Council.

The Company's increase of capital by issuing new shares shall be, after being approved in accordance with the requirements under the Articles of Association, conducted in accordance with the procedures stipulated by the relevant laws, regulations of the State and the procedures required by securities regulatory authorities of the place where the Company's shares are listed.

Article 29 The Company may reduce its registered capital. Where the Company reduces its registered capital, it shall be conducted in accordance with the Company Law and other relevant provisions as well as procedures stipulated in the Articles of Association.

Article 30 The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten (10) days from the date of the Company's resolution on reduction of registered capital and shall publish an announcement in newspapers within thirty (30) days from the date of such resolution. A creditor has the right, within thirty (30) days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five (45) days from the date of the initial announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

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

Article 31 The Company may, according to the procedures provided for in the Articles of Association, and subject to the approval of the relevant governing authority of the State, repurchase its issued shares pursuant to requirements under laws, regulations, departmental rules and the Articles of Association under the following circumstances:

(1) to reduce the registered capital of the Company;

(2) to merge with another company that holds shares in the Company;

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

(4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company;

(5) other circumstances as permitted by laws, regulations and departmental rules and securities regulatory authorities of the place where the Company's shares are listed.

Save as aforementioned, the Company shall not purchase or sell the shares of the Company.

Any repurchase of shares by the Company for the purpose of clauses (1) to (3) of the foregoing paragraph shall be resolved at the general meeting. In the event that the Company has acquired its shares in accordance with the first paragraph and under the circumstance set out in clause (1), such shares shall be cancelled within ten (10) days from the date of acquisition, and for circumstances set out in clauses (2) to (4), such shares shall be transferred or cancelled within six (6) months from the date of acquisition.

Where the Company has acquired its shares pursuant to clause (3) of the first paragraph, shares so acquired shall not exceed 5% of the total shares issued by the Company. The capital used for acquisition shall be financed by the profit after tax of the Company, and such shares so acquired shall be transferred to employees within one (1) year.

Article 32 The Company may acquire its shares in any of the following manner:

(1) to repurchase shares in open trading on a stock exchange;

(2) to make a repurchase offer to all shareholders in proportion to their respective shareholdings;

(3) to repurchase by way of agreement other than through a stock exchange;

(4) other means as permitted by the laws, regulations and securities regulatory authorities of the place where the Company's shares are listed.

Article 33 Where the Company repurchases its shares by way of agreement other than through a stock exchange, it shall seek prior approval of the shareholders at the general meeting in accordance with the Articles of Association. The Company may release or vary a contract so entered into by the Company or waive its rights thereunder with prior approval by shareholders at general meeting obtained in the same manner.

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

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

Article 34 In the event that the Company has the rights to repurchase the redeemable shares:

(1) where repurchases are not made through the market or by tender, the cost of such repurchase shall not exceed a certain price limit; and

(2) where repurchases are made by tender, such tenders shall be made available to all shareholders under the same conditions.

Article 35 Shares shall be cancelled after the repurchase of such shares in accordance with the law by the Company within the period prescribed by laws and administrative regulations, and the Company shall apply to the original company registration authority for registration of the change in its registered capital.

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

Article 36 Except where the Company is in the course of liquidation, it must comply with the following provisions in repurchasing its own issued and outstanding shares:

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

(2) Where the Company repurchases its shares at a premium, an amount equivalent to their total par value shall be deducted from the book balance of distributable profits of the Company or out of the proceeds of a new issue of shares made for that purpose. Payment of the portion in excess of their par value shall be effected as follows:

    (i) if the shares being repurchased were issued at their par value, payment shall be made out of the book balance of distributable profits of the Company;

(ii) if the shares being repurchased were issued at a premium, payment shall be made out of the book balance of distributable profits of the Company or the proceeds of a new issue of shares made for that purpose, provided that the amount paid out of the proceeds of the new issue may not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased or the current balance of the Company's premium account (or capital reserve account) (inclusive of the premiums from the new issue);

(3) Payment by the Company in consideration for:

(i) the acquisition of rights to repurchase its shares;

(ii) the variation of any contract to repurchase its shares;

(iii) the release of any obligation under any contract to repurchase its shares shall be made out of the Company's distributable profits;

(4) To the extent that shares are repurchased out of an amount deducted from the distributable profits of the Company, the amount of the Company's registered capital reduced under the relevant requirements shall be transferred to the Company's premium account (or capital reserve account).

Section 3 Transfer of Shares

Article 37 Save as otherwise stipulated by the laws, administrative regulations and relevant requirements under the securities regulatory authority of the place where the Company's shares are listed, the shares of the Company may be freely transferrable free of any lien. Where the overseas listed shares listed in Hong Kong are to be transferred, it shall be registered with a share registrar in Hong Kong appointed by the Company.

Article 38 Any fully paid overseas listed foreign invested shares listed in Hong Kong are free to be transferred, given away, inherited and pledged pursuant to the Articles of Association, provided that the Board may refuse to recognise any instrument of transfer without assigning any reason unless the following conditions are satisfied:

(1) transfer documents and other documents that are related to any share ownership or may affect such share ownership shall be registered and fees and charges regarding registration as specified in the Hong Kong Listing Rules shall be paid to the Company and such amount shall not exceed the price ceiling stipulated under the Hong Kong Listing Rules from time to time;

(2) the instrument of transfer that only relates to the overseas listed foreign invested shares listed in Hong Kong;

(3) the stamp duty on the instrument of transfer payable according to laws in Hong Kong has been paid;

(4) provision of the relevant share certificates and other evidence as may be reasonably required by the Board to prove the transferor's right to transfer the shares;

(5) if the shares are to be transferred to joint holders, the joint holders shall not exceed four (4) in number;

(6) the relevant shares are not subject to any lien of companies;

where the Board refuses to register the transfer of shares, the Company shall deliver a notification to the transferor and transferee, informing them of such refusal of registration of share transfer within two (2) months from the date of the application for transferring the shares.

Article 39 Where the holders of the Company's overseas listed foreign invested shares listed in Hong Kong are to transfer all or part of such shares, the transfer shall be effected by instruments of transfer in writing in an ordinary or usual form of the listing place or any other form acceptable to the Board, or any standard transfer form specified by the stock exchange where the Company's shares are listed. The instruments of transfer shall be signed by hand; or where the transferor or transferee is a company, the seal of the Company shall be affixed. In the event that the transferor or transferee is a recogni~~c~~ed clearing house (as defined by Securities and Futures Ordinance) or its nominee, the instruments of transfer shall be signed by hand or in a machine-imprinted format. All instruments of transfer shall be maintained at the legal residence of the Company or any other place as the Board may specify.

Article 40 The Company shall not accept any shares of the Company as the subject of a pledge.

Article 41 Shares of the Company held by the promoters shall not be transferred within one (1) year from the date of the establishment of the Company. Shares issued prior to the public offering of shares by the Company shall not be transferred within one (1) year from the date the shares of the Company were listed on the stock exchange(s).

Article 42 Directors, Supervisors and senior management members of the Company shall report to the Company their shareholdings and changes therein and shall not transfer more than 25% per year of the total number of shares held by them during their terms of office. The shares held by them shall not be transferred within one (1) year from the date the shares of the Company being listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the shares of the Company held by them within six months commencing from the termination of their service.

Any gains from sale of shares in the Company by any Directors, Supervisors and senior management members or shareholders holding 5% or more of the domestic shares in the Company within six (6) months after their purchase of the same, and any gains from purchase of shares in the Company by any of the aforesaid parties within six (6) months after sale of the same shall belong to the Company. The Board of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holds 5% or more shares by buying the remaining shares pursuant to an underwriting arrangement, the six (6) month limitation for selling the said shares shall not apply.

If the Board does not act in accordance with the provisions of the above paragraph, shareholders shall be entitled to request the Board to effect the same within thirty (30) days. If the Board fails to do so within the aforesaid period, the shareholders are entitled to commence proceedings with a people's court directly in their own names for the interests of the Company.

Where the Board does not act in accordance with the provisions of the first paragraph, the responsible directors shall assume joint liability.

CHAPTER 4 FINANCIAL ASSISTANCE FOR THE ACQUISITION OF SHARES IN THE COMPANY

Article 43 The Company and its subsidiaries shall not, by any means including gifts, advanced payment, guarantees, compensation or loan at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly incurs any obligations due to the acquisition of shares of the Company.

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

This provision does not apply to the circumstances stated in Article 45 of this Chapter.

Article 44 The financial assistance referred to in this Chapter includes, but not limited to the following means:

(1) gift;

(2) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of the Company's own default) or release or waive of any rights;

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

(4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

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

Article 45 The following activities shall not be deemed to be activities as prohibited in Article 43:

(1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of shares of the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;

(2) the lawful distribution of the Company's assets by way of dividend;

(3) the allotment of bonus shares as dividends;

(4) a reduction in registered capital, a repurchase of shares or a reorganization of the share capital structure of the Company effected in accordance with the Articles of Association;

(5) the lending of money by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);

(6) the provision of money by the Company for contributions to employee share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).

CHAPTER 5 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 46 The shares of the Company shall be in registered form.

The share certificates of the Company shall contain the following major particulars:

(1) the name of the Company;

(2) the date of incorporation of the Company;

(3) class of shares, nominal value thereof and the number of shares represented;

(4) the serial number of the certificate;

(5) other items to be contained as required by the Company Law, the Special Regulations as well as the securities regulatory authorities of the place(s) where the Company's shares are listed;

(6) where the share capital of the Company includes shares which do not carry voting right, the wordsz non-voting rights shall appear in the designation of such shares;

(7) where the share capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, shall include the wordsz restricted voting orz limited voting .

The Company may issue overseas listed foreign invested shares in the form of foreign depository receipts or other derivative means in accordance with the laws and usual practice for securities registration and depository in the place where the Company's shares are listed.

Article 47 The share certificates shall be signed by the Chairman. Where the securities regulatory authorities of the place(s) where the Company' shares are listed requires the share certificates to be signed by the President or other senior management members of the Company, the share certificates shall also be signed by the President or other relevant senior management members. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The share certificates shall only be affixed with the Company's seal under the authorization of the Board. The signatures of the Chairman, the President or other relevant senior management members of the Company on the share certificates may also be in printed form.

Where the shares of the Company are issued and traded in a paperless form, it shall comply with regulations otherwise stipulated by the securities regulatory authority of the place where the Company's shares are listed.

Article 48 The Company shall keep a register of shareholders, which shall contain the following particulars:

(1) the name, address (residence), occupation or nature of each shareholder;

(2) the class and number of shares held by each shareholder;

(3) the amount paid-up or payable in respect of shares held by each shareholder;

(4) the serial numbers of the shares held by each shareholder;

(5) the date on which a person registers as a shareholder;

(6) the date on which a person ceases to be a shareholder.

The Company shall keep the register of shareholders with the certificate granted by the share registrar. The register of shareholders shall be the sufficient evidence for the shareholders' shareholding in the Company, except in cases with contrary evidence.

Article 49 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its register of holders of overseas listed foreign invested shares outside the PRC and appoint overseas agent(s) to manage such register. The original register of holders of overseas listed foreign invested shares listed in Hong Kong shall be maintained in Hong Kong.

The Company shall maintain a duplicate of the register of holders of overseas listed foreign invested shares at the Company's domicile; the appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of holders of overseas listed foreign invested shares at all times.

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

Article 50 The Company shall maintain a complete register of shareholders.

The register of shareholders shall include the following:

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

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

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

Article 51 Different parts of the register of shareholders shall not overlap with one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.

All transfers and assigning of shares shall be registered under the share registrar appointed by the Company.

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

The Company shall instruct and procure its share registrars not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such particular holder delivers to such share registrar a signed instrument for the transfer of such shares.

Article 52 Transfers may not be entered in the register of shareholders within thirty (30) days prior to the date of a general meeting or within five (5) days prior to the record date set by the Company for the purpose of distribution of dividends.

Where the securities regulatory authority of the place where the Company's shares are listed otherwise requires, its regulations shall prevail.

Article 53 When the Company intends to convene a general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholder's capacity, the Board or the convener of the general meeting shall appoint a record date for the registration of shareholdings, and shareholders whose name appear on the register of shareholders at the close of business of the record date shall be shareholders for their entitlements.

Article 54 Any person who objects to the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 55 Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his share certificate (the "original certificate") is lost, stolen or destroyed, apply to the Company for a replacement share certificate in respect of such shares (the "**relevant shares**").

If a holder of the domestic shares has his share certificate lost, stolen or destroyed and applies for a replacement, it shall be dealt with in accordance with the provisions of the Company Law.

If a holder of overseas listed foreign invested shares has his share certificate lost, stolen or destroyed and applies for a replacement, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas listed foreign invested shares is maintained.

Where a holder of the Company's overseas listed foreign invested shares listed in Hong Kong has his share certificate lost, stolen or destroyed, the issue of the replacement certificate to the holder of such shares shall comply with the following requirements:

(1) the applicant shall submit an application to the Company in prescribed form accompanied by a notarial act or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss, larceny and destruction of the share certificates as well as declaring that no other person shall be entitled to request to be registered as the shareholder in respect of the relevant shares.

(2) no statement has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant shares before the Company came to a decision to issue the replacement certificate.

(3) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board; the announcement shall be made at least once every thirty (30) days in a period of ninety (90) days.

(4) prior to the publication of its announcement of intention to issue a replacement certificate, the Company shall:

    (i) deliver to the Hong Kong Stock Exchange a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from the Hong Kong Stock Exchange that the announcement has been exhibited at the premises of the Hong Kong Stock Exchange. The announcement shall be exhibited at the premises of the Hong Kong Stock Exchange for a period of ninety (90) days.

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

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

(6) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the original certificate and enter the cancellation and issue in the register of shareholders accordingly.

(7) all expenses relating to the cancellation of an original certificate and the issue of a replacement certificate

CHAPTER 6 SHAREHOLDERS AND GENERAL MEETINGS

Section 1 Shareholders

Article 58 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

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

Shareholders holding shares of different classes shall be entitled to the same rights during the dividend distribution or any other type of distribution.

Article 59 When two (2) or more persons are registered as joint holders of any shares, they shall be deemed to be joint owners of such shares and subject to constraints of the following terms:

(1) the Company are not bound to register more than four (4) persons as joint holders for any shares;

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

(3) in case one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. But the Board shall have the right, for the purpose of making amendments to the register of shareholders, to demand a death certificate of such shareholder where it deems appropriate to do so;

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

Article 60 The ordinary shareholders of the Company shall be entitled to the following rights:

(1) the right to dividends and other distributions in proportion to the number of shares held;

(2) the right to request, convene, chair, attend or appoint a proxy to attend general meetings and to exercise the voting right thereat in accordance with the laws and the Articles of Association;

(3) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;

(4) the right to transfer, give or pledge shares held in accordance with the laws, regulations and provisions of the Articles of Association;

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

(i) the right to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;

(ii) the right to inspect and copy, subject to payment of a reasonable charge:

1. the register of all shareholders;

2. personal particulars of each of the Company's Directors, Supervisors, President and other senior management members, including:

(a) present name and alias and any former name and alias;

(b) principal address (residence);

(c) nationality;

(d) primary and all other part-time occupations and respective positions;

(e) identification document and its number.

3. the state of the Company's share capital;

4. reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;

5. minutes of general meetings;

6. the financial statements, report of the Board and report of the Supervisory Committee of the Company of the latest period;

7. the copy of the annual return delivered to the PRC Administration for Industry and Commerce or other regulatory authorities for record for the latest period.

(6) to inspect the register of shareholders, stud of the Company's debentures and minutes of general meetings; resolutions of Board meetings, resolutions of meetings of the Supervisory Committee and the financial and accounting report;

(7) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to the number of shares held;

(8) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company;

(9) other rights conferred by laws, regulations, departmental rules and the Articles of Association.

Shareholders have the right to obtain copies of the documents 1 to 7 under subsection (5) (ii) of the Article, subject to payment of the reasonable costs. Shareholders demanding copies of the relevant documents shall give prior written notice to the Company and provide to the Company written documents evidencing the class and number of the Company' shares held by them. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request.

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

Article 61 If a resolution passed at a general meeting or Board meeting of the Company violates the laws or regulations, the shareholders shall have the right to submit a petition to a people's court to render the same as invalid.

Where the procedures for convening or the means of voting at a general meeting or Board meeting violate the laws, regulations or the Articles of Association, or the contents of a resolution violates the Articles of Association, shareholders shall be entitled to submit a petition to a people's court to rescind such resolutions within sixty (60) days from the date on which such resolution is made.

Article 62 Where the Company incurs losses as a result of violation by Directors and senior management members of the laws, regulations or the Articles of Association in the course of performing their duties with the Company, shareholders individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days shall be entitled to request in writing the Supervisory Committee to initiate proceedings in a people's court. Where the Company incurs losses as a result of the Supervisory Committee's violation of the laws, regulations or the Articles of Association in the course of performing its duties with the Company, the shareholders shall be entitled to make a request in writing to the Board to initiate proceedings in a people's court.

In the event that the Supervisory Committee or the Board refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within thirty (30) days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, shareholders described in the preceding paragraph shall have the right to initiate proceedings in a people's court directly in their own names in the interest of the Company.

Shareholders described in the first paragraph of this article may also initiate proceedings in a people's court in accordance with the preceding two paragraphs in the event that the lawful interests of the Company are infringed upon by any third parties.

Article 63 Shareholders may initiate proceedings in the people's court in the event that a Director or a senior management member has violated the laws, regulations or the Articles of Association, thereby infringing the interests of shareholders.

Article 64 The ordinary shareholders of the Company shall assume the following obligations:

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

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

(3) not to divest the shares unless required by the laws and regulations;

(4) not to abuse the shareholders' rights to impair the interests of the Company or other shareholders; and not to abuse the independent legal person position of the Company and the limited liability of shareholders to impair the interests of any creditor of the Company; shareholders of the Company who abuse their shareholder's rights and thereby cause losses to the Company or other shareholders shall be liable for indemnity according to the law; where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly liable for the debts owed by the Company;

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

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

Article 65 Holders of domestic shares holding over 5% of the Company's shares carrying voting rights who use the shares of the Company as pledge shall giv

Article 66 The controlling shareholder and the de facto controller of the Company shall not use their connected relationship to act in detriment to the interests of the Company. If they have violated relevant provisions and caused damage to the Company, they shall be liable for such damages.

The controlling shareholder and the de facto controller of the Company shall have fiduciary duties towards the Company and its public shareholders. The controlling shareholder shall exercise its rights as a contributor in strict compliance with the laws. The controlling shareholder shall not take advantage of profit distribution, asset restructuring, foreign investment, possession of capital, lending and provision of guarantees to the detriment of the statutory interests of the Company and public shareholders and shall not make use of its controlling status against the interests of the Company and public shareholders.

Article 67 In addition to obligations imposed by laws, regulations or required by the listing rules of the stock exchange on which the Company' shares are listed, a controlling shareholder shall not exercise his voting rights with respect to the following matters in detriment to the interests of all or some of the shareholders of the Company:

(1) to relieve a Director or Supervisor of his duty to act honestly in the best interests of the Company;

(2) to approve the expropriation by a Director or Supervisor (for his own benefit or for the benefit of another person), in any guise, of the Company's assets, including (but not limited to) opportunities beneficial to the Company;

(3) to approve the expropriation by a Director or Supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (but not limited to) rights to distributions and voting rights, save for the company restructuring submitted to the general meeting for approval in accordance with the Articles of Association.

Section 2 General Meetings

Article 68 The general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with the law.

Article 69 The general meeting may exercise the following functions and powers:

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

(2) to elect and replace Directors and to determine the remuneration of the relevant Directors;

(3) to elect and replace Supervisors not appointed from staff representatives, and to determine the remuneration of the relevant Supervisors;

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

(5) to consider and approve the reports of the Supervisory Committee;

(6) to consider and approve the proposed annual financial budgets and final accounts of the Company;

(7) to consider and approve the profit distribution policy, profit distribution plans and loss recovery plans of the Company;

(8) to resolve on any increase or reduction of registered capital of the Company;

(9) to resolve on matters such as merger, division, dissolution, liquidation or conversion of corporate form of the Company;

(10) to resolve on the issue of bonds or other marketable securities and listing plans of the Company;

(11) to resolve on the appointments, dismissals or non-renewal of accounting firms and determine their remuneration and the method thereof;

(12) to amend the Articles of Association;

(13) to consider and approve proposals submitted by shareholders individually or jointly holding not less than 3% of the shares carrying voting rights of the Company;

(14) to consider and approve matters relating to external guarantees under Article 71;

(15) to consider and approve matters relating to the purchases and disposals of the Company's assets within one year which exceed 30% of the latest audited total assets of the Company;

(16) to consider and approve matters relating to external investment, asset pledge, entrusted wealth management and entrusted loans of the Company within one year which exceed 30% of the latest audited total assets of the Company;

(17) to consider and approve matters relating to leasing, renting, entrusted management, being entrusted to manage or joint management with others within one year which exceed 30% of the latest audited total assets of the Company;

(18) to consider and approve connected transactions amounting to over RMB30 million or above and exceeding 5% of the absolute value of audited net assets of the Company for the latest period (excluding the provision of guarantees by the Company and the receipt of endowment in cash assets); for connected transaction matters which can be exempted from or waived for consideration and disclosure as connected transactions under relevant provisions of laws, regulations, departmental rules and the listing rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from consideration and disclosure of such matters as connected transactions under relevant provisions;

(19) to consider and approve matters relating to change of the use of proceeds;

(20) to consider and approve the share incentive plan(s);

(21) to consider and approve other matters as required by laws, regulations, departmental rules, the listing rules of the place(s) where the Company's shares are listed and the Articles of Association to be resolved at the general meeting.

Article 70 Unless the Company is under crisis or other special circumstances, the Company shall, without obtaining a prior approval at a general meeting, not enter into any contract with any party other than the Directors, Supervisors and senior management members, pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 71 The following external guarantees provided by the Company are subject to the consideration and approval of the general meeting.

(1) any guarantees provided after the total amount of external guarantees of the Company and its non-wholly-owned subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;

(2) any guarantees provided after the total amount of external guarantees of the Company has reached or exceeded 30% of the latest audited total assets of the Company;

(3) a guarantee provided for other parties with an asset-liability ratio in excess of 70%;

(4) a single guarantee with the amount exceeding 10% of the latest audited net assets of the Company;

(5) a guarantee to be provided in favor of shareholders, de facto controllers and their related parties.

z External guarantees as mentioned in the Articles of Association shall refer to guarantees provided by the Company for others, including those provided by the Company for its non-wholly-owned subsidiaries. z Total amount of external guarantees of the Company and its non-wholly-owned subsidiaries shall refer to the sum of the Company's total external guarantees including the guarantees provided by the Company for its non-wholly- owned subsidiaries plus the total external guarantees provided by the non-wholly-owned subsidiaries of the Company.

Article 72 General meetings shall be in the form of annual general meetings and extraordinary general meetings. A general meeting shall be convened by the Board and presided by the Chairman.

The annual general meeting shall be held once every year within six (6) months after the end of the previous accounting year.

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

(1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;

(2) the uncovered losses are in excess of one third of the Company's total share capital;

(3) shareholders individually or jointly holding 10% or more of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting;

(4) the Board considers it necessary;

(5) the Supervisory Committee proposes to hold such a meeting;

(6) one half or more of the independent Directors of the Company agree and propose the holding such a meeting;

(7) other circumstances as required by laws, regulations, departmental rules, the securities laws of the place where the Company's shares are listed or the Articles of Association.

The number of shares held referred to in item (III) above shall be calculated on the date when the shareholders put forward a written request.

Article 73 A forty-five (45) days' prior written notice for convening the general meeting shall be given to notify shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve their written replies to the Company twenty (20) days prior to the date of the meeting.

Article 74 In the event the Company convenes an annual general meeting, the Board, the Supervisory Committee or shareholders individually or jointly holding an aggregate of 3% or more of the Company's shares with voting rights are entitled to submit proposals in writing to the Company.

The contents of a proposal shall be within the scope of the functions and powers of the general meeting, have definite topics and specific matters for resolution, as well as be in compliance with the laws, regulations and the Articles of Association.

Shareholders individually or jointly holding 3% or more of the Company's shares may submit ad hoc proposals to the convener of a general meeting in writing ten (10) days prior to the meeting. The convener shall issue a supplementary notice of the general meeting, announce the contents of such ad hoc proposals and submit such ad hoc proposals to the general meeting within 2 days after receipt thereof. If the supplementary notice of the general meeting fails to meet requirements in relation to issue of the supplementary notice under the listing rules of the place(s) where the Company's shares are listed, the Company shall postpone the general meeting as appropriate. The contents of ad hoc proposals shall fall within the scope of the functions and powers of the general meeting and have definite topics and specific matters for resolutions.

Except as provided for by the preceding paragraph, the convener of a general meeting shall not amend the proposals set out in the notice of the general meeting or add any new proposals subsequent to the issue of the notice of the general meeting.

In the notice of the general meeting, the general meeting shall not carry out voting and resolve on the proposals that are not stated or fail to meet the requirements under paragraph 2 and paragraph 3 of this article.

Article 75 The Company shall, based on the written replies received twenty (20) days before the date of the general meeting from the shareholders, calculate the number of shares carrying voting rights represented by shareholders who intend to attend the meeting. If the number of shares carrying voting rights represented by the shareholders who intend to attend the meeting reaches not less than one half of the Company's total shares carrying voting rights, the Company may hold the meeting. If not, the Company shall within five (5) days notify the shareholders again by public notice of the matters to be considered, the place and the date of the meeting. The Company then may hold the meeting after the publication of such notice.

Extraordinary general meetings shall not resolve matters not stated in the notice thereof.

Article 76 A notice of general meeting shall meet the following requirements:

(1) it shall be in written form;

(2) it shall specify the place, date and time of the meeting;

(3) it shall state the matters to be discussed at the meeting;

(4) it shall provide shareholders with such information and explanation as are necessary for them to make informed decisions on the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and results of the same must be properly explained;

(5) if any Director, Supervisor, President and other senior management members have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such Director, Supervisor, President and other senior management members in their capacity as shareholders is different from that of other shareholders of the same class, the differences shall also be specified;

(6) it shall set out the full text of the special resolutions proposed for approval at the meeting;

(7) it shall contain a clear statement that a shareholder who is entitled to attend and vote at the meeting shall have the right to appoint one or more proxies to attend and vote at the meeting on his behalf and such proxies need not be shareholders;

(8) it shall state the date and place for serving the letter of attorney for the meeting;

(9) it shall state the record date for shareholders who are entitled to attend the general meeting;

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

The notice and supplementary notice of the general meeting shall fully and completely disclose all the specific contents of all of the proposals. Where the independent Directors are required to express their opinions on the matters to be discussed, the notice or the supplementary notice of the meeting shall also disclose the views and reasons of the independent Directors at the same time.

The gap between the record date and the date of the meeting shall be no more than seven (7) working days. Once the record date is settled, it shall not be changed.

Article 77 The Company shall arrange for the venue for an on-site meeting to be held. Where the general meeting is to be conducted online or by way of other means, the time and procedure of such online voting or other means of voting shall be clearly stated in the notice of general meeting. The online voting or other means of voting of the general meeting shall commence no earlier than 3:00 p.m. of a day prior to the date of the general meeting but no later than 9:30 a.m. on the date of the general meeting and it shall terminate no earlier than 3:00 p.m. on the date of conclusion of the general meeting.

Article 78 Unless otherwise required by relevant laws, regulations, listing rules of the place(s) where the Company's shares are listed and the Articles of Association, a notice of general meeting shall be published on the Company's website or dispatched to shareholders (regardless of their voting rights at the general meeting) by hand or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of shareholders. For holders of domestic shares, a notice of general meeting may also be made by way of announcement.

The announcement referred in the preceding paragraph shall be published within a period of forty-five (45) to fifty (50) days prior to the date of the general meeting in one or more newspapers and journals designated by securities regulatory authorities of the State Council and the regulatory authorities of the place where the Company's shares are listed, as well as the websites of the Company and the stock exchange. Once an announcement is made, all holders of the domestic shares are deemed to have received the relevant notice of the general meeting.

Article 79 For the proposed election of Directors and Supervisors to be discussed at the general meeting, the following information of candidates for Directors and Supervisors shall be fully disclosed in the notice of general meeting which shall at least include the following:

(1) personal particulars such as education background, work experience and part-time occupations;

(2) whether any connected relationship with the controlling shareholder or the de facto controller of the Company exists;

(3) disclosure of shareholdings in the Company;

(4) whether they are subject to the punishment of the securities regulatory departments of the State Council and other relevant departments and the reprimand of any stock exchange.

Except for the cumulative voting system for the election of Directors and Supervisors, nomination of each candidate for Directors and Supervisors shall be proposed as individual proposal.

Article 80 After the notice of general meeting is issued, the general meeting shall not be postponed or cancelled without a proper reason and the proposals stated in the notice of general meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall issue an announcement and state the reasons therein at least two (2) working days prior to the original date of the general meeting.

Article 81 The Board and other conveners shall take necessary measures to ensure proper order of the general meeting. In the event of activities that violate the order of the general meeting, affray or activities that are harmful to the legal rights and interests of the shareholders, the Company is entitled to take action to restrain s

Shareholders may attend the general meeting in person and may also appoint proxies to attend and vote at the meeting.

Article 83 Individual shareholders attending the general meeting in person shall produce their identity cards or other valid proof or evidence of their identities as well as stock account cards and, in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the letters of attorney from shareholders.

Where a shareholder is a legal entity, its legal representative or a proxy authorised by such legal representative shall attend the general meeting. In case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of attorney duly issued by such legal representatives.

Article 84 Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as their proxies to attend and vote at the meeting on their behalf. The proxies so appointed by the shareholders may exercise the following rights:

(1) have the same right as the shareholder to speak at the meeting;

(2) have authority to demand or, jointly with others, to demand a poll;

(3) have the right to vote by hands or on a poll. Where more than one proxy is appointed, the proxies may only exercise the voting right on a poll.

Article 85 The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his attorney duly authorised in writing; where the appointing shareholder is a legal person or any other institution, such instrument shall be under its seal or under the hand of its legal representative (or Director) or attorney duly authorised.

Article 86 The letter of attorney shall be lodged with the domicile of the Company or other places specified in the notice of meeting 24 hours before the relevant meeting for voting according to the letter of attorney, or 24 hours before the designated time of voting; where the letter of attorney is signed by a person under a letter of attorney on behalf of the appointer, the letter of attorney or other authorisation documents authorised to be signed shall be notarized. A notarially certified copy of that letter of attorney or other authorisation documents, together with the letter of attorney, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

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

Where such shareholder is a recognised clearing house (as defined in the Hong Kong Securities and Futures Ordinance) or its nominee, such shareholder is entitled to appoint one (1) or more persons as it thinks fit to act on its behalf at any general meetings or any other class meetings; where not less than one (1) person is authorised, the letter of attorney shall specify the number and class of shares involving each person so authorised. Such persons so authorised shall be entitled to exercise their rights on behalf of the recognised clearing house (or its nominee) as if they were individual shareholders of the Company.

Article 87 Instruments issued by shareholders appointing proxies to attend the general meeting shall specify the following:

(1) name of the appointer and the name of the proxy;

(2) the number of shares held by the appointer represented by the authorized proxy (where more than one persons are appointed as proxies, the letter of attorney shall state the number of shares represented by each proxy);

(3) whether or not the proxy is entitled to vote;

(4) the instructions in relation to voting for or against, or abstaining from voting on each item to be considered at the general meeting;

(5) whether the proxy has voting power in respect of ad hoc proposals which may be included in the agenda of the general meeting. If the proxy has voting power, specific instruction as to what kind of voting power shall be exercised;

(6) the date of the issue and the valid term of the letter of attorney;

(7) the signature (or seal) of the appointer. Where the appointer is a legal entity shareholder, the letter of attorney shall be affixed with its common seal.

Article 88 Any letter of attorney issued to a shareholder by the Board for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote for or against or abstain from voting on each resolution dealing with the matters to be resolved at the meeting. Such letter of attorney shall contain a statement that in the absence of instructions by the shareholder, his proxy may vote as he thinks fit.

Article 89 Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the letter of attorney, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the letter of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

Article 90A registration book for attending the general meeting shall be prepared by the Company.

The registration book shall set forth the names of attendees (or the attending corporations), their identity card numbers, residential address, number of shares carrying voting rights held or represented, and names of the appointers (or the appointing corporation), etc.

Article 91 The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the number of their shares carrying voting rights. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their shares carrying voting rights.

Article 92 When the shareholder(s) request(s) for the convening of an extraordinary general meeting or any class meeting, the following procedures shall be followed:

(1) Shareholders individually or jointly holding 10% or more of the shares carrying the right to vote at the forthcoming meeting shall sign one (1) or more written requests of the same form stating the object of the meeting and demanding that the Board convene an extraordinary general meeting or a class meeting thereof. The Board shall, within ten (10) days upon the receipt of such written requests, reply in writing on whether or not the Board approves convening an extraordinary general meeting or a class meeting;

If the Board agrees to convene an extraordinary general meeting or a class meeting, it will issue a notice of meeting within five (5) days after the resolution is made by the Board. Any change to the original request in the notice shall be subject to the agreement of relevant shareholders.

(2) If the Board does not agree to convene the extraordinary general meeting or the class meeting, or does not reply within ten (10) days upon the receipt of the request, shareholders individually or jointly holding 10% or more of the shares carrying the right to vote at the forthcoming meeting shall have the right to propose to the Supervisory Committee on convening the extraordinary general meeting or the class meeting and submit the written request to the Supervisory Committee;

(3) If the Supervisory Committee agrees to convene an extraordinary meeting or a class meeting, it shall issue a notice of meeting within five (5) days upon the receipt of the request. Any change to the original proposal in the notice shall be subject to the agreement of relevant shareholders.

The Supervisory Committee's failure to issue the notice of meeting within the prescribed period shall be deemed as the Supervisory Committee not convening and not presiding over the meeting. As such, shareholders individually or jointly holding more than 10% of the shares of the Company for more than ninety (90) consecutive days can convene and hold the meeting by themselves.

Article 93 A general meeting shall be presided over by the Chairman of the Board; where the Chairman of the Board fails to attend the meeting, Vice Chairman of the Board shall convene and preside over the meeting (if the Company has two (2) or more Vice Chairmen of the Board, the one elected by more than one half of the Directors shall preside over the meeting); where both of Chairman and Vice Chairman of the Board fail to attend the meeting, one Director elected by more than one half of the Directors shall convene and preside over the meeting on their behalf; where the Board fails to designate the Director to preside over the meeting, one person shall be elected by the shareholders present to preside over the meeting; where the shareholders fail to elect such person, the shareholder (including the proxy) who holds the shares carrying the most voting rights shall preside over the meeting.

Article 94 More than one half of the independent Directors shall be entitled to propose to the Board the convening of an extraordinary general meeting. The Board shall, in accordance with the laws, regulations and the Articles of Association, give its reply in writing stating whether it agrees or disagrees to the convene the extraordinary general meeting within ten (10) days upon receipt of such proposal.

If the Board agrees to convene the extraordinary general meeting, a notice for convening the extraordinary general meeting shall be issued within five (5) days after the Board passed the relevant resolution. If the Board disagrees to convene the extraordinary general meeting, it shall issue an announcement to state the reasons.

Article 95 The Supervisory Committee has the right to propose to the Board to convene an extraordinary general meeting and shall propose the same to the Board in writing. The Board shall give its reply in writing stating whether it agrees or disagrees to convene the extraordinary general meeting within 10 days upon the receipt of the said proposal in accordance with the laws, regulations and the Articles of Association.

Where the Board agrees to convene the extraordinary general meeting, a notice for convening the extraordinary general meeting shall be issued within five (5) days after the Board passed the relevant resolution. Any change to the original proposal in the notice shall be subject to the agreement of the Supervisory Committee.

Where the Board disagrees to convene the extraordinary general meeting or fails to give the reply in writing within ten (10) days upon receipt of the proposal, this shall be deemed as the Board being unable or failing to exercise the functions and powers of convening the general meeting. As such, the Supervisory Committee can convene and preside over the meeting by itself.

Where a general meeting is convened by the Supervisory Committee itself, the general meeting shall be presided over by the Chairman of the Supervisory Committee. Where the Chairman of the Supervisory Committee being unable or fails to perform his duty, the general

Article 98 The Board and the Secretary to the Board shall cooperate with the Supervisory Committee or the shareholder(s) who convene(s) the general meeting on their own. The Board shall provide the register of shareholders as at the record date.

If the Board fails to provide the register of shareholders, the convener may apply to the securities registration authorities with the notice of general meeting to obtain the same. The register of shareholders obtained by the convener may not be used for purposes other than that of convening the meeting.

Article 99 Where the Supervisory Committee or shareholder(s) convene(s) general meetings on their own, all the necessary costs incurred shall be borne by the Company.

Article 100 All Directors, Supervisors and Secretary to the Board shall attend general meetings. The President and other senior management members shall be present at the meeting.

Article 101 The Company shall formulate the Rules of Procedures for General Meetings which shall set out in detail the convening and voting procedures in respect of the general meeting (including notice, registration, consideration and approval for proposals, voting, vote counting, announcement of voting results, the resolution making process, meeting minutes and signing, announcements and other matters) and the principles of granting authorisation to the Board at the general meeting. The scope of authorisation shall be specified in details. The Rules of Procedures for General Meetings shall be prepared by the Board, approved at a general meeting and attached to the Articles of Association as an appendix.

Article 102 At annual general meetings, the Board and the Supervisory Committee shall report their work in the preceding year to the general meeting. Each independent Director shall also state their work performance report.

Article 103 Directors, Supervisors and senior management members shall give explanations and statements on shareholders' enquiries and recommendations.

Article 104 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting as well as the total number of their shares carrying voting rights, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their shares carrying voting rights as indicated in the meeting's registration record.

Article 105 Minutes of general meetings shall be recorded by the Secretary to the Board and include the following:

(1) time, place, agenda of meeting and the name of the convener;

(2) names of the chairman of the meeting, Directors, Supervisors, President and other senior management members attending or present at the meeting;

(3) number of shareholders and proxies attending the meeting, total number of the shares carrying voting rights held by them, and the percentage of shares carrying voting rights held by them to the total number of shares of the Company;

(4) process of consideration, key points of the speech and voting results for each proposal;

(5) shareholders' enquiries or recommendations and respective answers or explanations;

(6) names of the lawyer, vote counter and the scrutineer;

(7) other matters which shall be recorded in the meeting minutes pursuant to the Articles of Association.

Article 106 The convener of the meeting shall ensure the truthfulness, accuracy and completeness of the meeting minutes. Directors, Supervisors, Secretary to the Board, the convener of the meeting or his representative and the chairman of the meeting shall sign on the meeting minutes. The meeting minutes should be maintained with the signat37 0 Td(t)Tj0.37 0 Td(i)Tj0.3

Article 107 Copies of the meeting minutes shall be available for inspection during business hours of the Company by any shareholder without charge. Any shareholder who demands from the Company a copy of such minutes shall, subject to the provisions under Article 60 of the Articles of Association, send prior written notice to the Company, produce supporting documents in writing to prove the class and number of shares held by such shareholder and pay reasonable costs. The Company shall deliver the copy within 7 days after verifying his capacity as a shareholder and the receipt of reasonable costs.

Article 108 The convener shall ensure that the general meeting is being conducted continuingly until resolutions have been resulted. In the event of special reasons such as force majeure resulting in the termination of meeting or the failure of resulting in resolutions, necessary measures shall be taken to resume the general meeting as soon as practicable; alternatively, the meeting may be terminated in such circumstances with an announcement timely made. At the same time, the convener shall deliver a report to the relevant branch office of the CSRC of the place where the Company is located and the stock exchange.

Article 109 The Company, when convening a general meeting, shall hire lawyers to provide legal opinions on the following and arrange publication of such opinions:

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

(2) whether or not the qualifications of the persons attending the meeting and the qualification of the convener is lawful and valid;

(3) whether or not the voting procedures and the voting results are lawful and valid;

(4) other matters as required by the Company.

Section 3 Resolutions of General Meetings

Article 110 Resolutions of general meetings are divided into ordinary resolutions and special resolutions.

An ordinary resolution of a general meeting shall be passed with the approval of more than one half of the voting rights represented by all the shareholders (including proxies) present at the meeting.

A special resolution of a general meeting shall be passed with the approval of more than two thirds of the voting rights represented by all the shareholders (including proxies) present at the meeting.

Article 111 Shareholders (including proxies) shall exercise their voting rights at a general meeting according to the number of shares carrying voting rights they represent, with one vote for each share.

Where any shareholder under the Hong Kong Listing Rules is required to abstain from voting on any particular resolution or is restricted to voting only for or only against any particular resolution, any votes cast by such shareholders or their proxies in contravention of such requirement or restriction shall not be counted.

Shares of the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of shares carrying voting rights represented by shareholders present at a general meeting.

The Board, independent Directors and shareholders who meet the relevant requirements are entitled to solicit shareholders' voting rights. The solicitation of voting rights shall be conducted on a nil consideration basis with full disclosure of information to the shareholders whose voting rights are being solicited, and no minimum shareholding limitation shall be imposed for soliciting voting rights.

Article 112 When connected transactions are being considered at a general meeting, the connected shareholders shall abstain from voting, and the number of shares carrying voting rights held by them shall not be counted in the total number of valid votes; the announcement on the resolutions of a general meeting shall fully disclose the voting results of non-connected shareholders.

Article 113 The list of candidates of Directors and Supervisors shall be submitted to the general meeting for voting in the form of proposal.

As to voting for the election of Directors and Supervisors at the general meeting, accumulative voting system can be adopted in accordance with the provisions in the Articles of Association or resolutions to be passed at the general meeting.

The accumulative voting system as mentioned in the preceding paragraph means that in the election of Directors or Supervisors at the general meeting, each share carries a voting right equivalent to the number of Directors or Supervisors to be elected. A shareholder may concentrate the voting rights on one candidate or separate the voting rights on a number of candidates. The Board shall announce to the shareholders the biographies and basic information of each candidate of Directors or Supervisors.

The nomination and election of Directors or Supervisors shall adopt the accumulative voting system, the procedures of which shall be as follows: each share carries a voting right equivalent to the number of Directors or Supervisors to be elected. A shareholder may concentrate the votes to nominate one candidate or separate the votes to nominate a number of candidates. The candidates of Directors or Supervisors shall be determined according to the number of votes and the requirements for Directors or Supervisors in the Articles of Association.

In the election, each share of the shareholder carries a voting right equivalent to the number of Directors or Supervisors to be elected. A shareholder has the right to divide the votes equally for each candidate of Directors or Supervisors or concentrate the votes on one or some candidate(s) or elect other person(s). The Directors or Supervisors shall be determined according to the number of votes and the requirements for Directors or Supervisors in the Articles of Association.

Article 114 Save for the accumulative voting system, the general meeting shall vote on each proposal individually. Where there are different proposals on the same issue, voting should be done according to the order of the proposals raised. Except for special reasons such as force majeure causing the general meeting to suspend or unable to reach a resolution, the gen

Article 115 When considering a proposal at a general meeting, no amendments shall be made thereto.

Otherwise, any change made thereto shall be considered as a new proposal, on which the voting shall not proceed in such general meeting.

Article 116 Voting at a general meeting shall be decided on a show of hands unless otherwise provided by the listing rules of the place(s) where the Company's shares are listed or a poll is (before or after any vote by show of hands) demanded by the following persons:

(1) the chairman of the meeting;

(2) at least two shareholders entitled to vote in person or proxies with voting rights;

(3) one or more shareholders (including proxy) individually or jointly representing 10% or more of all shares carrying right to vote at the meeting.

Unless a poll is demanded or is required by the relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed, a declaration by the chairman of the meeting that a resolution has been passed on a show of hands and the recording of such in the minutes of meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who makes such demand. The voting by poll at the general meeting shall be taken in a registered form.

Article 117 Shareholders who attend the general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain.

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

Article 118 A poll demanded on such matters as the election of chairman of the meeting or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman of the meeting may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting.

Article 119 On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes for or against or abstaining from voting for the relevant resolution.

Article 120 In case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.

Article 121 Before the relevant proposed resolution is voted on at the general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is interested in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When the relevant proposed resolution is being voted on at the general meeting, lawyers, the shareholders' representatives and representatives of the Supervisors shall be jointly responsible for counting the votes and scrutinizing the conduct of the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting.

Where significant matters affecting the interests of minority investors are considered at the general meeting, the votes cast by minority investors shall be counted separately.

Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results through the respective voting system.

Article 122 The following matters shall be resolved by ordinary resolutions at general meetings:

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

(2) election and replacement of Directors and determination of their remuneration;

(3) election and replacement of the shareholder representative Supervisors not appointed from staff representatives, and determination of their remuneration;

(4) the operating policies and investment plans of the Company;

(5) the Company's annual financial budget plan and final account report, balance sheets, income statements and other financial statements;

(6) the profit distribution plans and loss recovery plans of the Company prepared by the Board;

(7) appointment and removal of accounting firms and determination of their remuneration and the method thereof;

(8) matters other than those required by the laws, regulations, or the Articles of Association to be adopted by special resolutions.

Article 123 The following matters shall be resolved by special resolutions at general meetings:

(1) increase or reduction in the share capital and issue of shares of any class, stock warrants or other similar securities;

(2) issuance of corporate bonds, shares or other securities;

(3) the division, merger, dissolution and liquidation or change of corporate form of the Company;

(4) amendments to the Articles of Association;

(5) the purchases and disposals of the Company's material assets or the amount of guarantee within one year, which reach or exceed 30% the Company's latest audited total assets;

(6) the share incentive plan(s);

(7) adjustments or modifications to the profit distribution policy;

(8) any other matters required by the laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, or approved at a general meeting by way of an ordinary resolution that it shall be deemed to have a material impact on the Company, and subject to approval by a special resolution.

Article 124 The chairman of the meeting shall determine whether or not a resolution of the general meeting shall be adopted according to poll results. His decision shall be final and conclusive and shall be announced at the meeting and recorded in the meeting minutes.

Article 125 In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward for voting, he may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

Article 126 In the event that the votes are counted at the general meeting, the counting results shall be recorded in the meeting minutes. The meeting minutes together with the signature book for shareholders' attendance and the letters of attorney for proxies attending the meeting shall be kept at the domicile of the Company.

Article 127 The announcement of the resolutions passed at the general meeting shall be timely published and specify the number of the shareholders and proxies attending the meeting, the number of shares carrying voting rights held by them and the percentage of such shares to the total number of shares of the Company, the means of voting, the voting result of each resolution and the details of the resolutions passed.

Article 128 Where the proposed resolution is not passed, or the general meeting alters the resolution(s) passed at the previous general meeting, a special note shall be made in the announcement of the resolutions of the general meeting.

Article 129 Where proposed resolutions in relation to the election of Directors or Supervisors are passed at a general meeting, the term of office for the new Directors or Supervisors shall take effect upon the date of passing such resolutions at the general meeting.

Article 130 Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves has been passed at a general meeting, the Company shall implement the specific plans within two (2) months after the conclusion of such general meeting.

CHAPTER 7 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 131 Shareholders holding different classes of shares shall be class shareholders.

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

Upon approval of securities regulatory authorities of the State Council, the shares held by holders of domestic shares can be transferred to overseas investors, listed and traded on overseas stock exchanges. The transferred shares which are listed and traded on overseas stock exchanges shall be subject to the regulatory procedures, regulations and requirements in the overseas securities market. The listing and trading of such transferred shares on the overseas stock exchanges shall not require voting at a class meeting.

Article 132 Any variation or abrogation of the rights of any class of shareholders proposed by the Company may only come into effect upon the adoption of a special resolution at a general meeting and approval by the affected shareholders of that class at a separate meeting held in accordance with Articles 135 to 139.

Article 133 The following circumstances shall be deemed to be a variation or abrogation of the rights of shareholders of a certain class:

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

(2) to effect an conversion of all or part of shares of such class into shares of other classes, or to effect an exchange or grant a right of conversion of all or part of the shares of other classes into shares of such class;

(3) to remove or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;

(4) to reduce or remove the rights to a preference dividend or preferential distribution of property in a liquidation attached to shares of such class;

(5) to add, remove or reduce the rights to conversion, options, voting, transfer, pre-emptive rights to placement and acquire securities of the Company attached to shares of such class;

(6) to remove or reduce rights to receive amounts payable by the Company in particular currencies attached to shares of such class;

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

(8) to restrict the transfer or ownership of the shares of such class or increase such restrictions;

(9) to issue subscription rights or share conversion rights for shares of such class or other classes;

(10) to increase the rights and privileges of shares of other classes;

(11) to restructure the Company where the proposed restructuring scheme will result in different classes of shareholders bearing a disproportionate burden of obligations of such restructuring;

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

Article 134 The affected class shareholders, whether or not having the right to vote at the general meeting, shall nevertheless have the right to vote at class meetings on matters referred to in clause (2) to (8) and (11) to (12) of Article 133 of the Articles of Association, but interested shareholders shall not be entitled to vote at class meetings.

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

(1) in the case of a repurchase of its own shares by the Company by making offers to all shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 32 of the Articles of Association, "interested shareholder" shall refer to the controlling shareholder as defined in Article 308 of the Articles of Association;

(2) in the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 32 of the Articles of Association, "interested shareholder" shall refer to the shareholder to which the proposed agreement relates;

(3) in the case of a restructuring of the Company, "interested shareholder" shall refer to a shareholder within a class who bears liabilities less than the proportion burden imposed on other shareholders of that class or who has interests different from those held by shareholders of the same class.

Article 135 A resolution of the class meeting shall be passed in accordance with Article 134 of the Articles of Association by shareholders present in the meeting who represent not less than two-thirds of voting rights.

Article 136 Written notice of a class meeting convened by the Company shall be dispatched forty- five (45) days prior to the date of the class meeting to all shareholders of such class whose names appear on the register of shareholders, specifying the matters to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend twenty (20) days prior to the date of the meeting.

If the number of shares carrying voting rights at such meeting held by shareholders who intend to attend such meeting reaches one-half or more of the total number of shares carrying voting rights at such meeting, the Company may hold such class meeting; otherwise, the Company shall further notify the shareholders by way of announcement within five (5) days thereof specifying the matters to be considered and the date and place of the meeting. After such announcement is given, the Company may then hold the class meeting.

Article 137 Notices of class meetings only need to be served on shareholders entitled to vote thereat.

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

Article 138 Save for holders of shares of other classes, the holders of domestic shares and holders of overseas listed foreign invested shares are deemed to be different class shareholders.

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

(1) where the Company issues, upon approval by a special resolution at a general meeting, domestic shares and overseas listed foreign invested shares once every twelve (12) months, either separately or concurrently, and the respective numbers of domestic shares and overseas listed foreign invested shares proposed to be issued do not exceed 20% of the respective numbers of the issued domestic shares and overseas listed foreign invested shares;

(2) where the Company's plan to issue domestic shares and overseas listed foreign invested shares at the time of incorporation is carried out within fifteen (15) months from the date of approval by the securities regulatory authorities of the State Council; or

(3) where the Company's shares held by the promoters are converted into foreign invested shares and are listed and traded on the overseas stock exchanges under the approval of the State Council or the approval authorities authorised by the State Council.

CHAPTER 8 DIRECTORS AND THE BOARD

Section 1 Directors

Article 139 Directors of the Company are natural persons whose qualifications and obligations are governed by the provisions regarding the qualifications and obligations of Directors, Supervisors, President and other senior management members under Chapter 11 of the Articles of Association.

The election, appointment or engagement of Directors in contravention of the Articles of Association shall be invalid. In the event of any aforementioned contravention during their terms of office, such Directors shall be dismissed by the Company.

Article 140 Directors shall be elected at a general meeting. The term of office of the Directors shall be three (3) years. Upon expiry of the current term of office, a Director shall be eligible to offer himself for re-election and re-appointment. Before expiry of the current term of office, a Director can not be dismissed without cause by the general meeting. The Chairman and Vice Chairman of the Board shall be elected and dismissed by more than one-half of all the Directors. The term of office of the Chairman and Vice Chairman of the Board shall be three (3) years, renewable upon re-election.

The general meeting may, by an ordinary resolution, dismiss any Director before the expiry of his term of office (but without prejudice to such Director's right to claim damages based on any contract) on the condition that all the relevant laws and regulations are fully complied with.

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

Article 141 Directors shall be nominated in the following manner and in compliance with the following procedures:

(1) the Board or the shareholders who individually or jointly hold more than 3% of the shares carrying voting rights of the Company shall have the right to nominate candidates for election as Directors at general meetings (excluding independent directors). The nomination of an independent Director shall be in compliance with the provisions under Article 153 of the Articles of Association.

(2) prior to the convening of the general meeting, the candidates for Directors shall provide an undertaking in writing to accept the nomination, warrant that the information disclosed is true and complete and undertake that they will fulfill their obligations as Directors upon election.

(3) a written notice stating the intention to nominate a candidate for Directors and the nominee's acceptance of such nomination, together with relevant written materials of the nominee, shall be delivered to the Company no less than seven (7) days prior to the date of convening the general meeting. The nominator shall provide the biographies and basis information of the candidate for Directors to shareholders.

(4) the period given by the Company to the relevant nominators and nominees for providing the aforesaid notice and documents shall be no less than seven (7) days (such period shall commence from the day following the date of dispatching the notice of the general meeting).

Article 142 The term of office of a Director shall start from the date on which the said Director takes office to the expiry of the current session of the Board.

The President or other senior management members may concurrently serve as Directors, provided that the total number of Directors served by the President or other senior management members shall not exceed half of the total number of Directors of the Company.

Article 143 A Director who fails to attend a Board meeting in person successively for two times and fails to appoint another Director to attend the Board meeting shall be deemed unable to discharge his duties. The Board shall put forward a proposal at the shareholders' meeting to replace such Director.

Article 144 Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. The Board shall disclose such resignation within two (2) days.

Unless otherwise required by the Articles of Association, the resignation of such Director shall take effect on the receipt of the resignation report by the Board.

If the number of Directors falls below two thirds of the number of the Board members as required by the Articles of Association or the statutory limit as a result of the resignation of a Director, the Board shall convene an extraordinary general meeting within two (2) months to fill the vacancy caused by the Director's resignation. Prior to the passing of the resolution on the election of Director at the general meeting, the resignation report of such Director shall not become effective until a new Director is appointed to fill the vacancy arising from his resignation, otherwise such Director shall still fulfill his duties as a Director in accordance with the laws, regulations, departmental rules and the Articles of Association.

Any person elected as a Director to fulfill the casual vacancy of the Board or to increase the number of the Board members only serves a term of office that ends on the date of the forthcoming annual general meeting, but is eligible for re-election and re-appointment.

Article 145 If the term of office of a Director expires but re-election is not made responsively, the said Director shall continue fulfilling the duties as a Director pursuant to relevant laws, regulations, departmental rules and the Articles of Association until a new Director is elected and appointed.

Article 146 Upon submission of his resignation or expiry of his term of office, a Director shall complete his hand-over procedures with the Board. The fiduciary duties of a Director to the Company and the shareholders do not necessarily cease before the resignation report becomes effective or within the reasonable period thereafter, and shall remain valid within a reasonable period of time upon the expiry of his term of office. His obligation of confidentiality in respect of the Company's trade secrets survives upon the expiry of his term of office until the same falls into public domain. The duration period of fiduciary duties of a Director shall be determined in accordance with the principle of fairness, depending on the length of time between the termination and the act concerned and the circumstances and the conditions under which his relationship with the Company was terminated.

Article 147 No Directors shall act, in their personal capacit

Independent Directors shall perform their duties independently, without being influenced by the substantial shareholders and de facto controllers of the Company, or other entities or individuals who may be interested in the Company. Independent Directors shall ensure that he has sufficient time and energy to effectively perform his duties as an independent Director.

Unless otherwise required in this section, the provisions regarding the qualifications and obligations of Directors, Supervisors, Presidents and other senior management members under Chapter 11 of the Articles of Association are also applicable to the independent Directors.

Article 150 Independent Directors are Directors who do not hold any positions in the Company other than as a Director and do not maintain with the Company and its substantial shareholders a connection which may possibly compromise their independent and objective judgments. An independent Director shall meet the following basic conditions:

(1) qualified as independent Director of a listed company pursuant to relevant laws, regulations and other relevant requirements;

(2) performing duties independently, not being affected by the substantial shareholders and de facto controllers of the Company, or other entities or individuals who may be interested in the Company;

(3) having the basic knowledge about operations of listed companies, and proficient in relevant laws, regulations and rules;

(4) having more than five (5) years' experience in legal and economic work or other work required for fulfilling duties as an independent Director;

(5) in compliance with the requirements regarding the qualifications for serving as independent non-executive Directors under the Hong Kong Listing Rules;

(6) other conditions specified in the Articles of Association.

Article 151 The following persons shall not serve as an independent Director of the Company:

(1) the persons who are employed by the Company or its subsidiaries, or direct relatives and major social relationships thereof (direct relatives shall refer to spouses, parents, and children; and major social relationships shall include siblings, fathers-in-law and mothers-in-law, daughters-in-law and sons-in-law, brothers-in-law and sisters- in-law, and the siblings of the spouses);

(2) the shareholders of natural persons who directly or indirectly hold not less than 1% of the issued shares of the Company, or who are among the top ten (10) shareholders of the Company, and the direct relatives thereof;

(3) the persons employed by corporate shareholders which directly or indirectly hold not less than 5% of the issued shares of the Company or are among the top five (5) shareholders of the Company, and the direct relatives thereof;

(4) the persons who fell under the category described in any of the above three (3) sub-clauses Td(i)Tj0.15 0 Td(ii)Tj0.537 0 Td(iii)Tj0.537 0 Td(iv)Tj0.537 0 Td(v)Tj0.537 0 T5

Article 153 The nomination, election and replacement of independent Directors shall be subject to the following procedures:

(1) The Board, Supervisory Committee, or shareholders individually or jointly holding not less than 1% of the issued shares of the Company are entitled to nominate candidates for independent Directors to be elected at the general meetings.

(2) The nominator of an independent [illegible]

(4) The term of office of an independent Director shall be identical to that of the other Directors of the Company. After the expiration of term, an independent Director is eligible for election for successive terms, which may not exceed six (6) years.

(5) An independent Director who fails to attend three (3) consecutive Board meetings in person shall be dismissed by a resolution to be presented by the Board to the general meeting. Save for the occurrence of the above circumstances or any of the situations in respect of the disqualification of a Director under the Company Law, an independent Director shall not be dismissed without cause prior to the expiry of his term of office. When an independent Director is dismissed prior to the expiry of his term of office, the Company shall disclose the dismissal as a special discloseable matter. The dismissed independent Director may make a public statement if he considers that his dismissal by the Company is unjustifiable.

(6) An independent Director may tender resignation prior to the expiry of his term of office. A resigning independent Director shall submit to the Board a written resignation report, which shall contain explanations on matters relating to his resignation or any other matters that he may consider necessary to be brought to the attention of the shareholders and creditors of the Company. Where the resignation of an independent Director will result in the percentage of independent Directors in the Board of the Company falling below the prescribed minimum requirement of the Articles of Association, the resignation report of such independent Director shall become effective only when his vacancy has been filled by a new independent Director.

Article 154 In the event that an independent Director does not satisfy the conditions for independence or is in other circumstances not suitable for performing the duties of an independent Director, the Company shall fill up the vacancy accordingly so as to satisfy the number of independent Directors of the Company required by the Articles of Association.

Article 155 In addition to those powers and functions of Directors of the Company, independent Directors shall have the following special functions and powers:

(1) major connected transactions (as determined by the standards promulgated by governing regulatory authorities from time to time) shall be approved by independent Directors before being submitted to the Board for discussion; independent Directors may engage intermediaries to issue an independent financial advisor's report before making a judgment;

(2) proposing to the Board with respect to the engagement or dismissal of accounting firms;

(3) proposing to the Board with respect to the holding of extraordinary general meetings;

(4) proposing the holding of Board meetings;

(5) independently engaging external auditing or consultancy firms;

(6) openly soliciting voting rights prior to shareholders' meetings;

(7) other duties and powers under the provisions of the laws, regulations, rules, listing rules of the place(s) where the shares of the Company are listed and the Articles of Association.

Article 156 Independent Directors shall obtain the unanimous consents of not less than one half of all independent Directors before exercising the special powers as referred to in Article 155.

If any of the aforesaid proposals are not adopted or any of the aforesaid powers could not be exercised properly, the Company shall disclose the details thereof.

Article 157 Independent Directors shall express their independent opinions on significant events of the Company.

(1) In addition to exercising the duties provided in the Articles of Association, independent Directors shall also express their independent opinions to the Board or the general meetings on the following matters:

1. the nomination, appointment or dismissal of Directors;

2. the engagement or dismissal of senior management members;

3. the remuneration of the Company's Directors, President and other senior management members;

4. material connected transactions (as determined by the standards promulgated by governing regulatory authorities from time to time);

5. matters with detriment to the rights and interests of the medium and small shareholders;

6. such other matters required by the Articles of Association.

(2) Independent Directors shall express one of the following categories of opinions in respect of the aforesaid matters: consent opinion; qualified opinion and the reasons thereof; objection opinion and the reasons thereof; unable to express an opinion and the reasons thereof.

(3) If the relevant matters are subject to disclosure, the Company shall make an announcement of the opinions of independent Directors. If independent Directors fail to reach a consensus, the Board shall disclose the opinion of each independent Director.

Article 158 For the purpose of effective execution of the duties of the independent Directors, the Company shall facilitate the independent Directors with the following:

(1) The Company shall ensure that independent Directors have the same right of access to information as its other Directors. For any matters that are subject to the Board's decision, the Company shall serve notice on independent Directors in advance within the prescribed period of time and provide sufficient information. If independent Directors are of the view that the information provided is insufficient, they may request for supplementary information. When two (2) or more independent Directors consider the information provided as insufficient or inadequately explained, they may propose to the Board in writing for a postponement of the Board meeting or for a postponement of examination and discussion of the matters concerned. Such proposal shall be adopted by the Board.

Materials provided by the Company to independent Directors shall be kept by the Company and the independent Directors respectively for at least five (5) years;

(2) The Company shall provide necessary working conditions to independent Directors for the performance of their duties. The Secretary to the Board shall actively offer assistance to independent Directors to facilitate their work, such as providing information and materials. With regard to independent opinions, proposals and written statements made by independent Directors which shall be announced, the Secretary to the Board shall make timely arrangement with the relevant stock exchange for such announcement;

Article 159 The Company shall offer appropriate allowances to independent Directors. The rate of such allowances shall be proposed by the Board for consideration and approval by general meetings, and disclosed in the Company's annual report.

Apart from the above mentioned allowances, the independent Directors shall acquire no other additional and undisclosed interests from the Company, its substantial shareholders or any interested entities and individuals which are interested in the Company.

Section 3 The Board

Article 160 The Board established by the Company consists of seven (7) to thirteen (13) Directors with one (1) Chairman and one (1) to two (2) Vice Chairman (if any), one third (1/3) or more of whom are independent Directors. At least one (1) independent director shall be an accounting professional (accounting professionals refer to those who hold senior titles or qualifications as a certified public accountant).

The Board may, in compliance with the relevant laws and regulations, establish special committees, namely the Strategy Committee, the Audit and Risk Management Committee, the Nomination Committee and the Remuneration and Evaluation Committee.

Article 161 The Board shall report to the general meeting and exercises the following powers:

(1) to be responsible for the conven

(9) to appoint or dismiss President and the Secretary to the Board and, based on the nomination by the President, to appoint or dismiss senior management members including Vice Presidents, Chief Financial Officer and Chief Economist of the Company and to determine their remunerations, incentives and punishments;

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

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

(12) to decide on the establishment of an internal management organization of the Company;

(13) to decide on the establishment of special committees under the Board;

(14) to manage information disclosure of the Company;

(15) to propose to the general meeting to appoint or change accounting firm in charge of the audition of the Company;

(16) to listen to the work report and inspect the work of the President;

(17) to formulate the share option scheme of the Company;

(18) other functions and powers provided by laws, regulations, departmental rules and the Articles of Association.

Except for the Board resolutions in respect of the matters specified in sub-clauses (6), (7) and (11) of the preceding sub-section which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by more than one half of the Directors.

When making decisions on significant matters such as direction of reform and development, key objectives, and priority operational arrangements of the Company, the Board should seek advice from the Party organization. When the Board appoints the management personnel of the Company, the Party organization shall consider and provide comments on the candidates for management positions nominated by the Board or the president, or recommend candidates to the Board and/or the president.

Article 162 The Board shall explain to the general meeting when a registered accounting firm issues a non-standard audit opinion regarding the Company's financial report.

Article 163 The Board shall formulate the rules of procedures of Board meetings to ensure the Board to implement the resolutions approved at the general meeting, work efficiently and be scientific in decision making.

Where the Board dismisses a President during his term of office, it shall notify the Supervisory Committee in a timely manner and give a written statement to the Supervisory Committee.

The Board shall accept the supervision of the Supervisory Committee and shall not prevent or hinder the Supervisory Committee from proceeding with inspection and auditing in accordance with its duties and powers.

Article 164 The Board is entitled to make decision on the following matters of the Company (including subsidiaries):

(1) Acquisition and disposal of assets, which is not more than 30% of the latest audited total assets of the Company;

(2) Entrusted wealth management, entrusted loans, external investment and pledge of assets, which is not more than 30% of the latest audited total assets of the Company;

(3) Leasing, renting, entrusted management, being entrusted to manage or joint management with others of the Company's assets, which is not more than 30% of the latest audited total assets of the Company.

(4) Connected transactions (excluding provision of guarantees and the receipt of endowment in cash assets) whose transaction amount is not more than 5% of the absolute value of the latest audited net assets of the Company. For connected transaction matters which can be exempted from or waived for consideration and disclosure as connected transactions under relevant provisions of laws, regulations, departmental rules and the listing rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from consideration and disclosure of such matters as connected transactions under relevant provisions;

(5) External guarantees other than that stipulated in Article 71 in the Articles of Association.

(6) Other matters as required by laws, regulations, departmental rules, the listing rules of the place(s) where the Company's shares are listed and the Articles of Association to be decided by the Board.

The Board will authorize the president within the abovementioned authorisation to exercise the rights as follows:

(1) Deciding on the matters of acquisition or disposal of assets with a single transaction amount of not more than 0.5% of the latest audited net assets of the Company;

(2) Deciding on the matters of external investment, pledge of asset, entrusted wealth management and entrusted loans with a single transaction amount of not more than 0.5% of the latest audited net assets of the Company;

(3) Deciding on the matters of leasing, renting, entrusted management, being entrusted to manage or joint management with others of the Company's assets with a single transaction amount of not more than 0.5% of the latest audited net assets of the Company;

(4) Deciding on the connected transactions with the amount of not more than 0.1% of the latest audited net assets of the Company (excluding the provision guarantees and the receipt of endowment in cash assets);

(5) Other duties and powers authorized by the Board and stipulated by the Articles of Association.

Article 165 In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets disposed within four (4) months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet considered by the general meetings, the Board shall not dispose or consent to dispose such fixed assets without prior approval by the general meeting.

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

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

Article 166 The Chairman of the Board is entitled to the following powers:

(1) to preside over general meetings and to convene and preside over Board meetings;

(2) to supervise and check on the implementation of resolutions of the Board;

(3) to execute the share certificates, bonds and other marketable securities of the Company;

(4) to sign the significant documents of the Board and other documents subject to the signing of the Chairman of the Board of the Company;

(5) to approve the proposed use of the working capital for the Board of the Company;

(6) to exercise special rights of disposal over the Company's affairs that are in line with the requirements under the laws and the interests of the Company in the event of emergency caused by force majeure or significant crises and under the critical situation where a Board meeting cannot be held timely, and to report at Board meetings and general meetings afterwards;

(7) unless objected by more than three (3) Directors or more than two (2) independent Directors, the Chairman of the Board may decide to incorporate the topics raised by the Directors during the Board meeting into the agenda of the meeting;

(8) to prepare the list of the candidates nominated for the Secretary to the Board of the Company;

(9) to exercise other duties and powers that shall be exercised by the Chairman of the Board and authorised by the Board, in accordance with relevant provisions of the laws, regulations and rules.

Vice Chairman of the Board shall provide assistance to the work of the Chairman of the Board. Should the Chairman of the Board is unable or fails to exercise his duties or powers, the Vice Chairman of the Board shall exercise such duties or powers; should the Vice Chairman of the Board is unable or fails to exercise his duties or powers, a Director elected by more than a half of the Directors shall exercise such duties or powers.

Article 167 Board meetings shall be in the form of either regular meetings or extraordinary meetings.

The Board shall notify the Supervisors to be present at the Board meeting to be held. At least four (4) regular meetings of the Board shall be convened each year by the Chairman of the Board. Notice of the meeting shall be served on all the Directors and Supervisors in writing fourteen (14) days prior to the date of the meeting.

The extraordinary board meeting shall be convened in the form of a written notice. Such notice shall be served three (3) days before holding of such meeting.

After approved by each director, the notice period can be shortened.

In case of emergency, the Board may give notice of extraordinary board meeting by telephone or in words, and the convener (chairman) shall give explanation on the meeting correspondingly.

Article 168 In the event of any of the following circumstances, the Board shall convene and preside over extraordinary meetings within ten (10) days upon receipt of the proposal:

(1) when proposed by shareholders individually or jointly representing more than one tenth of the voting rights;

(2) when jointly proposed by more than one third of the Directors;

(3) when jointly proposed by more than one half of the independent Directors;

(4) when proposed by the Supervisory Committee;

(5) when proposed by three (3) Directors in the event of any emergencies;

(6) when proposed by the President;

(7) when the Chairman thinks it's necessary;

(8) when proposed by special committees;

(9) when required by securities regulatory authorities.

Unless otherwise required by the Articles of Association and the listing rules of the stock exchange where the stock of the Company is listed, and on the premise of the Directors can fully express their opinions, an extraordinary board meeting may be convened and concluded resolutions through video conference, phone conference or written circulation signature upon the approval from the convener (chj

Article 169 Notices of routine Board meetings should be served by the following means:

(1) If the time and place of the routine Board meetings have been previously decided upon by the Board and notified to the Directors, there is no need to issue a notice of meeting fourteen (14) days prior to the date appointed for the meeting, but the agenda of the meeting and the documents of the Board meetings attached thereto shall be delivered to all the Directors two (2) days prior to the date of the meeting to be held (or other date agreed by the Board).

(2) If the time and place of the routine Board meetings have not previously been decided upon or the scheduled time and place of the routine Board meetings have been modified by the Board, a notice regarding the time and venue of such meeting shall be sent by the Chairman of the Board to all the Directors at least fourteen (14) days prior to the date of convening the meeting by means of telex, telegraph, facsimile, express delivery service, registered mail or personal delivery.

(3) Notice shall be in Chinese language, with an English version attached if necessary.

Notice should include an agenda. Any Director is entitled to renounce his/her right to be issued a notice of the Board meeting in writing.

(4) Directors who have attended the meeting will be deemed to have been issued a notice of Board meeting if he had not raised any dissent of not having received such notice before or during the Board meeting.

Article 170 The notice of a Board meeting shall include the following:

(1) the date and place of the meeting;

(2) the means by which the meeting will be held;

(3) proposed matters (proposals for the meetings) to be considered;

(4) convener and chairman of the meeting, the proponent of the extraordinary meeting and his/here written proposal;

(5) meeting materials necessary for the Directors' voting;

(6) the requirement that a Director shall attend the meeting in person or shall appoint other Directors to attend the meeting on his behalf;

(7) the contact person and contact details;

(8) the issuance date of the notice.

The oral notice of a Board meeting shall, at least, include item (1) and (2) above and the explanation for holding the extraordinary Board meeting as soon as possible.

Article 171 Any significant matters subject to the resolution of the Board shall be provided with sufficient information and processed in strict compliance with the required procedures.

When more than one fourth of the Directors or more than two (2) independent Directors consider that the information on the resolution is insufficient or the argumentation is not specified, they may propose to adjourn the Board meeting or the matters to be resolved and the Board shall adopt the proposition.

Article 172 A Board meeting or an extraordinary Board meeting may be convened by means of telephone conference or other similar communications equipment through which Directors can communicate with each other simultaneously and instantaneously during the meeting and such participation shall constitute presence at a meeting as if those participating were present in person.

Article 173 Unless otherwise required by the Articles of Association and the listing rules of the stock exchange where the Company's shares are listed, the Board may adopt resolution in writing instead of holding a Board meeting, but the draft of such resolution must be sent to each of the Directors by one of these means: by hand, by post, by telegraph or by facsimile. If the relevant written resolution has been distributed to all Directors, and the number of Directors having signed on the draft or several copies of the draft indicating his consent reached the necessary quorum to pass the resolution, such resolutions shall become the resolution passed by the Board upon

Article 174 Written resolution signed and agreed by all the Directors shall be equally effective as the resolution passed at a Board meeting convened according to laws. Such written resolutions may consist of several counterparts each signed by one or more Directors. A resolution signed by a Director and transmitted to the Company by telegraph, telex, post, facsimile or personal delivery shall be deemed to be a document signed by him for the purpose of this Article.

Article 175 The Board meeting may not be held unless not less than a half of the Directors or Directors appointed by other Directors are present.

Each Director shall have a ballot for voting. Resolutions of the Board shall be passed by more than a half of all the Directors, unless otherwise provided for by laws, administrative regulations or the requirements stipulated by the Articles of Associations.

The means of the voting on Board resolutions are: open ballot, or other means permitted by laws, administrative regulations and securities regulatory authorities of the place(s) where the shares of the Company are listed.

In case of an equality of votes, the Chairman of the Board shall have a casting vote.

Article 176 If any Director has connection with the enterprise involved in the resolution made at a Board meeting, the said Director shall not vote on the said resolution for himself or on behalf of other Director. The Board meeting may be held when more than half of the non- connected Directors or representatives authorized by him/her attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors or representatives authorized by him/her attending the meetings is less than three (3), the matter shall be submitted to the general meeting for examination.

Article 177 Directors shall attend a meeting of the Board in person. If they are not able to attend the meeting due to certain reasons, they may authorise other Directors in writing to attend the meeting on their behalf. A letter of attorney shall indicate the names of the proxy, matters of entrustment, the scope of authorisation and its valid term, and shall be signed and sealed by the appointer.

The appointed Director attending the meeting shall exercise the rights of a Director within the scope of authorisation. If a Director does not attend a meeting of the Board in person, and does not authorise any representatives to attend the meeting, he/she shall be deemed to have waived the voting right in the meeting.

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Article 179 The minutes of Board meetings shall be kept as the documents of the Company with a custody period of not less than ten (10) years and consist of the following:

The record of the Board meetings included the following:

(1) the date and venue for the convention of meeting and name of person summoning the meeting;

(2) the name of the Director present and name of Director (attorney) being appointed to attend on the other's behalf;

(3) the agenda of the meeting;

(4) the highlights of a Director's speech;

(5) the voting result of each agenda and the result (the result shall state the number of votes for and against).

Section 4 Board Committees

Article 180 In accordance with the relevant resolutions of the general meeting, the Board of the Company establishes the Strategy Committee, the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Evaluation Committee. The Board may set up other board committees or adjust the existing committess where necessary. All members of the Board Committees shall be comprised of Directors, of which independent Directors shall account for the majorit0 Td(r)Tj0.37 0 Td(s)Tj0.426 0 Td( )Tj0.321 00.481 0 Td( )Tj466j0.316 0 T

Article 182 The primary responsibilities of the Strategy Committee are:

(1) to study and provide advices regarding the Company's long-term development strategies and plans;

(2) to study and provide advices regarding the significant investment and financing plans that shall be approved by the Board under the Articles of Association;

(3) to study and provide advices regarding the significant capital operation and asset management projects that shall be approved by the Board under the Articles of Association;

(4) to study and provide advices regarding other significant events that have impact on the development of the Company;

(5) to examine the implementation of the above matters;

(6) other events required by laws, regulations and departmental rules or authorized by the Board.

Article 183 The primary responsibilities of the Audit Committee are:

(1) to advise the appointment or changes of external audit firms;

(2) to oversee the internal audit system and its implementation;

(3) to handle the communication of internal audit department and external audit firms;

(4) to review the financial statements and its disclosure;

(5) to examine the internal control system.

(6) to promote the construction of the rule of law of the Company.

Article 184 The primary responsibilities of the Nomination Committee are:

(1) to study and provide advices regarding the selection standard and procedure of Directors, President and other senior management members;

(2) to search extensively for qualified candidates of Directors, President and other senior management members;

(3) to examine candidates of Directors, President and other senior management and to provide suggestions.

Article 185 The primary responsibilities of the Remuneration and Evaluation Committee are:

(1) to study the evaluation standards, conduct evaluation of the Directors, President and other senior management members and to provide suggestions;

(2) to study and examine the remuneration policies and schemes for the Directors, President and other senior management members.

Article 189 Secretary to the Board shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His/her primary responsibilities are:

(1) to prepare general meetings and board meetings of the Company and maintain documents;

(2) to ensure that the Company has a complete set of organisational documents and records;

(3) to ensure that the Company to prepare and submit required reports and documents to the authorities in accordance with laws and deal with information disclosure related matters;

(4) to ensure that the register of shareholders is properly set up and information of the Company's shareholders is properly managed, assure person entitled to acquire relevant records and documents of the Company shall obtain the relevant records and documents in a timely manner;

(5) to fulfill other duties specified in laws, regulations and the Articles of Association and other duties required by the place where the Company's shares are listed at home or abroad.

Secretary to the Board shall be in compliance with relevant requirements of laws, administrative regulations, departmental rules and the Articles of Association.

Article 190 Directors or senior management members of the Company may also act as the Secretary to the Board. The accountant(s) of the certified public accounting firm appointed by the Company shall not act as the Secretary to the Board.

Provided that where the office of the Secretary to the Board is held concurrently by a Director, and an act is required to be made by a Director and the Secretary to the Board separately, the person who concurrently holds the offices of Director and Secretary to the Board shall not perform the act in dual capacity.

CHAPTER 9 PRESIDENT AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Article 191 The Company shall have one (1) President and shall be appointed and dismissed by the Board.

The Company shall have several Vice Presidents and one (1) chief financial officer who shall be appointed and dismissed by the Board under the President's proposal.

Article 192 The qualification of employment and obligations of the President and other senior management members are subject to the provisions of Chapter 11 of the Articles of Association.

Article 193 Persons who hold positions other than Directors in any entity of the controlling shareholder or de facto controller of the Company shall not be appointed as the President and other senior management members of the Company, except where a waiver is granted by the securities regulatory authority of the place(s) where the Company's shares are listed.

Article 194 The term of office of the President shall be three (3) years and renewable upon re-election and re-appointment.

Article 195 The President of the Company shall be accountable to the Board and exercise the following powers:

(1) to lead the Company's production, operation and management, to organise the implementation of the resolution of the Board and report to the Board;

(2) to organise the implementation of the Company's annual business plan, investment plan and annual financing plan;

(3) to draft plans for the establishment of the Company's internal management structure and branches;

(4) to draft the Company's basic management system;

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

(6) to propose the appointment or dismissal of senior management members including Vice Presidents and Chief Financial Officer of the Company;

(7) to appoint or dismiss other management members other than those required to be appointed or dismissed by the Board;

(8) to formulate the salary, welfare, rewards and punishment policy and proposal;

(9) to propose to convene the extraordinary meeting of the Board;

(10) to exercise other powers conferred by the Articles of Association and the Board.

Article 196 The senior management of the Company shall attend Board meetings. The President shall have no voting rights at the meetings if he/she is not a director.

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Article 201 The president and other senior management members of the Company may resign prior to the expiry of their terms of office, and the resignation will be effective from the date on which the written resignation is served to the Board.

Article 202 Where the Company incurs losses as a result of President and senior management members violating the regulation of the laws, regulations, departmental rules or the Articles of Association in the course of performing their duties with the Company, they shall be liable for the losses.

CHAPTER 10 SUPERVISOR AND SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 203 Supervisors includes supervisors served by shareholder representatives and employee (y)Tj0.537 0 Td( )Tj0.314 0 Td(s)Tj0d(1)Tj0.537 0 Tdj0.314 0 Td(r)Tj0.37 0 Td(e)T37 0 Td(y)Tj0.537 0 T

(3) Details of candidates for shareholder representative supervisors shall be disclosed to the shareholders by the Supervisory Committee one (1) month prior to the convention of general meeting, to ensure shareholders casting their votes with enough understanding of the candidates.

Article 205 Supervisor may resign prior the expiry of his term of office and shall tender his/her resignation to the Supervisory Committee. The regulations of resignation of supervisors shall be in accordance with the provision regarding the resignation of Directors at Article 144 and Article 146.

Article 206 Shareholder representative supervisors shall be elected and removed by the general meeting. The employee representatives of the Supervisory Committee shall be elected and removed through employee congress, assembly of staff and worker or through democratic election.

Article 207 In the event that the terms of office of supervisors fall upon maturity whereas new members of the Supervisory Committee are not re-elected in time, or the resignation of any supervisor during his term of office results in the number of members of the Supervisory Committee falling below the statutory minimum requirement, the said supervisors shall continue to perform their duties in accordance with the laws, the administrative regulations and the Articles of Association until the re-elected supervisors assume their office.

Article 208 The supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company.

Article 209 The supervisors may attend Board meetings, and deliver enquiry or suggestion regarding resolutions of the Board.

Article 210 The supervisors shall not use their connected relationship to prejudice the Company's interests and shall be liable for indemnity to any loss caused to the Company.

Article 211 Supervisor who violates any laws, regulations, departmental rules or the Articles of Association during the course of performing his duties and causes losses to the Company shall be liable for making compensation for any loss caused to the Company.

Article 212 A supervisor shall carry out his supervisory duties honestly and faithfully in accordance with the laws, regulations and the Articles of Association.

Section 2 Supervisory Committee

Article 213 The Company shall establish a Supervisory Committee.

The Supervisory Committee shall be composed of three (3) to five (5) supervisors. Not less than one-third of the members of the supervisory committee shall be employee representatives.

The term of office of a Supervisor shall be three (3) years, renewable upon re-election and re-appointment.

The Supervisory Committee shall have one Chairman. Chairman of Supervisory Committee shall be elected or removed by more than two-third of members of Supervisory Committee. Meetings of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee Where the chairman of the supervisory committee is incapable of performing or fails to perform his/her duties, a supervisor elected by not less than half of the supervisors shall convene and preside over the Supervisory Committee meeting.

Article 214 Supervisory Committee shall hold at least once regular meeting every six (6) months, and shall be convened by the chairman of the Supervisory Committee. Notice of the meeting shall be served on all of the supervisors three (3) days before the date of the meeting. In case of emergency, the Supervisory Committee may give notice of extraordinary meeting by telephone or in words, and the convener (chairman) shall give explanation on the meeting correspondingly.

Article 215 Under any of the following circumstances, an extraordinary meeting of the Supervisory Committee shall be convened and presided by the chairman of the Supervisory Committee within ten (10) days of receipt of proposal:

(1) when the chairman of the Supervisory Committee deems necessary;

(2) when proposed by more than one members of Supervisory Committee.

Article 216 The supervisory board shall be accountable to the general meeting and exercise the following powers in accordance with the laws:

(1) to provide audit opinions and audit the regular reports of the Company;

(2) to examine the Company's financial affairs;

(3) to supervise Directors and senior management members of the Company in performing their duties to prevent them from violating any laws, regulations and the Articles of Association;

(4) to demand rectification from a Director and senior management members when the acts of such persons are harmful to the Company's interest;

(5) to propose dismissal of Directors and senior management members who violate any laws, regulations and the Articles of Association and the resolutions of general meetings;

(6) to examine the financial information such as the financial report, business report and plans for profits distribution to be submitted by the Board to the general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors to conduct a re-examination;

(7) to convene and chair a general meeting if the Board is unable to fulfill its duties in convening and chairing a general meeting in accordance with the Company Law;

(8) to represent the Company to communicate with Directors;

(9) to put forward proposals to the general meeting;

(10) to file lawsuits to the People's Court against Directors, Supervisors and senior management members upon receipt of requests in writing from a single shareholder or shareholders with over 1% shares of the Company in aggregation for more than 180 consecutive days for the losses caused to the Company as a result of the violation of the law, rules and regulations and these Articles of Association by such persons when they carry out their duties;

(11) To conduct investigations whenever unusual conditions of operation of the Company arises and if necessary, to engage professional institutions such as accounting firms and lawyers to assist in the investigations, the reasonable cost incurred are to be borne by the Company;

(12) to exercise other powers specified in laws, rules and regulations, the relevant regulations of the securities regulatory authority of the place where the Company's shares are listed and the Articles of Association and other power granted by the resolutions of the general meeting.

Article 217 The discussion at the Supervisory Committee is conducted in the form of meetings of the Supervisory Committee. The meetings of the Supervisory Committee work on the principle of voting on each items being discussed. It means that upon completion of the discussion of one motion, voting on the motion should begin. Discussion of the next motion cannot proceed unless the resolution on the previous motion is reached. Each supervisor has one vote.

Resolutions of the meeting of the Supervisory Committee should be approved by at least two-third of the members of the Supervisory Committee.

Provided that the Supervisors can fully express their opinions, extraordinary meetings of the Supervisory Committee can be held and resolutions can be reached by way of video conferences or written resolutions, and the approved resolutions shall be signed by the Supervisors in attendance.

The Supervisory Committee shall establish rules for discussion at the meeting of the Supervisory Committee and approved by the general meeting, stipulating the formats of discussion and the voting procedure of the Supervisory Committee so as to ensure efficiency and scientific decision making in the Supervisory Committee.

Article 218 The chairman of the Supervisory Committee shall exercise the following powers:

(1) to convene and preside over meetings of the Supervisory Committee;

(2) to organize implementation of responsibilities of the Supervisory Committee;

(3) to consider and determine and sign the reports and resolutions of the Supervisory Committee as well as other important documents;

(4) Deliver report of works to the general meeting on behalf of the Supervisory Committee;

(5) Other powers stipulated by laws, regulations, department rules and the Articles of Association.

Article 219 The matters discussed at the Supervisory Committee shall be recorded in the minutes of the meeting. Minutes of such meeting shall be signed by the attending supervisors.

Supervisors attending the meeting shall have the right to request to add to the minutes certain explanatory descriptions of their statements made at the meeting. Minutes of the meetings of the Supervisory Committee shall be kept as part of the Company documents for at least ten (10) years.

Article 220 A notice of Supervisory Committee meeting shall at least contain the following details:

(1) the date and place of the meeting;

(2) the way by which the meeting will be held;

(3) agenda of the meeting;

(4) convener and chairman of the meeting, the proponent of the extraordinary meeting and his/her written proposal;

(5) meeting materials necessary for the supervisors' voting;

(6) the requirement that a supervisor shall attend the meeting in person or shall appoint other directors to attend the meeting on his behalf;

(7) the contact person and contact details;

(8) the date of the notice;

The oral notice of a meeting shall, at least, include items (1), (2) and (3) above and the explanation for holding the extraordinary meeting of the Board as soon as possible due to emergency.

Article 221 All reasonable expenses incurred in respect of the employment of professionals such as lawyers, certified public accountants or practicing auditors as required by the Supervisory Committee in discharging its duties shall be borne by the Company.

CHAPTER 11 QUALIFICATIONS AND DUTIES OF THE DIRECTORS, SUPERVISORS, PRESIDENT AND OTHER SENIOR MANAGEMENT MEMBERS

Article 222 A person may not serve as a Director, supervisor, general manager or any other senior management members of the Company if any of the following circumstances applies:

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

(2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;

(3) a person who is a former director, factory manager or president of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date the completion of the insolvency and liquidation of the company or enterprise;

(4) a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license;

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

(6) a person who is under criminal investigation or prosecution by a judicial or

(4) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to shareholders for approval in accordance with the Articles of Association.

Article 225 Each of the Company's Directors, supervisors, President and other senior management members owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 226 Each of the Company's Directors, supervisors, President and other senior management members shall exercise his powers or carry on his duties in accordance with the principle of fiduciary and shall not put himself in a position where his duty and his interest may conflict. This principle includes (without limitation) discharging the following obligations:

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

(2) to exercise powers within the scope of his powers and not to exceed those powers;

(3) to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, regulations or with the informed consent of shareholders given in a general meeting, not to delegate the exercise of his discretion;

(4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;

(5) except in accordance with these Articles of Association or with the informed consent of shareholders given in general meeting, not to enter into any contract, transaction or arrangement with the Company;

(6) without the informed consent of shareholders given in general meeting, not to use the Company's property for his own benefit by any means;

(7) not to exploit his position to accept bribes or other illegal income, expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company;

(8) without the informed consent of shareholders given in general meeting, not to accept commissions in connection with the Company's transactions;

(9) to abide by these Articles of Association, faithfully execute his official duties and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;

(10) without the informed consent of shareholders given in general meeting, not to compete with the Company in any form;

(11) not to misappropriate the Company's funds or lend the Company's funds to others, not to open accounts in his own name or other names for the deposit of the Company's assets and not to provide a guarantee for the shareholder(s) of the Company or other personal debts with the Company's assets;

(12) unless otherwise permitted by informed shareholders in general meeting, to keep in confidence information relating to the Company acquired by him in the course of and during his tenure and not to use such information in purposes other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:

(1) disclosure is made under compulsion of law;

(2) the interests of the public require disclosure;

(3) the interests of the relevant Director, supervisor, President or other senior management members require disclosure.

Article 227 Each Director, supervisor, President or other senior management member of the Company shall not cause the following persons or institutions (relevant persons) to perform prohibited acts:

(1) the spouse or minor child of that Director, supervisor, President and other senior management members;

(2) a person acting in the capacity of trustee of that Director, supervisor, President or other senior management members or any person referred to in paragraph (1) of this Article;

(3) a person acting in the capacity of partner of that Director, supervisor, President or other senior management members or any person referred to in paragraphs (1) and (2) of this Article;

(4) a company in which that Director, supervisor, President or other senior management member, alone or jointly with one or more persons referred to in paragraphs (1), (2) and (3) above or other Directors, supervisors, President and other senior management members of the Company have a de facto controlling interest;

(5) the Directors, supervisors, President and other senior management members of the controlled company referred to in paragraph (4) of this Article.

Article 228 The fiduciary duties of the Directors, supervisors, President and other senior management members of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances under which the relationships between them and the Company are terminated.

Article 229 Except for circumstances prescribed in Article 67 of the Articles of Association, a Directors, supervisors and senior management members of the Company may be relieved of liability for specific breaches of their duties by the informed consent of shareholders given at a general meeting.

Article 230 Where a Director, supervisor, President and other senior management members of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal thereof is otherwise subject to the approval of the Board.

Directors do not have the right to vote on the contracts, transactions, arrangements or other proposals involving major interests of their own or of their associates. The abovementioned director shall not be counted in the quorum.

Unless the interested Director, supervisor, President or other senior management member discloses his interests in accordance with the preceding paragraph 1 of this Article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested Director, supervisor, President or other senior management member is not counted in the quorum and refrains from voting, a contract, transaction or arrangement in which that Director, supervisor, President or other senior management member is materially interested is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested Director, President or other senior management member.

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Article 232 The Company shall not in any manner pay taxes for or on behalf of its Directors, supervisors, President or other senior management members.

Article 233 The Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with, the making of a loan to a Director, supervisor, President or other senior management member of the Company or of the Company's parent company or any of their respective associates.

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

(1) the provision by the Company of a loan or a guarantee for a loan to a subsidiary of the Company;

(2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its Directors, supervisors, President or other senior management members to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in general meeting;

(3) the Company may make a loan or provide a guarantee in connection with the making of a loan to any of the relevant Directors, supervisors, President or other senior management members or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.

Article 234 A loan made by the Company in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

Article 235 A loan guarantee provided by the Company in breach of provision under paragraph (1) of Article 233 of the Articles of Association shall be unenforceable against the Company, provided that:

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

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

Article 236 For the purposes of the foregoing provisions of this Chapter, guarantee includes an undertaking or property provided to secure the performance of obligations by the obligor.

Article 237 In addition to any rights and remedies provided by the laws and regulations, where a Director, supervisor, President and other senior management members of the Company is in breach of his duties to the Company, the Company has a right to:

(1) claim damages from the Director, supervisor, President and other senior management members in compensation for losses sustained by the Company as a result of such breach;

(2) rescind any contract or transaction entered into by the Company with the Director, supervisor, President and other senior management members or with a third party (where such third party knows or should know that there is such a breach of duties by such Director, supervisor, President and other senior management members);

(3) demand the Director, supervisor, President and other senior management members to surrender the profits made by him in breach of his duties;

(4) recover any monies received by the Director, supervisor, President and other senior management members which should have been otherwise received by the Company, including (without limitation) commissions;

(5) demand payment of the interest earned or which may have been earned by the Director, supervisor, President and other senior management members on the monies that should have been paid to the Company.

Article 238 The Company shall, with the prior approval of shareholders in general meeting, enter into a contract in writing with a Director or supervisor wherein his emoluments are stipulated. The contract shall include the following terms:

(1) the undertaking to comply with requirements stipulated in the Company Law, Specific Rules, these Articles of Association, Code on Takeovers and Mergers, Share Repurchase Code and other requirements set out by the Hong Kong Stock Exchange, and the consent that the Company shall be entitled to the remedies set forth in these Articles of Association and that the contract and their positions cannot be transferred made by the Directors, Supervisors and senior management members;

(2) the undertaking to comply with these Articles of Association and perform the duties in the interest of the shareholders as stipulated hereunder made by the Directors, Supervisors and senior management members;

(3) the arbitration clauses stipulated in Article 307.

The aforementioned emoluments shall comprise:

(1) emoluments in respect of his service as Director, supervisor, President and senior management member of the Company;

(2) emoluments in respect of his service as Director, supervisor, President and senior management member of any subsidiary of the Company;

(3) emoluments in respect of the provision of other services in connection with the management of the affairs of the Company or any of its subsidiaries;

(4) compensation for loss of office, or as consideration for or in connection with his retirement from office.

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

Article 239 The contract for emoluments entered into between the Company and its Directors or supervisors should provide that in the event of a takeover of the Company, the Company's Directors and supervisors shall, subject to the prior approval of the shareholders in general meeting, have the right to receive compensation or other payment for loss of office or retirement. A takeover of the Company as referred to above means:

(1) a takeover offer made by any person to all shareholders;

(2) an offer made by any person with a view to the offer and to become a controlling shareholder within the meaning of Article 308.

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

CHAPTER 12 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Section 1 Financial and Accounting System

Article 240 The Company shall establish its financial and accounting system in accordance with the laws, regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

The financial year of the Company shall coincide with the Gregorian calendar year, which commences from 1st January and ends on 31st December of the Gregorian calendar.

The Company shall adopt Renminbi as its accounts keeping unit. All accounts shall be written in Chinese.

Article 241 At the end of each fiscal year, the Company shall prepare a financial report which shall be audited by an accounting firm in compliance with the laws.

The financial report of the Company should include the following financial statements and accessorial detailed sheets:

1. Balance sheet;

2. Cash flows statement;

3. Profit and profit distribution statement;

4. Notes to financial condition.

Article 242 The Company shall submit its annual financial reports to the CSRC and the Stock Exchange within four (4) months from the ending date of each fiscal year, its half year financial reports to the CSRC and the Shanghai Stock Exchange within two (2) months from the ending date of the first six (6) months of each fiscal year, and the quarterly reports to the CSRC and the Stock Exchange within one (1) month from the ending dates of the first three (3) and first nine (9) months of each fiscal year respectively.

The above financial reports shall be prepared in accordance with requirements under the relevant laws, rules and regulations and published in accordance with the relevant requirements of the securities regulatory authority of the place where the Company' s shares are listed.

Article 243 The Board shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, regulations or directives promulgated by competent regional and central governmental authorities to be prepared by the Company.

Article 244 The Company's financial reports shall be made available for shareholders' inspection at the Company twenty (20) days before the date of every annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

The Company shall release on the website of the Company, dispatch otherwise as stipulated in the Articles or send to each shareholder of overseas listed foreign-invested shares by prepaid mail the copy of the aforesaid reports or Directors' report and financial statement of the Company not later than twenty-one (21) days before the date of convening the annual general meeting, to the registered address of each shareholder shown in the register of members.

Article 245 The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

Article 246 Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed.

Article 247 The Company shall publish its financial reports twice every fiscal year, that is, the interim financial report shall be published within sixty (60) days after the expiration of the first six (6) months of each fiscal year and the annual financial report shall be published within one hundred and twenty (120) days after the expiration of each fiscal year.

Article 248 The Company shall not keep accounts other than those provided by law.

Assets of the Company shall not be deposited in an account maintained in the name of any individual.

Article 249 Capital reserve fund includes the following items:

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

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

Section 2 Profits Distribution

Article 250 When distributing each year's after-tax profits, the Company shall set aside 10% of its after-tax profits for the Company's statutory surplus reserve fund. When the aggregate balance in the statutory surplus reserve fund has reached 50% or more of the Company's registered capital, the Company need not make any further allocations to that fund.

Where the Company's statutory surplus reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory surplus reserve fund in accordance with the preceding paragraph.

Subject to a resolution of the general meeting, after allocation has been made to the Company's statutory surplus reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

If a general meeting or the Board violates the provisions in the preceding paragraph of this Article and profits are distributed to the shareholders before the Company makes up losses or makes allocations to the statutory reserve fund, shareholders shall return the profits distributed in violation of the provisions to the Company.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

Article 251 Reserve funds of the Company are used for:

(1) Recovering losses of the Company. But capital reserve fund shall not be used in this manner;

(2) Expand scale of operation of the Company or transfer them to its capital.

In the event that that Company transfers the reserve funds to its capital upon the approval by the general meeting, the remaining balance of such reserve fund must not be less than 25% of the registered capital.

Article 252 Any amount paid up by shareholders in advance of calls by them on any shares may carry interest but the holder of such shares shall not be entitled to participate in respect thereof in a dividend subsequently declared.

Provided that this is in compliance with the law of the PRC, the Company is entitled to exercise the power to forfeit the unclaimed dividends, but such power shall not be exercised unless the applicable time limit to exercise such power has been reached.

Article 253 The Company's profit distribution policy shall remain consistent and stable, and shall be in the interest of the Company in the long term and the interests of all shareholders as a whole and in line with the sustainable development of the Company.

The Company gives priority to profit distribution in cash. Should the Company satisfy the conditions for the issuance of cash dividends, the Company shall issue cash dividends for profit distribution.

The Company shall take full account of return to investors and distribute dividends to the shareholders in a certain proportion to the Company's distributable profit realised for the year as set out in that year's consolidated financial statements.

Where the cash dividend conditions are satisfied, if the Company is in a mature development stage without significant cash outlay arrangements, the minimum percentage of cash dividend in profit distribution shall be 80%; if the Company is in a mature development stage with significant cash outlay arrangements, the minimum percentage of cash dividend in profit distribution shall be 40%; and if the Company is in a growth stage with significant cash outlay arrangements, the minimum percentage of cash dividend in profit distribution shall be 20%.

Article 254 The Company may distribute dividends in the form of cash or shares or a combination of both at the same time, capitalization of capital reserve or in any other forms in compliance with the laws and regulations. Subject to the principles of the profit distribution policy and the long-term development of the Company, the Company will distribute profits once a year in principle as proposed by the Board. Under certain conditions, the Company may make interim profit distribution.

In the absence of certain special circumstances, if the Company records profit for the year and its accumulated undistributed profit is positive, and is capable of meeting the actual demand for distribution, the Company shall distribute dividends in cash, and the profit distributed in cash per annum shall not be less than 15% of the Company's distributable profit realised for the year as set out in that year's consolidated financial statements and the aggregate profits distributed in cash forevery three years shall not be less than 45% of the average annual distributable profits realised for the latest three years as set out in the Company's consolidated financial statements.

The above-mentioned special circumstances refer to the following:

(1) where a force majeure event (such as war and natural disasters) has a profound impact on the operations and production of the Company;

(2) where the distributable profit realised for the year as set out in that year's consolidated financial statements of the Company is insignificant and is insufficient for actual distribution;

(3) where the auditing firm engaged by the Company issues a non-standard unqualified audit report on the financial report of the Company for that year;

(4) where the gearing ratio of the Company as at the end of that year exceeds 70%;

(5) where the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months with accumulated expenses amount to or exceed 20% of the latest audited total assets of the Company;

(6) Where there are substantial changes in the external environment which have a material impact on the operations and production of the Company;

(7) Where other events that pose a substantial impact on the operations, production and funds of the Company have taken place or are expected by the Company to occur within the coming 12 months.

When the Company is in a sound operating condition, and the Board considers that the Company's stock price does not reflect its scale of capital, and distributing dividends in shares will be in the interests of all shareholders as a whole, the Company may propose the distribution of dividends in shares upon fulfilment of the above conditions concerning cash dividends. When the Company may distribute profit by way of cash or share dividends, the Company shall consider providing shareholders with a reasonable amount of cash dividends as returns and maintaining an appropriate equity scale and shall take into account realistic and reasonable factors such as the growth and the amortization of net assets per share of the Company

Article 255 The profit distribution plan of the Company, which has incorporated the opinions of the shareholders (especially minority shareholders) shall be considered and approved at a meeting of the President's Office before being submitted to the Board and the Supervisory Committee of the Company for consideration. The Board shall thoroughly discuss the rationality of the profit distribution plan and form a special resolution, which will then be submitted to the general meeting for consideration.

When determining specific cash dividend proposal of the Company, the Board of Directors shall study and discuss on, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of decision procedures. The independent Directors shall express their opinions clearly. The Company shall communicate and exchange ideas through multiple channels with shareholders (minority shareholders in particular), fully listen to the opinions and demands of minority shareholders on specific cash dividend proposal, and give timely replies to issues that concern minority shareholders.

Where the Company resolves not to distribute cash dividend under special circumstances as specified in Article 254 or the proportion of the cash dividend is lower than that as specified in Article 254, the Board shall explain the specific reasons for not distributing cash dividend, the exact purpose for the retained profit and the estimated investment return, and submit such to the general meeting for consideration after independent Directors have given their opinions thereon, and disclose the same in the designated media by the Company; access to online voting for shareholders shall be provided by the Company when the matters discussed in this paragraph is considered at the general meeting.

The Company shall strictly comply with the cash dividend policy set out in the Articles of Association and the cash dividend plan considered and approved by the general meeting. In the event that adjustment or change of the cash dividend policy set out in the Articles of Association is necessary due to the special circumstances stated in the Article 254 above, the Company shall make the adjustment or change upon thorough discuss, compliance with the relevant decision-making procedures and approval of no less than two-thirds of voting rights of shareholders present at the general meeting. The reasons and opinions of the independent directors on the relevant issues shall be disclosed in the current annual report.

The supervisory committee of the Company shall supervise the implementation of the cash dividend policy and the plan on returns for shareholders by the Board and whether the implementation is in compliance with the relevant decision-making procedures and information disclosure requirements. The supervisory committee shall give specific opinions and monitor the prompt rectification of the Board in the event of any of the following circumstances: 1. the cash dividend policy and the plan on returns for shareholders are not strictly implemented; 2. the relevant decision-making procedures in respect of the cash dividend are not strictly implemented; 3. the disclosure and implementation of the cash dividend policy are not true, accurate or complete.

Article 256 The Company may adjust the profit distribution policy in the event of the following:

(1) where there is war, natural disasters and other force majeure;

(2) where there are new laws, regulations or regulatory documents issued by relevant state authorities in respect of the profit distribution policy of listed companies;

(3) where there are changes in the external operational environment of the Company, resulting in material impact on the production and operation of the Company;

(4) where there are relatively significant changes in the Company's operational position, which requires the Company to adjust its profit distribution policy;

(5) where it is necessary to adjust the profit distribution policy of the Company in the principle of protecting shareholders' rights or maintaining the sustainable development of the Company.

The Board shall conduct specific discussion over adjustment to the Company's profit distribution policy, demonstrate in detail the reasons for such adjustment, form a written report to be considered by independent Directors, and then submit to the general meeting for approval by way of a special resolution. Access to online voting for shareholders shall be provided by the Company when the adjustment to the profit distribution policy is considered.

Article 257 After the profit distribution plan has been resolved at a general meeting, the Board shall complete the dividend (or share) distribution within two (2) months after the holding of such meeting.

Article 258 Where the Company makes payment of cash dividends and other amounts to the holders of domestic shares, the payment shall be calculated and declared in Renminbi and payable in Reminbi. Where the Company makes payment of cash dividends and other amounts to the shareholders of overseas listed foreign-invested shares, the payment shall be calculated and declared in Renminbi and payable in foreign currency.

Those payable in foreign currency to holders of overseas listed foreign-invested shares shall be in accordance to relevant state regulations on the administration of foreign exchange.

Article 259 In distributing dividends to shareholders, the Company shall deduct and pay taxes payable by the shareholders pursuant to PRC tax laws.

Article 260 The Company shall appoint receiving agents on behalf of the holders of overseas listed foreign-invested shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

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

The receiving agents appointed for the holders of overseas listed foreign-invested shares shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

For dividend warrants sent to shareholders by mail, should the shareholder fails to cash in the warrant after the warrant is mailed twice to them, the Company reserves the right to stop mailing the abovementioned dividend warrant. Should a single mailing to the shareholder fails and is returned to the Company, the Company can exercise the abovementioned rights.

The Company shall not exercise such powers to sell the shares of holders of overseas listed foreign-invested shares whom the Company has failed to contact, unless the following provisions are met: (i) dividends on the related shares have been delivered at least three (3)times within twelve (12) years and have not been claimed; and (ii) the Company place announcement in newspapers after the twelve (12) years have elapsed, stating its intention to sell the shares and informing the Hong Kong Stock Exchange of such intention.

Section 3 Internal Control

Article 261 The Company shall implement its internal audit system with its own audit personnel to audit and supervise the income and expenditure and financial activities of the Company and its wholly-owned subsidiary.

Article 262 The internal audit system and the duties of the audit personnel shall be implemented upon the approval of the Board. Person in charge of the audit shall be responsible to and report to the Board.

Section 4 Appointment of Accounting Firms

Article 263 The Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the State to audit the annual financial statements and other financial reports of the Company.

The Company engages accountants with z the qualifications for engaging in business related to securities, to provide the accountants' report, the verification of the net assets and other related enquiry services, etc. The engagement lasts one (1) year and is renewable.

The appointment of the accounting firm of the Company shall be decided at general meeting, the Board shall not appoint the Company's accounting firm prior to obtaining approval at general meeting.

Article 264 The certified public accounting firm appointed by the Company shall hold office from the conclusion of the annual general meeting at which the appointment is made until the conclusion of the next annual general meeting.

Article 265 The Company guarantees that the accounting documents, account books, financial and accounting reports and other information related to accounting which are provided to the accountants by the Company are true and complete. The Company must neither reject to provide information, nor hide it, nor lie about it.

Article 266 The certified public accounting firm appointed by the Company shall have the following rights:

(1) a right to inspect at any time the books, records and vouchers of the Company, and to require the Directors, President and other senior management members of the Company to provide any relevant information and explanation thereof;

(2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accounting firm;

(3) a right to attend general meetings and to receive all notices of, and other communications relating to, any general meeting which any shareholder is entitled to receive, and to be heard at any general meeting in relation to matters concerning its role as the accounting firm of the Company.

Article 267 Before the convening of the general meeting, the Board may fill any casual vacancy in the office of the certified public accounting firm, but while any such vacancy continues, the surviving or continuing firm, if any, may act.

Article 268 The general meeting may, by ordinary resolution, remove a certified public accounting firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

Article 269 The remuneration of a certified public accounting firm or the manner in which such firm is to be remunerated shall be determined by a general meeting. The remuneration of a certified public accounting firm appointed by the Board shall be determined by the Board.

Article 270 The Company's appointment of, removal of and non-reappointment of a certified public accounting firm shall be resolved by a general meeting. The resolution of the general meeting shall be filed with the securities regulatory administration of the State Council.

Where it is proposed that any resolution be passed at a general meeting concerning the appointment of one (1) certified public accounting firm, which is not an incumbent firm, to fill a casual vacancy in the office of the certified public accounting firm, or to reappoint a retiring certified public accounting firm which was appointed by the Board to fill a casual vacancy, or to remove one (1) certified public accounting firm before the expiration of its term of office, shall fulfill the following provisions:

(1) A copy of the proposal about appointment or removal shall be sent to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant fiscal year before notice of meeting is given to the shareholders. (Leaving includes leaving by removal, resignation and retirement.)

(2) If the leaving firm makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):

    (i) in any notice given to shareholders about a resolution to be made, state the representations that has been made by the accounting firm which is about to leave;

    (ii) attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association of the Company.

(3) If the firm's representations are not sent in accordance with paragraph (2) above, the relevant firm may require that the representations be read out at the general meeting and may lodge further complaints.

(4) A certified public accounting firm which is leaving its post shall be entitled to attend:

(i) the general meeting relating to the expiry of its term of office;

(ii) any general meeting at which it is proposed to fill the vacancy caused by its removal;

(iii) any general meeting convened on its resignation;

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

Article 271 Prior to the removal or the non-renewal of the appointment of a certified public accounting firm, notice of such removal or non-renewal shall be given to the certified public accounting firm concerned and such firm shall be entitled to make representation at the general meeting. Where the certified public accounting firm resigns from its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

Certified public accounting firm may tender its resignation notice at the Company's legal residence. intends to resign from its office, it may deposit at the Company's legal residence a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following:

(1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or

(2) Any statement that should be disclosed.

The Company should send a copy of the written notice to the relevant competent authority within fourteen (14) days after receiving the said notice pursuant to the preceding paragraph. If the notice contains the statements mentioned in the preceding two paragraphs, the Company should prepare a copy of the statements at the Company for inspection by the Company's shareholders. The Company shall also send the said statements to each holder of the overseas listed foreign-invested shares by prepaid post to the address of the shareholder as shown in the register of members, or by other means as provided in the Articles of Association.

Where the notice of resignation of a certified public accounting firm contains any statement that should be disclosed, the certified public accounting firm may require the Board to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

CHAPTER 13 INFORMATION DISCLOSURE

Article 272 The Board of the Company shall, in accordance with relevant provisions of the laws, administrative rules and regulations, relevant regulation of the securities regulatory authority where the Company's stock are listed and the Articles, to develop the standards, methods, approaches of information disclosure, to establish and improve the information disclosure system of the Company.

Article 273 The Company shall follow the principles of truthfulness, accuracy, completeness and timeliness, to disclose information in a standardised manner. The Company shall publish announcements and disclose information through the publications and websites designated by the law, regulations or the securities regulatory authority in the PRC for the holders of domestic shares. If, pursuant hereto, the Company is required to issue the announcements to the holders of foreign shares, such announcements shall be published in the ways required by the Hong Kong Listing Rules.

The Board may choose to use other publications for information disclosure, provided, however, that it shall be ensured that the publications for the disclosure of information designated by the Board shall satisfy the qualifications and conditions set out in the relevant law, regulations and requirements of the Chinese and overseas securities regulatory authorities and the stock exchange of the place where the Company's shares are listed.

Article 274 The Company shall comply with the principle of disclosing information to investors at the same time.

For the information disclosed at the place when the Company's stock are listed, shall be also disclosed domestically.

CHAPTER 14 LABOR MANAGEMENT

Article 275 The implementation of employment, dismissal, resignation, wages, labor insurance, labor protection and discipline of employees shall in accordance with the Labor Law of the People's Republic of China and relevant laws and regulations. If there are new variations in the national laws and regulations, changes shall be made accordingly.

Article 276 Employment of the Company is managed by contract system, making independent decision in recruitment and hiring. The Company shall develop a specific hiring standard, to admit the best by selection for recruitment of new employees.

Article 277 To develop system of employees of enterprise, welfare of staff and worker, wages and incentives, labor protection and labor insurance in accordance with the relevant laws, regulations and policies of the State.

Article 278 Labor dispute of the Company and employees shall be handled in accordance with relevant laws and regulations of the State and Company's regulations in relation to labor dispute.

CHAPTER 15 MERGER AND, DIVISION, DISSOLUTION, LIQUIDATION AND BANKRUPTCY

Section 1 Merger and Division of the Company

Article 279

A special document of the Company's resolution on the merger or division should be prepared for inspection by the shareholders. The aforesaid document should also be dispatched to the holders of overseas listed foreign-invested shares by mail, by the Company's website or by other means as provided in the Articles of Association.

Article 280 The merger off e6nTd( )6Tj0.5339 0 Td(o)Tj0.551 00-

Section 2 Dissolution, Liquidation and Insolvency of the Company

Article 283 The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

(1) any dissolution events as stipulated by the Articles of Association occur;

(2) a resolution on dissolution is passed by shareholders at a general meeting;

(3) dissolution is necessary due to a merger or division of the Company;

(4) the Company is legally declared bankrupt due to its failure to repay debts due;

(5) the Company's business license is revoked or it is ordered to close down or deregistered according to law;

(6) the Company is dissolved by the People's Court according to Article 182 of the Company Law.

Article 284 Where the situation set forth in paragraph (1) of Article 283 of the Articles of Association, the Company may continue to exist by amending the Articles of Association.

Amendments to the Articles of Association in accordance with preceding paragraph shall be passed by a vote representing more than two-thirds (2/3) of the voting rights of the shareholders present at the general meeting.

Article 285 Where the Company is dissolved as stipulated in paragraph (1), paragraph (2), paragraph (5) and paragraph (6) of the preceding Article, a Liquidation Committee shall be set up within fifteen (15) days since the event which triggers dissolution has occurred and begins liquidation. The composition of the Liquidation Committee shall be determined by shareholders at a general meeting by way of ordinary resolution.

Where the Company is dissolved under paragraph (4) of the preceding Article, the People's Court shall, according to the relevant laws, organise the shareholders, relevant authorities and relevant professionals to form the Liquidation Committee to procced with the liquidation procedures.

Where the Company is dissolved under paragraph (5) of the preceding Article, the relevant competent authority shall organise the shareholders, relevant authorities and relevant professionals to form the Liquidation Committee to procced with the liquidation procedures.

Article 286 Where the Board proposes to liquidate the Company due to causes other than where the Company has declared that it is insolvent, the Board shall include a statement in its notice convening a general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

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

Article 287 The Liquidation Committee shall act in accordance with the instructions of the general meeting to make a report at least once every year to the general meeting on the committee's receipts and payments, the business of the Company and the progress of the liquidation and to present a final report to the general meeting on completion of the liquidation.

The Liquidation Committee shall notify creditors within ten (10) days from the date of its establishment and make newspapers announcements within sixty (60) days commencing from that date. Creditors shall, within thirty (30) days after receipt of the notice, or for those who do not receive the notice, within forty-five (45) days from the date of the announcement, declare their claims to the Liquidation Committee.

In reporting claims, a creditor shall explain the relevant particulars of the claims with supporting materials. The Liquidation Committee shall register the creditor's claims.

During the period of declaration of claims, the Liquidation Committee shall not repay any debts to the creditors.

Article 288 During the liquidation period, the Liquidation Committee shall exercise the following functions and powers:

(1) to ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;

Article 291 Following the completion of liquidation, the Liquidation Committee shall present a report on liquidation and prepare a statement of the receipts and payments and the financial accounts for the period of the liquidation which shall be audited by PRC certified public accountants and then submitted to the general meeting or relevant competent authorities for confirmation.

The Liquidation Committee shall, within thirty (30) days after such confirmation, submit the documents referred to in the preceding paragraph to the company registration authority and apply for cancellation of registration of the Company, and announce the termination of the Company.

Article 292 The members of the Liquidation Committee shall be devoted to their duties and perform their liquidation obligations in accordance with law.

Members of the Liquidation Committee shall not accept any bribes or any other illegal income by making use of his functions and powers nor may he seize any assets of the Company.

Members of the Liquidation Committee shall be responsible for compensation should he deliberately or through material negligence cause losses to the Company or to creditors.

Article 293 If the Company is declared insolvent pursuant to law, insolvent liquidation shall be proceeded in accordance with laws regarding enterprise insolvency.

CHAPTER 16 PROCEDURES FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 294 The Company may amend the Articles of Association under the requirements of laws, regulations and the Articles of Association.

Article 295 The Company shall make amendments to the Articles of Association on the occurrence of any of the following events:

(1) The Company Law or the relevant laws or regulations are amended and the provisions under the Articles of Association are contradictory to those under the amended laws or administrative regulations;

(2) Any change of the Company's conditions is contradictory with what is stated in the Articles of Association;

(3) The general meeting has decided to make amendments to the Articles of Association.

Article 296 The Articles of Association may be amended in accordance with the following procedures:

(1) The Board shall, through passing a resolution in accordance with the requirements of the Articles of Association, propose the amendments of the Articles of Association at the general meeting and draft the amended versions of the Articles of Association;

(2) the shareholders shall be notified of the aforementioned draft for amendments to the Articles of Association and a general meeting shall be convened to vote on the amendments;

(3) the draft amendments of the Articles of Association put to the vote at the general meeting shall be passed by way of a special resolution.

The Board may be authorised by an ordinary resolution of a general meeting:

(1) in the event that the Company increases its registered capital, to amend the Articles of Association in respect of the registered capital of the Company according to specific situations;

(2) in the event that the Articles of Association approved by general meeting need to change in words or sequence of articles when submitted to the authorities that are authorised by the State Council for consideration and examination, the Board shall make relevant amendments in accordance with the requirements of the Ministry of Commerce and the securities regulatory authority of the State Council.

Article 297 Amendments to the Articles of Association approved by the shareholders' meeting shall be submitted to and subject to the consideration and approval of the competent authorities; any amendment to the Articles of Association involving anything set out in the Mandatory Provisions shall become effective upon approval by the company approval department authorized by the State Council and the securities regulatory authority of the State Council. If there is any change relating to the registered particulars of the Company, application shall be made for the changes in accordance with the laws.

Article 298 The Board shall amend the Articles of Association in accordance with the resolution on amendments to the Articles of Association passed at the general meeting and the approval opinions of the relevant competent authorities.

Article 299 Any amendment to the Articles of Association shall be subject to announcement if so required by the laws and regulations.

CHAPTER 17 NOTICE AND ANNOUNCEMENT

Article 300 Notices, communications or other written materials of the Company shall be sent via one or a number of the following methods:

(1) by hand;

(2) by post;

(3) by announcement;

(4) by facsimile;

(5) by telegraph;

(6) by email or other electronic means or information carrier;

(7) by publishing on the websites designated by the Company and the stock exchange in accordance with laws, administrative regulations and the listing rules of the place(s) where the Company's shares are listed;

(8) by any other means approved by the relevant regulatory bodies of the place where the Company's shares are listed or provided in the Articles of Association.

Article 301 Unless otherwise provided by the Articles of Association, the Company's notices, materials or written announcements to the holders of overseas listed foreign invested shares shall be delivered by hand or by post to the addresses of the shareholders as registered in the register of shareholders or on the Company's website or by other means as provided in the Articles of Association.

Article 302 When a notice dispatched by the Company is made by way of announcement, once announced, it shall be deemed as being received by all relevant parties.

Article 303 For a notice of the Company delivered by hand, the addressee shall sign (or stamp) on the receipt of the delivery, and the date of acknowledgement of receipt signed by the addressee shall be deemed as the date of delivery; where a notice of the Company is sent by post, the expiration of forty-eight (48) hours after the notice is delivered to post office shall be deemed as the date of delivery; where a notice of the Company is made via announcement, the date on which the announcement is published for the first time shall be deemed as the date of delivery.

Article 304 Any notice, document, information or written statement given by a shareholder or Director to the Company shall be delivered by hand or by registered mail to the legal address of the Company.

Article 305 Shareholders or Directors of the Company who want to prove that certain notices, documents, information or written statements have been served on the Company shall provide evidence showing the same have been served on the Company within the designated periods by common practice of delivery and that the mailing address is correct and the postage is fully paid.

Article 306 The accidental omission to give a notice of a meeting to or the non-receipt of notice of a meeting by any person who is entitled to receive the notice shall not invalidate the meeting and the resolutions passed at such meeting.

CHAPTER 18 SETTLEMENT OF DISPUTES

Article 307 Unless otherwise provided in the Articles of Association, the Company shall settle disputes according to the following principles:

(1) Whenever any disputes or claims of rights arise among holders of the overseas listed foreign invested shares and the Company, holders of the overseas listed foreign invested shares and the Company's Directors, Supervisors, President or other senior management members, or holders of the overseas listed foreign invested shares and holders of domestic shares due to any rights or obligations conferred by the Articles of Association, the Company Law and any other relevant laws and regulations concerning the affairs of the Company, such disputes or claims of rights shall be referred by the relevant parties to arbitration.

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

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

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

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

(3) If any disputes or claims of rights prescribed in paragraph (1) are referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in laws and regulations.

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

CHAPTER 19 SUPPLEMENTARY PROVISIONS

Section 1 Definitions

Article 308

(1) The term "controlling shareholder" stated herein means a person who satisfies any of the following conditions:

(i) he alone, or acting in concert with others, has the power to elect more than half of the directors;

(ii) he alone, or acting in concert with others, has the power to exercise or control the exercise of more than thirty percent (30%) of the voting rights in the Company;

(iii) he alone, or acting in concert with others, holds more than thirty percent (30%) of the issued shares of the Company;

(iv) he alone, or acting in concert with others, in any other manner has de facto control in the Company.

(2) The term "de facto controller" stated herein means anyone who can actually control the actions of the Company through investment relationships, agreements or any other arrangements even though he is not a shareholder of the Company.

(3) The term "connected relationship" stated herein shall refer to the relationship of the Company's controlling shareholder, de facto controller, Directors, Supervisors and other senior management members with any enterprise under their direct or indirect control and any other relationship liable to the transfer of the Company's interest. However, the association between enterprises with shares that are controlled by the State shall not be solely based on the fact that their shares are in each case controlled by the State.

(4) The term "acting in concert with" stated herein shall mean the action or fact of an investor, through agreements or other arrangements, to jointly increase the control of the voting rights for shares of any listed companies with other investors.

Article 309 The meaning of accounting firms referred in the Articles of Association is the same as the "auditor" referred in the Hong Kong Listing Rules.

Article 310 The figure itself shall be included if the Articles of Association refer to any such words as "above", "within" or "below"; the figure itself shall not be included if the Articles of Association refer to any such words as "exceeding", "lower than", "over", "less than" or "more than".

Section 2 Appendices and details rules of the Articles of Association

Article 311 The appendices of the Articles of Association include rules of procedure of the general meeting, the Board and the Supervisory Committee.

Article 312 The Board may formulate detailed rules of the Articles of Association in accordance with the provisions thereof. Such detailed rules shall not contravene the provisions in the Articles of Association.

Section 3 Others

Article 313 Any matters not covered in the Articles of Association or any conflicts between the Articles of Association and laws,d

CRRC CORPORATION LIMITED
RULES OF PROCEDURE FOR GENERAL MEETINGS

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to regulate the organization and operation of the general meeting, protect the lawful rights and interests of shareholders, improve the efficiency of resolution at general meetings, guarantee general meeting to perform authorities lawfully, and ensure the legality of procedures and resolutions of the general meeting, the Rules of Procedure (the "**Rules**") are formulated according to the Company Law of the People's Republic of China (the "**Company Law**"), the Securities Law of the People's Republic of China (the "**Securities Law**"), Rules of General Meetings for Listed Companies (the "**Meeting Rules**"), Corporate Governance Guidelines for Listed Companies, Mandatory Provisions for the Articles of Association of Companies Listed Overseas, the Listing Rules of Shanghai Stock Exchange (the "**Shanghai Stock Exchange Listing Rules**"), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange Listing Rules**") (collectively, the "**Listing Rules of Listing Places**"), the Articles of Association of CRRC Corporation Limited (the "**Articles of Association**"), and other relevant laws, regulations and normative documents.

Article 2 The Rules shall be applicable to the general meeting, and binding upon the Company, all shareholders, authorised proxies of shareholders, Directors, Supervisors, senior management members, and other relevant persons who are present at the general meeting.

Article 3 The general meeting shall consist of all shareholders of the Company, and exercise its functions and powers specified by the laws and the Articles of Association. Any entity or individual shall not unlawfully interfere with the shareholder's disposal of his/her own rights.

Article 4 The shareholders and the authorised proxies of shareholders who attend the general meeting shall comply with the provisions specified by laws, regulations, the Articles of Association, and the Rules, and maintain the order of the meeting consciously, and shall not infringe the lawful rights and interests of other shareholders.

Article 5 The general meeting shall exercise its functions and powers within the scope provided by the Company Law and the Articles of Association.

Article 6 The Board shall perform its responsibility strictly and attentively organise a general meeting in a timely manner. All Directors of the Company shall perform their responsibilities diligently and ensure that the general meeting be convened normally and exercise the functions and powers in accordance with the laws.

CHAPTER 2 FUNCTIONS AND POWERS OF GENERAL MEETINGS

Article 7 The general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with the laws.

Article 8 The general meeting may exercise the following functions and powers:

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

(2) to elect and replace Directors and to fix the remuneration of the relevant Directors;

(3) to elect and replace Supervisors who are not employee representatives, and to fix the remuneration of the relevant Supervisors;

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

(5) to consider and approve the reports of the Supervisory Committee;

(6) to consider and approve the proposed annual financial budgets and final accounts of the Company;

(7) to consider and approve the profit distribution policy, profit distribution plans and loss recovery plans of the Company;

(8) to adopt resolutions on any increase or reduction of registered capital of the Company;

(9) to adopt resolutions on matters such as merger, division, dissolution, liquidation or conversion of corporate form of the Company;

(10) to adopt resolutions on the issue of bonds or other marketable securities and listing plans of the Company;

(11) to adopt resolutions on the appointments, dismissals or non-re-appointments of accounting firms and the method in determining their compensations and remunerations;

(12) to amend the Articles of Association;

(13) to consider and approve proposals submitted by shareholders individually or jointly holding not less than 3% of the shares carrying voting rights of the Company;

(14) to consider and approve matters relating to external guarantees under Article 71 of the Articles of Association;

(15) to consider and approve matters relating to the purchases and disposals of the Company's assets which exceed 30% of the latest audited total assets of the Company;

(16) to consider and approve matters relating to external investment, asset pledge, entrusted wealth management and entrusted loans of the Company within one year which exceed 30% of the latest audited total assets of the Company;

(17) to consider and approve matters relating to leasing, renting, entrusted management, being entrusted to manage or joint management with others within one year which exceed 30% of the latest audited total assets of the Company;

(18) to consider and approve the connected transactions amounting to RMB30 million or above and exceeding 5% of the absolute value of the latest audited net assets of the Company (excluding the provisions of guarantees by the Company and the receipt of the endowment in cash assets) latest audited absolute net assets value; for connected transaction matters which can be exempted from or waived for consideration and disclosure as connected transactions under relevant provisions of laws, regulations, departmental rules and the Listing Rules of Listing Places where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from consideration and disclosure of such matters as connected transactions under relevant provisions;

(19) to consider and approve matters relating to change of the use of proceeds;

(20) to consider and approve the share incentive plan(s);

(21) to consider and approve other matters as required by laws, regulations, departmental rules, the listing rules of the place(s) where the Company's shares are listed and the Articles of Association to be resolved at the general meeting.

CHAPTER 3 SYSTEM OF GENERAL MEETING

Article 9 General meetings shall be in the form of annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year within six (6) months after the end of the previous accounting year.

Article 10 The Board shall hold an extraordinary general meeting within two (2) months upon the occurrence of any of the following circumstances:

(1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;

(2) the uncovered losses reach one third of the Company's total share capital;

(3) shareholders individually or jointly holding ten percent or more of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting;

(4) the Board considers it necessary;

(5) the Supervisory Committee proposes to hold such a meeting;

(6) one half or more of all the independent Directors of the Company agree with the proposal of holding such a meeting;

(7) other circumstances under the provisions of laws, regulations, department rules, the securities rules of the place where the Company's shares are listed or the Articles of Association.

For paragraph (3) above, the number of shares held is calculated based on the date of the request in writing given by the shareholders.

If a general meeting cannot be convened by the Company within the period mentioned above, the Company shall report to the branch office of securities regulatory authority under the State Council at the domicile of the Company and the stock exchange at place where the Company's shares are listed, and announce the explanations on the reasons.

CHAPTER 4 CONVENING OF GENERAL MEETINGS

Article 11 The Board shall convene the general meeting based on the laws, unless otherwise provided by the Rules.

Article 12 One half or more of the independent Directors shall be entitled to propose to the Board on convening an extraordinary general meeting. In case that the independent Directors propose to convene an extraordinary general meeting, the Board shall, in accordance with the laws, regulations and the Articles of Association, give its reply in writing stating whether it agrees or not to the convene an extraordinary general meeting within ten (10) days upon receipt of such proposal.

If the Board agrees to convene an extraordinary general meeting, a notice for convening the extraordinary general meeting shall be issued within five (5) days after the Board passed the relevant resolution. If the Board disagrees to convene an extraordinary general meeting, it shall state the reasons and issue an announcement.

Article 13 The Supervisory Committee has the right to propose to the Board on convening an extraordinary general meeting and such a proposal shall be made to the Board in writing. The Board shall give its reply in writing stating whether it agrees or n

Where the Board disagrees to convene the extraordinary general meeting or fails to give the reply in writing within ten (10) days upon receipt of the proposal, this shall be deemed as the Board's inability or failure to exercise the functions and powers of convening the general meeting. As such, the Supervisory Committee can convene and preside over the meeting by itself.

Article 14 When the shareholder(s) request(s) to convene an extraordinary general meeting or any class meeting, the following procedures shall be followed:

(1) shareholders individually or jointly holding 10% or more of the shares carrying the right to vote at the proposed meeting may sign one (1) or more written requests in the same form stating the topics of the meeting and demand the Board to convene an extraordinary general meeting or a class meeting. The Board shall, within ten (10) days upon the receipt of such written requests, reply in writing on whether or not the Board agrees to convene an extraordinary general meeting or a class meeting in accordance with the provisions of laws and regulations and the Articles of Association.

If the Board agrees to convene an extraordinary general meeting or a class meeting, it will issue a notice of meeting within five (5) days after the resolution is made by the Board. Any change to the original request in the notice shall be subject to the consent from relevant shareholders.

(2) if the Board does not agree to convene an extraordinary general meeting or a class meeting, or does not reply within ten (10) days upon the receipt of the request, shareholders individually or jointly holding 10% or more of the shares carrying the right to vote at the proposed meeting shall have the right to propose to the Supervisory Committee on convening an extraordinary general meeting or a class meeting and such proposal shall be made in the form of written request to the Supervisory Committee.

(3) if the Supervisory Committee agrees to convene an extraordinary meeting or a class meeting, it shall issue a notice of meeting within five (5) days upon the receipt of the request. Any change to the original proposal in the notice shall be subject to the consent from relevant shareholders.

The Supervisory Committee's failure to issue the notice of meeting within the prescribed period shall be deemed as the Supervisory Committee not convening and not presiding over the meeting. As such, shareholders individually or jointly holding more than 10% of the shares of the Company for more than ninety (90) consecutive days can convene and hold the meeting by themselves.

Article 15 In the event that the Supervisory Committee or the shareholder(s) decide(s) to convene the general meeting on its or their own, the Supervisory Committee or the shareholder(s) shall notify the Board in writing and file with the branch office of securities regulatory authority under the State Council where the Company resides and the stock exchange. The shareholding in the Company of the shareholder(s) who convene(s) an general meeting shall be not less than 10% prior to the announcement of resolutions of the general meeting.

Such Supervisory Committee or the shareholder(s) shall submit relevant evidencing documents to the branch office of securities regulatory authority under the State Council where the Company resides as well as the stock exchange upon the issuance of notice for the general meeting and announcement of resolutions of the general meeting.

Article 16 Where the Supervisory Committee or shareholder(s) convene(s) a general meetings on its or their own, all the necessary costs incurred shall be borne by the Company.

Article 17 The Board and the Secretary to the Board shall cooperate when the Supervisory Committee or the shareholder(s) convene(s) a general meeting on its or their own. The Board shall provide the register of shareholders as at the record date. If the Board fails to provide the register of shareholders, the convener may apply to the securities registration authority with the notice of general meeting for the same. The register of shareholders tm arTgist

CHAPTER 5 PROPOSAL AND NOTICE FOR GENERAL MEETINGS

Article 19 In the event the Company convenes a general meeting, the Board, the Supervisory Committee or shareholders individually or jointly holding an aggregate of 3% or more of the Company's shares with voting rights are entitled to submit proposals in writing to the Company.

Shareholders individually or jointly holding 3% or more of the Company's shares may submit ad hoc proposals to the convener of a general meeting in writing ten (10) days prior to the general meeting. The convener shall issue a supplementary notice of the general meeting, announce the content of such ad hoc proposals within two (2) days after receipt thereof.

Except as provided in the preceding paragraph, the convener of a general meeting shall not amend the proposals set out in the notice of the general meeting or add any new proposals subsequent to the issue of the notice of the general meeting.

In the notice of the general meeting, the general meeting shall not carry out the voting and make resolutions on the proposals that are not stated or fails to meet the requirements under Article 20.

Article 20 The proposal for a general meeting shall meet the following conditions that:

(1) contents of the proposal shall not contravene with the laws, regulations, and the Articles of Association, and fall within the scope of functions and powers of the general meeting;

(2) the proposal shall have specific topics and detailed matters for resolution;

(3) the proposal shall be submitted or sent to the convener in writing.

Article 21 If the convener decides not to list the proposal for the general meeting into the meeting agenda, the convener shall provide explanations at the general meeting, and shall submit the contents of the proposal and the explanations of the convener, together with the resolution made by the general meeting to the Supervisory Committee or the shareholder who puts forward the proposal after the end of the meeting.

Article 22 If the Supervisory Committee or the shareholder who puts forward the proposal has objection to the convener's decision not to list the proposal into the agenda of the general meeting, an extraordinary general meeting can be convened in accordance with Chapter 4 of the Rules.

Article 23 For convening the general meeting, the Company shall give a forty-five (45) days' prior written notice to notify shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting.

Article 24 Unless otherwise required by relevant laws, regulations, the Listing Rules of Listing Places for shares of the Company and the Articles of Association, a notice of general meeting shall be published on the Company's website or dispatched to shareholders (regardless of whether they have voting rights at the general meeting) by hand or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of shareholders. For holders of domestic shares, a notice of general meeting may also be made by way of announcement.

The announcement referred to in the preceding paragraph shall be published within a period of forty-five (45) to fifty (50) days prior to the date of the general meeting in one or more newspapers and journals designated by securities regulatory authorities under the State Council and the regulatory authorities of the place where the Company's shares are listed, as well as the websites of the Company and the stock exchange. Once an announcement is made, all holders of the domestic shares are deemed to have received the relevant notice of the general meeting.

Article 25 Shareholders who intend to attend the meeting shall serve their written replies on the Company twenty (20) days prior to the date of the meeting.

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

Article 26 A notice of general meeting shall meet the following requirements:

(1) it shall be in written form;

(2) it shall specify the place, date and time of the meeting;

(3) it shall state the matters to be discussed at the meeting;

(4) it shall provide shareholders with suc

The time gap between the record date and the date of the meeting shall be not more than seven (7) working days. Once the record date is settled, it cannot be changed.

Within thirty (30) days prior to the convening of a general meeting or within five (5) days prior to the record date set by the Company for the purpose of distribution of dividends, transfers shall not be entered in the register of shareholders. If it is otherwise required by the securities regulatory authority of the place where the Company's stock is listed, such requirements and regulations shall prevail.

Article 27 When the Company calculates a period, the date the meeting is held shall not be included.

Article 28 The notice and supplementary notice of the general meeting shall fully and completely disclose all the specific contents of the proposal. Where the independent Directors are required to express their opinions on the matters to be discussed, the notice or the supplementary notice of the meeting shall also disclose the views and reasons of the independent Directors at the same time, or shall be published in the documents sent to the shareholders in accordance with the requirements of the stock exchange at the listing place of the Company's securities.

Article 29 For the proposed election of Directors and Supervisors to be discussed at the general meeting, the following information of candidates for Directors and Supervisors shall be fully disclosed in the notice of general meeting which shall at least include the following:

(1) personal particulars such as education background, work experience and part-time occupations;

(2) whether any connected relationship with the controlling shareholder or the de facto controller of the Company exists;

(3) disclosure of shareholdings in the Company;

(4) whether they have been subject to the punishment of the securities regulatory authority under the State Council and other relevant authorities and the reprimand of any stock exchange;

(5) other items as required by the Listing Rules of Listing Places for shares of the Company.

Article 30 Any notice, document, information or written statement given by a shareholder or Director to the Company shall be delivered by hand or by registered mail to the legal address of the Company.

Article 31 After the notice of general meeting is issued, the general meeting shall not be postponed or cancelled without a just reason and the proposals stated in the notice of general meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall issue an announcement and state the reasons therein at least two (2) working days prior to the original date of the general meeting.

Article 32 The secretary to the Board shall, under the leadership of the Board, coordinate relevant departments of the Company to accomplish the preparation of the general meeting and files and send to the shareholders attending the meeting, the Company's Directors, Supervisors, and other senior management members and the lawyer engaged by the Company.

CHAPTER 6 HOLDING OF GENERAL MEETINGS

Article 33 The venue for convening a general meeting shall be the domicile of the Company or other place as specified in the meeting notice.

The Company shall arrange for the venue for an on-site meeting to be held. The Company shall provide an on-line voting platform or other means to offer convenience for shareholders attending the general meeting. Shareholders who attend the meeting by aforementioned means shall be deemed as being present at the meeting.

Article 34 Where the general meeting is to be held online or by other means, the time and procedure of such online voting or other means of voting shall be clearly stated in the notice of general meeting.

The online voting or other means of voting at the general meeting shall commence no earlier than 3:00 p.m. a day prior to the date of the general meeting but no later than 9:30 a.m. on the date of the general meeting and it shall terminate no earlier than 3:00 p.m. on the date of closing of the general meeting.

Article 35 The Board and other conveners shall take necessary measures to ensure a proper order of the general meeting. In the event of activities that violate the order of the general meeting, an affray or activities that are harmful to the legal rights and interests of shareholders, the Company is entitled to take action to restrain such activities and promptly report the same to relevant authorities.

Article 36 All shareholders registered on the record date or their proxies shall be entitled to attend the general meetings, and shall exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association.

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as their proxies to attend and vote at the meeting on their behalf. The proxies so appointed by the shareholders may exercise the following rights:

(1) have the same right as the shareholder to speak at the meeting;

(2) have the right to demand at their own discretion or, jointly with others, a poll;

(3) have the right to vote in accordance with relevant laws and regulations and the Articles of Association.

Where more than one proxy is appointed, the proxies may only exercise the voting right at a poll.

Article 37 Shareholders may attend the general meeting and vote in person and may also appoint proxies to attend and vote under the authorization at the meeting, both of which have the same legal effect.

Article 38 Individual shareholders attending the general meeting in person shall produce their identity cards or other valid proof or evidence of their identities as well as stock account cards and, in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the letters of proxy from shareholders.

Where a shareholder is a legal entity, its legal representative or a proxy authorised by such legal representative shall attend the general meeting. In case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of proxy duly issued by such legal representatives.

Article 39 Instruments issued by shareholders appointing others to attend the general meeting shall specify the following:

(1) name of the appointer and the name of the proxy;

(2) the number of shares held by the appointer represented by the authorized proxy (where more than one person are appointed as proxies, the letter of proxy shall state the number of shares represented by each proxy);

(3) whether or not the proxy is entitled to vote;

(4) the instructions in relation to voting for or against, or abstaining from voting on each item to be considered at the general meeting;

(5) whether the proxy has voting power in respect of ad hoc proposals which may be included in the agenda of the general meeting and if the proxy has voting power, specific instruction as to what kind of voting power shall be exercised;

(6) the date of the issuance and the valid term of the letter of proxy;

(7) the signature (or seal) of the appointer. Where the appointer is a legal entity shareholder, the letter of proxy shall be affixed with its common seal.

Article 40 Any letter of proxy provided to a shareholder by the Board for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote for or against or abstain from voting on each resolution dealing with the matters to be resolved at the meeting. Such letter of proxy shall contain a statement that in the absence of instructions by the shareholder, the proxy of such shareholder may vote at his/her own will.

Article 41 Letter of proxy shall be lodged with the domicile of the Company or other places specified in the notice of meeting 24 hours before the relevant meeting for voting according to the letter of attorney, or 24 hours before the designated time of voting.

Where the letter of attorney is signed by a person under a letter of attorney on behalf of the appointer, the letter of attorney or other authorisation documents authorised to be signed shall be notari, ed. A notarially certified copy of that letter of attorney or other authorisation documents, together with the letter of attorney, shall be deposited at the domicile of the

Article 42 Where the appointer has deceased, been incapacitated to act or withdrawn the appointment or the letter of proxy, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the letter of proxy shall remain valid, provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

Article 43 A registration book for attendees of the general meeting shall be prepared by the Company.

The registration book shall set forth the names of attendees (or the attendee corporations), their identity card numbers, residential address, number of shares carrying voting rights held or represented, and names of the appointers (or the appointing corporation), etc.

Article 44 The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the number of their shares carrying voting rights. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the on-site meeting and the total number of their shares carrying voting rights.

Article 45 If the Company convenes a general meeting, all Directors, Supervisors, and the secretary to the Board of the Company shall attend the meeting. The President who is not a Director of the Company and other senior management members shall be present at the meeting.

Article 46 The Chairman of the Board shall preside over the general meeting. Should the Chairman of the Board be unable to or fail to perform his/her duties, the Vice Chairman of the Board shall preside over the meeting. Should both the Chairman and Vice Chairman of the Board be unable to or fail to perform such duties, a Director elected by a half or more of the Directors shall preside over the meeting.

A general meeting convened by the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee. Should the chairman of the Supervisory Committee be unable to or fail to perform his/her duties, a Supervisor elected by a half or more of the Supervisors shall preside over the meeting.

Where a general meeting is convened by shareholders, the general meeting shall be chaired by a representative elected by the convener of the meeting.

At a general meeting, where the chairman of the meeting breaches the Rules of Procedure for General Meetings, which makes the general meeting unable to carry on, one (1) person may be elected as the chairman of the meeting by the attending shareholders with one half or more of voting rights to resume the general meeting.

If the shareholders cannot elect a chairman of the meeting due to some cause, the shareholder (including the proxy) holding the most voting shares shall preside over the meeting.

Article 47 At an annual general meeting, the Board and the Supervisory Committee shall report their work in the preceding year to the meeting. Each independent Director shall also state their work performance report.

Article 48 Directors, Supervisors and senior management members shall give explanations and statements vis-a-vis shareholders' enquiries, except for those in connection with the trade secrets or inside information of the Company that can't be disclosed at the general meeting.

Article 49 The Board of the Company shall provide explanations on audit report about financial report of the Company to the general meeting, if there are non-standard opinions of the certified public accountants in the audit report.

Article 50 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting as well as the total number of their shares carrying voting rights, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their shares carrying voting rights as indicated in the meeting's registration book.

Article 51 After the chairman of the meeting completes the report and starts to or entrust other persons to read out the proposal, the following requirements shall be complied to explain the proposal where necessary:

if the proposer is the Board, the explanation for the proposal shall be made by the chairman of the Board or other persons entrusted by the chairman;

if the proposer is any other than the Board, the explanation for the proposal shall be made by the proposer, or its legal representative or a legal and effective proxy.

Article 52 The shareholder may request to make a speech at the general meeting and such speech may be written and oral forms. The shareholder who request to make a speech at the general meeting shall obtain the permission by the chairman of the meeting, and the speeches shall be made in the time order of the request made (if requests are made at the same time, the speeches shall be made in the order number of shares held by the shareholders or represented by proxies).

When a shareholder request to make a speech, he/she shall not interrupt the report made by the reporter or the speech by other shareholders. The shareholder making a speech shall firstly announce his/her name or the name of the represented shareholder and number of shares held or represented. The duration and times of speeches made by shareholders shall be determined by the chairman of the meeting according to specific conditions.

Article 53 The Board shall carefully consider and sort out the matters to be discussed at the general meeting. The general meeting shall provide a reasonable time for discussion of each proposal. The chairman of the meeting shall orally consult the shareholders attending the meeting whether the discussion is over. If there is no objection, the discussion shall be deemed to be over.

CHAPTER 7 RESOLUTION AND VOTING OF GENERAL MEETING

Article 54 Resolutions of general meetings are in the form of ordinary resolutions and special resolutions.

An ordinary resolution of a general meeting shall be passed with the approval of one half or more of the voting rights held or represented by all the shareholders (including proxies) attending the meeting.

A special resolution of a general meeting shall be passed with the approval of two thirds or more of the voting rights held or represented by all the shareholders (including proxies) attending the meeting.

The attending shareholders (including their proxies) shall definitely show approval, objection, or abstention for each item via voting.

Article 55 The following matters shall be adopted by way of ordinary resolutions at general meetings:

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

(2) election and replacement of Directors and determination of their remuneration;

(3) the election and replacement of Supervisors who are not employee representatives and determination of their remuneration;

(4) the operating policies and investment plans of the Company;

(4) amendments to the Articles of Association;

(5) the purchases and disposals of the Company's material assets or amount of guarantee within one year, which reach or exceed 30% of the Company's latest audited total assets;

(6) the share option schemes;

(7) adjustments and modifications to the profit Td( )Tj0.505 07 0 Td(d)Tj0.53481 0 Td( )Tj0.312 0 Td(p)Tj

Article 59 When connected transactions are being considered at a general meeting, the connected shareholders shall abstain from voting, and the number of shares carrying voting rights held by them shall not be counted in the total number of valid votes. The announcement on the resolutions of a general meeting shall fully disclose the voting results of non-connected shareholders.

The evasion of connected shareholders and the voting procedures are as follows:

(1) According to the relevant laws, regulations and rules, the Board shall judge whether the relative matter to be proposed at the general meeting for discussion constitute a connected transaction. When making such a judgment, the number of shares of a shareholder shall be subject to the register of shareholders provided by the securities registration and settlement institution;

(2) If the Board considers that the relative matter to be proposed at the general meeting for discussion constitutes a connected transaction, the Board shall notify the connected shareholders in writing, and seek a written reply on whether the shareholder will apply for exemption for evasion;

(3) The Board shall finish the work specified above before sending the notice of the general meeting, and inform all shareholders in the notice of the result of such work;

(4) When voting on the relative connected transaction, unconnected shareholders attending the meeting shall vote according to the Articles of Association after the shares with voting right represented by the connected shareholders are deducted;

(5) If the connected shareholders cannot evade voting due to some cause, the voting can still be conducted in accordance with the normal procedures after the Company has obtained an approval from the competent authority, and detailed explanations shall be given in the resolution of general meeting.

Article 60 The Board, independent Directors and shareholders who meet the relevant requirements are entitled to solicit shareholders' voting rights. The solicitation of voting rights shall be conducted on a nilconsideration basis with full disclosure of information to the shareholders whose voting rights are being solicited, and no minimum shareholding limitation shall be imposed for soliciting voting rights.

Article 61 When voting on the appointment of Directors and Supervisors who are not employee representatives, cumulative voting can be applied in accordance with the Articles of Association or resolutions of the general meeting.

The cumulative voting referred to is as follows:

(1) In a cumulative voting, each share of a shareholder shall have votes as same as the number of Directors/Supervisors to be appointed;

(2) The shareholders shall be notified of the cumulative voting on the appointment of Director/Supervisor in the notice of the general meeting. The convener shall prepare voting tickets suitable for cumulative voting and provide written illustrations and explanations about the cumulative voting mode, ticket filling, and votes counting;

(3) Where voting on the selection of Director/Supervisor candidates 0

(6) Where votes in favour of a Director/Supervisor candidate exceeds a half of the number of shares carrying voting rights held by shareholders attending the general meeting, such Director/Supervisor shall be an elected Director/Supervisor candidate. If the number of elected Director/Supervisor candidates is greater than the number of Directors/Supervisors to be appointed, those who win more votes in favour of them shall be appointed as Directors/Supervisors (in case of an equality in the votes among those elected candidates who win the least votes and the appointment of them will be beyond the number of the Directors/Supervisors to be appointed, such elected candidates shall be deemed to be not elected). Where the number of elected Director/Supervisor candidates is less than the number of Directors/Supervisors to be appointed, a new round of voting on the selection of Directors/Supervisors shall be conducted among the rest Director/Supervisor candidates till all Directors/Supervisors are elected and appointed;

(7) Where a new round of voting on the selection of Directors/Supervisors is conducted at the general meeting in accordance with Clause (6), the number of cumulative votes of shareholder shall be recounted according to the number of Directors/Supervisors to be appointed in such new round.

Article 62 Except for the accumulative voting system, the general meeting shall vote on each proposal individually. Where there are different proposals on the same issue, voting should be carried out in the chronological order of the proposals raised. Except for special reasons such as force majeure causing suspension of the general meeting or failure to reach a resolution, the general meeting shall not set aside any proposal or have any proposal not voted.

Article 63 When considering a proposal at a general meeting, no amendments shall be made to the proposal. Otherwise, any amendment made shall be considered as a new proposal shall not be voted at that general meeting.

Article 64 Voting at a general meeting shall be in the form of show hands unless otherwise required by the Listing Rules of Listing Places for shares of the Company, or a poll is (before or after any vote by show of hands) demanded by the following persons:

(1) the chairman of the meeting;

(2) at least two shareholders or proxies entitled to vote;

(3) one or more shareholders (including proxies) individually or jointly representing 10% or more of all shares carrying right to vote at the meeting.

Unless otherwise provided in the Listing Rules of Listing Places or a poll is demanded, the chairman of the meeting shall declare whether a resolution has been passed based on a show of hands and record the result in the minutes of meeting as the conclusive evidence. There is no need to provide evidence of the number or percentage of votes in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who makes such demand. The voting at the general meeting shall be taken by way of registered poll.

Article 65 Shareholders who attend the general meeting shall take one of the following stances when a proposal is put forward for voting: to vote for, vote against or abstain from voting.

Any votes which are uncompleted, erroneously completed or illegible, or uncast votes shall be considered as an abstention of voting rights by the voter and the outcome of votes carried with the shares held by such voter shall be counted asz abstain from voting. .

Article 66 A poll demanded on such matters as the election of chairman of the meeting or the suspension of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman of the meeting may decide, and the meeting may proceed to discuss other matters, while the outcome of the poll shall still be deemed to be a resolution of that meeting.

Article 67 A voting right shall be exercised once through either on-site voting, online voting or voting by other means. If the same voting right be exercised twice, the result of the first vote shall prevail.

Article 68 In a voting at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way.

Article 69 In case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.

Article 70 Before the relevant proposal is voted on at a general meeting, two representatives of the shareholders shall be elected for counting the votes and scrutinizing the poll. Any shareholder who is interested in the matter under consideration and his/her proxy shall not take part in counting the votes or scrutinizing the poll.

When the relevant proposal is being voted on at the general meeting, lawyers, the representatives of shareholders and representatives of Supervisors shall be jointly responsible for counting the votes and scrutinizing the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting.

Where significant matters affecting the interests of minority investors are considered at the general meeting, the votes cast by minority investors shall be counted separately.

Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, have the right to check their voting results through the respective voting system.

Article 71 The chairman of the meeting shall be responsible for determining whether or not a resolution at the general meeting shall be adopted. His decision shall be final and conclusive and shall be announced at the meeting and recorded in the meeting minutes.

Article 72 The on-site general meeting shall end earlier than the online meeting or meeting delivered through other means. The chairman of the meeting shall announce the voting status and voting result for each proposal and announce whether a resolution is passed according to the voting result.

Before the voting result is officially announced, the Company, counter, scrutineer, substantial shareholders, network services provider and other related parties involved in the on-site general meeting, online meeting or meeting delivered through other means shall keep in confidential the voting result.

Article 73 Where the chairman of the meeting has any doubt as to the voting result of a resolution proposed for voting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder or proxy attending the meeting who objects to the result announced by the chairman of the meeting may demand immediately after the declaration to have the votes counted, the Chairman of the Board of the meeting shall have the votes counted immediately.

Article 74 Where the votes are counted at a general meeting, the counting results shall be recorded in the meeting minutes. The meeting minutes together with the signature book for shareholders' attendance and the letters of proxy for proxies attending the meeting shall be kept at the domicile of the Company.

Article 75 The Company, when convening a general meeting, will hire lawyers to provide legal opinions which will be published on the following:

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

(2) whether or not the qualifications of the persons attending the meeting and the qualification of the convener are lawful and valid;

(3) whether or not the voting procedures and the voting results are lawful and valid;

(4) other matters as required by the Company.

Article 76 The announcement of the resolutions passed at the general meeting shall be timely published and specify the number of the shareholders and proxies attending the meeting, the number of shares carrying voting rights held by them and the percentage of such shares to the total number of shares of the Company, the means of voting, the voting result of each resolution and the details of the resolutions passed.

Article 77 Where the proposed resolution is not passed, or the general meeting alters the resolution(s) passed at the previous general meeting, a special note shall be made in the announcement of the resolutions of the general meeting.

Article 78 Minutes of general meetings shall be recorded by the Secretary to the Board and include the following:

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

(2) names of the chairman of the meeting and Directors, Supervisors, Presidents and other senior management members attending or present at the meeting;

(3) number of shareholders and proxies attending the meeting, total number of the shares carrying voting rights held by them, and the percentage of such shares carrying voting rights held by them on the total number of shares of the Company;

(4) process of consideration for each proposal, the highlights of the speech and the voting results;

(5) shareholders' enquiries or recommendations and the correspondent statements or explanations;

(6) Voting results of each of the resolutions;

(7) names of the lawyer, vote counter and the scrutineer;

(8) other contents that shall be recorded into the minutes according to the Articles of Association.

The convener of the meeting shall ensure the trueness, accuracy and comple

If the rights of class shareholders are changed or abrogated due to the change of the domestic and foreign laws, regulations and Listing Rules of the Listing Places, or decisions lawfully made by the domestic and foreign regulatory authorities, such change or abrogation needs not be approved at a general meeting or class shareholder meeting.

Article 84 The following circumstances shall be deemed to be a variation or abrogation of the rights of a certain class shareholders:

(1) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of another class carrying rights to voting, distribution or other privileges equal or superior to those of shares of such class;

(2) to convert all or part of shares of such class into shares of other classes, or to convert or grant a right of conversion of all or part of shares of other classes into shares of such class;

(3) to remove or reduce rights to [illegible]

(10) to increase the rights and privileges of shares of other classes;

(11) to restructure the Company where the proposed restructuring scheme will result in different classes of shareholders bearing a disproportionate burden of obligations of such restructuring;

(12) to amend or abrogate the terms provided in chapter 7 herein.

Article 85 Shareholders of the affected class, whether or not having the right to vote at the general meetings, shall nevertheless have the right to vote at class meetings on matters referred to in clauses (2) to (8) and (11) to (12) of Article 133 of the Articles of Association, but interested shareholders shall not be entitled to vote at class meetings.

The interested shareholders referred to in the preceding paragraph have the following meanings:

In the case of a repurchase of its own shares by the Company by making offers to all shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 32 of the Articles of Association, "interested shareholder" shall refer to the controlling shareholder as defined in Article 308 of the Articles of Association;

In the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 32 of the Articles of Association, "interested shareholder" shall refer to the shareholder to which the proposed agreement relates;

In the case of a restructuring of the Company, "interested shareholder" shall refer to a shareholder within a class who bears liabilities less than the proportion burden imposed on other shareholders of that class or who has interests different from those held by shareholders of the same class.

Article 86 A resolution of a class meeting shall only be passed in accordance with Article 85 of the Articles of Association by shareholders present at the meeting who represent not less than two-thirds of voting rights.

Article 87 Written notices of a class meeting convened by the Company shall be dispatched forty-five (45) days prior to the date of the class meeting to all shareholders of such class whose names appear on the register of shareholders, specifying the matters to be considered and the date and venue of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend twenty (20) days prior to the date of the meeting.

If the number of shares carrying voting rights at such meeting held by shareholders who intend to attend such meeting reaches not less than one-half of the total number of shares of a class carrying voting rights at such meeting, the Company may convene such class meeting; if not, the Company shall further notify the shareholders by way of announcement within five (5) days thereof specifying the matters to be considered and the date and venue of the meeting. After such announcement is given, the Company may then convene the class meeting.

Article 88 Notices of class meetings need only be served on shareholders entitled to vote at the meetings.

Unless otherwise required by the Rules, procedures for holding a class meeting shall be similar to those for holding a general meeting as far as possible, and the provisions in the Articles of Association relating to the procedures for a general meeting shall apply to a class meeting.

Article 89 Except for shareholders of other classes, the holders of domestic shares and holders of foreign invested shares listed overseas are deemed to be different class shareholders.

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

Where the Company issues, upon approval by a special resolution at a general meeting, Domestic shares and overseas listed foreign invested shares once every twelve (12) months, either separately or concurrently, and the respective numbers of Domestic shares and overseas listed foreign invested shares proposed to be issued do not exceed 20% of the respective numbers of the issued Domestic shares and overseas listed foreign invested shares; or

Where the Company's plan to issue Domestic shares and overseas listed foreign invested shares at the time of incorporation is carried out within fifteen (15) months from the date of approval by the securities regulatory authority under the State Council;

Where the Company's shares held by the promoters are converted into foreign invested shares and are listed and traded on the overseas stock exchanges under the approval from the State Council or the approval authorities authorised by the State Council.

CHAPTER 9 IMPLEMENTATION OF RESOLUTIONS OF GENERAL MEETINGS

Article 90 Where resolutions concerning the appointment of Directors and Supervisors who are not employee representatives are passed at the general meeting, the newly-appointed Directors and Supervisors shall commence their office immediately after the general meeting unless otherwise provided in the resolutions of the general meeting.

Article 91 Where resolutions concerning cash dividends, bonus shares or conversion of capital reserve to increase stock, the Company shall implement the specified programs within 2 months after the meeting.

Article 92 The contents of a resolution of general meeting in violation of the laws and regulations shall be invalid.

Where the convening procedures and the voting mode of a general meeting violate the laws, regulations or the Articles of Association, or any contents of resolutions violate the Articles of Association, shareholders may petition the People's Court to rescind such resolutions within 60 days from the date such resolutions are made.

CHAPTER 10 SUPPLEMENTARY PROVISIONS

Article 93 If there are any issues not covered in the Rules or any conflict occurs between the Rules and the laws, regulations, the Listing Rules of the Listing Places or the Articles of Association promulgated or amended after the Rules coming into force, such laws, regulations, the Listing Rules of the Listing Places and the Articles of Association shall prevail.

Article 94 Unless otherwise specified, the terms used in the Rules shall have the same meanings with those in the Articles of Association.

Article 95 The Rules are attached as appendices to the Articles of Association.

Article 96 To amend the Rules, the Board shall propose amendments and submit them to the general meeting for consideration and approval.

Article 97 The Board shall be responsible for the interpretation of the Rules.

CRRC CORPORATION LIMITED
RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

CHAPTER 1 GENERAL PROVISIONS

Article 1 The Rules of Procedure (the "**Rules**") is formulated by CRRC Corporation Limited (the "**Company**"), for the purpose of the Board's independent, standardised and effective exercise of functions and powers in accordance with the laws to ensure work efficiency and scientific decision- making of the Board, in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), Mandatory Provisions for the Articles of Association of Companies Seeking a Listing Outside the PRC, Corporate Governance Guidelines for Listed Companies, the Listing Rules of Shanghai Stock Exchange (the "**Shanghai Stock Exchange Listing Rules**"), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange Listing Rules**") (collectively, the "**Listing Rules of Listing Places**"), the Articles of Association of CRRC Corporation Limited (the "**Articles of Association**"), and other relevant laws, regulations and normative documents.

Article 2 The Board is a permanent establishment of the Company for business decision-making and responsible to the general meeting.

CHAPTER 2 COMPOSITION AND AUTHORITY OF THE BOARD

Article 3 The Company shall establish a Board which is composed of seven (7) to thirteen (13) Directors.

Article 4 The Board shall have one (1) Chairman and one (1) to two (2) vice Chairmen, both of whom shall be elected or removed by a half or more of all Directors. The term of office of the Chairman and vice Chairman shall be (3) years and renewable upon reelection and reappointment. The term of office of Directors commences from the date of their assuming office till the date the term of the current Board expires.

Article 5 The Board is responsible to the general meeting and exercises the following functions and powers:

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

(2) to implement the resolutions of general meetings;

(3) to decide on the Company's business plans, investment plans and the annual fundraising plan;

(4) to formulate the Company's plans on annual financial budgets and final accounts;

(5) to formulate the Company's profit distribution plans and plans on making up losses;

(6) to formulate the proposal of increase or decrease in the registered capital of the Company, and issue and listing of bonds or other securities of the Company;

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

(8) to decide on the Company's investment, asset acquisition or disposal, assets pledge, external guarantees, entrusted wealth management, entrusted loans and connected transactions within the scope authorized by the shareholders' general meeting;

(9) to appoint or dismiss President and the Secretary to the Board and, based on the nomination by the President, to appoint or dismiss senior management members including Vice Presidents, Chief Financial Officer of the Company and to determine their remunerations, incentives and punishments;

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

(11) to formulate proposals for amending the Articles of Association;

(12) to decide on the establishment of internal management organi- ations of the Company; to decide on the establishment or the cancellation of branches of the Company;

(13) to decide on the establishment, merger, division, reorgani- ation or dissolution of the directly held subsidiaries of the Company;

(14) to decide on the establishment of special committees under the Board;

(15) to manage information disclosure of the Company;

(16) to propose to the general meeting to appoint or replace accounting firm in charge of the audit of the Company;

(17) to listen to the work report by and inspect the work of the Presidents;

(18) to formulate the share option schemes of the Company;

(19) other functions and powers provided by laws, regulations, department rules and the Articles of Association.

Except that Board resolutions in respect of the matters specified in clauses (6), (7) and (11) of the preceding paragraph shall be passed by not less than two-thirds of the Directors, Board resolutions in respect of the other matters may be passed by one half or more of the Directors.

The Board shall seek advice from the Party organization before deciding on significant issues of the Company including, among others, the reform and development direction, primary objectives and targets and key work arrangements. For the appointment of management of the Company by the Board, the Party organization shall consider and provide advice and suggestion on the candidates proposed by the Board or the president, or recommend candidates to the Board or the president.

Article 6 Where the Board dismisses a President during his/her term of office, it shall notify the Supervisory Committee in a timely manner and give a written statement to the Supervisory Committee. The Directors may choose to attend the office meetings of Presidents (as the case may be).

The Board shall accept the supervision from the Supervisory Committee and shall not obstruct or hinder the Supervisory Committee from proceeding with activities such as inspection and auditing in accordance with its functions and powers.

Article 7 The Board shall explain to the general meeting when a registered accounting firm issues a non-standard audit opinion regarding the Company's financial reports.

Article 8 The Board is entitled to make decision on the following matters of the Company (including the subsidiaries):

(1) Acquisition and disposal of assets, which is not more than 30% of the latest audited total assets of the Company;

(2) Entrusted wealth management, entrusted loans, external investment and pledge of assets, which shall be not more than 30% of the latest audited total assets of the Company;

(3) Leasing, renting, entrusted management, being entrusted to manage or joint management with others of the Company's assets, which is not more than 30% of the latest audited total assets of the Company;

(4) Connected transactions (excluding provision of guarantees and the receipt of endowment in cash assets) whose transaction amount is not more than 5% of the absolute value of the latest audited net assets of the Company. For connected transaction matters which can be exempted from or waived for consideration and disclosure as connected transactions under the laws, regulations, departmental rules and the Listing Rules of Listing Places where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from consideration and disclosure of such matters as connected transactions under relevant provisions;

(5) External guarantees other than that stipulated in Article 71 in the Articles of Association;

(6) Other matters as required by laws, regulations, departmental rules, the Listing Rules of Listing Places where the Company's shares are listed and the Articles of Association to be decided by the Board.

Article 9 The Board shall authorize the president to exercise the following functions within the scope authorized in the Article 8 of the Rules:

(1) Deciding on the matters of acquisition or disposal of assets with a single transaction amount of not more than 0.5% of the latest audited net assets of the Company;

(2) Deciding on the matters of external investment, pledge of assets, entrusted wealth management and entrusted loans with a single transaction amount of not more than 0.5% of the latest audited net assets of the Company;

(3) Deciding on the matters of leasing, renting, entrusted management, being entrusted to manage or joint management with others of the Company's assets with a single transaction amount of not more than 0.5% of the latest audited net assets of the Company;

(4) Deciding on the connected transactions with the amount of not more than 0.1% of the latest audited net assets of the Company (excluding the provision of guarantees and the receipt of endowment in cash assets);

(5) Other duties and powers authorized by the Board and stipulated by the Articles of Association.

Article 10 Where the aggregation of the expected value of the fixed assets proposed for disposal by the Board and the value of fixed assets disposed within four (4) months prior to such proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet considered at a general meeting, the Board shall not dispose or consent to dispose such fixed assets without prior approval from the general meeting.

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

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

Article 11 Where the aggregation of the expected value of the fixed assets proposed for disposal by the Board and the value of fixed assets disposed within four (4) months prior to such proposed disposal, exceeds 10% of the fixed assets value set out in the latest balance sheet considered at a general meeting, the Board may authorise the chairman to make the decision.

Article 12 Where the aggregation of the expected value of the fixed assets proposed for disposal by the Board and the value of fixed assets disposed within four (4) months prior to such proposed disposal, exceeds 2% of the fixed assets value set out in the latest balance sheet considered at a general meeting, the Board may authorise the President to make the decision.

Article 13 The Chairman of the Board is entitled to the following functions and powers:

(1) to preside over general meetings and to convene and preside over Board meetings;

(2) to monitor and check on the implementation of Board resolutions;

(3) to sign the shares, corporate bonds and other negotiable securities certificates issued by the Company;

(4) to sign significant documents of the Board and other documents subject to signature of the Chairman of the Board of the Company;

(5) to approve the use plan of the working capital for the Board of the Company;

(6) to exercise right of contingent disposition of the Company's affairs in line with laws and for the interests of the Company in the event of force majeure or significant crises and that a Board and shareholders' meeting cannot be convened timely, and to report to Board meetings afterwards;

(7) unless objected by three (3) Directors or more, or two (2) independent Directors or more, to decide to incorporate topics occasionally raised by Directors during the Board meeting into the agenda of the meeting;

(8) to prepare the list of candidates nominated for the Secretary to the Board of the Company;

(9) to exercise other duties and powers bound to be exercised by the Chairman of the Board in accordance with relevant provisions of the laws, regulations and rules or those authorised by the Board.

Article 14 The vice Chairman of the Board shall provide assistance with the work of the Chairman of the Board. Should the Chairman of the Board be unable or fail to perform his duties, the Vice Chairman of the Board shall perform such duties. Should the Vice Chairman of the Board be unable or fail to perform his duties, a Director elected by a half or more of the Directors shall perform such duties.

Article 15 In accordance with the relevant resolutions of the general meeting, the Board of the Company establishes the Strategy Committee, the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Evaluation Committee. All members of the Board Committees shall be Directors. Independent Directors shall account for the majority of the members of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration and Evaluation Committee and shall act as the convener. For the Audit and Risk Management Committee, at least one (1) independent Director must be the accounting professionals.

Article 16 The Company shall place one (1) Secretary to the Board who shall be appointed or dismissed by the Board. The Secretary to the Board constitutes a senior management member of the Company and shall be accountable the Board. The term of office of the Secretary to the Board shall be three (3) years and renewable upon re-appointment.

CHAPTER 3 CONVENING AND NOTICE OF THE MEETINGS OF THE BOARD

Article 17 Board meetings shall be in the form of either routine Board meetings or extraordinary Board meetings.

Article 18 Regular meetings of the Board shall be held at least four (4) times a year, including a semi-annual meeting and an annual meeting:

(1) the semi-annual meeting shall be convened within 60 days after the end of the first six months of the Company' 0 Td(t)Tj0.537 0 Td(e)Tj0.525 0 Td(t)Tj0.316 0 Td(h) (r)Tj0.37

Article 21 The Board shall convene and preside over extraordinary Board meetings within ten (10) days upon receipt of any of the following proposals:

(1) proposed by shareholders representing one tenth or more of the voting rights;

(2) proposed by one third or more of the Directors;

(3) proposed by one half or more of the independent Directors;

(4) proposed by the Supervisory Committee;

(5) proposed by three (3) Directors in the event of emergencies;

(6) proposed by the President of the Company;

(7) proposed by the Chairman when he or she considers the meeting necessary;

(8) proposed by the special committees;

(9) requested by the securities regulatory commission.

Article 22 In the event of holding an extraordinary meeting of the Board, the Chairman shall send a notice to all Directors by mail, facsimile e-mail or telegram 3 days prior to the meeting. In case of a matter of urgency, the notice can be delivered at any time by telephone or other oral means, but the convener shall make an explanation at the meeting.

Article 23 If an extraordinary meeting is to be held in accordance with the provisions of Article 21 of the Rules, a written proposal signed (or sealed) by the proposer shall be submitted to the Chairman directly or through the office of the Board. Such written proposal shall contain the following items:

(1) the name of the proposer;

(2) the reasons or the objective matters such proposal is based on;

(3) the time or time limit, place and manner of the proposed meeting;

(4) specific and detailed proposals;

(5) the contact information and the proposed date of the proposer.

The content of the proposal shall be the matters within the terms of reference of the Board as provided in the Articles of Association. Related materials should be submitted together with the written proposal.

The office of the Board shall forward the written proposal and related materials to the chairman as soon as possible upon the receipt. If the Chairman believes that the proposal is not specific, detailed or related materials are not sufficient, the chairman may request the proposer's modification or supplement.

The Chairman shall, within 10 days after receiving the proposal, convene and preside over the meeting of the Board.

Article 24 The notice of a Board meeting shall include the following:

(1) the date and venue of the meeting;

(2) the means by which the meeting will be held;

(3) matters (proposals for the meetings) to be considered;

(4) convener and chairman of the meeting, the proposer of an extraordinary Board meeting and his/her written proposal;

(5) materials necessary for Directors' voting;

(6) the requirement that a Director shall attend the meeting in person or appoint other Directors to attend the meeting on his/her behalf;

(7) the contact person and contact deta

The oral notice of a Board meeting shall, at least, include item (1) and (2) in the preceding paragraph and an explanation as to the necessity for holding as soon as possible an extraordinary Board meeting.

Article 25 After issuing the written notice of the regular meetings of the Board, if there is any need to change the time, venue or other matters of the meeting, or to add, change or cancel a meeting proposal, a written notice of change should be issued 3 days prior to the date of the original meeting to explain the situation and the contents of the new proposal and related materials. If less than 3 days are left, the meeting shall be postponed accordingly or be convened as scheduled with approval from all the participating Directors.

Article 26 After issuing the notice of an extraordinary meeting of the Board, if there is any need to change the time, place or other matters of the meeting or to add, change, cancel a meeting proposal, a prior written consent of all the participating Directors shall be obtained and well documented.

Article 27 The notice shall be in Chinese language, with an English translation attached if necessary.

The notice should include the agenda of the meeting. Any Director is entitled to renounce in writing his/her right to the notice of the Board meeting.

Article 28 Where substantial matters are subject to the decision-making by the Board, the Board shall notify all Directors within the prescribed time and provide adequate information, including the relevant background materials in relation to the meeting proposals and the information and data that can help Directors understand the Company's business progress.

When one fourth or more of the Directors or two independent Directors or more believe that the information in relation to the meetings proposals is inadequate or that the argumentation is unclear, they can jointly request the Board in writing to postpone the meeting or postpone the consideration of such matters, and the Board shall adopt that.

Article 29 If a Director has attended the meeting and raised no objection as to their not receiving the notice of the meeting either prior to or at the time of arriving at the meeting, the notice of the meeting shall be deemed to have been sent to such Director.

CHAPTER 4 CONVENING THE MEETINGS OF THE BOARD

Article 30 The meetings of the Board shall be convened and presided over by the Chairman. If the Chairman is unable to or does not perform his/her duties, the meetings shall be convened and presided over by the vice Chairman. if the vice Chairman is unable to or does not perform his/her duties, a Director jointly elected by a half or more of the Directors shall convene and preside over the meetings.

Article 31 A meeting of the Board may not be held unless more than half of the Directors or their authorized directors are present. If any Directors' refusal or laziness to attend the meetings leads to the dissatisfaction of the minimum number of the meeting requirement, the Chairman and Secretary to the Board shall immediately report to the securities regulatory authorities of the places where the Company's shares are listed. Supervisors may be present at the Board meetings. If the President and the Secretary to the Board don't concurrently serve as Directors, they shall also be present at the meeting. If the Chairman of the meeting considers necessary, he/she may notify other relevant persons to be present at the meeting.

Article 32 Where a Director has a connected relationship with the proposal to be resolved at the meeting of the Board, such meeting can be held with more than half of unconnected Directors attending the meeting. Whether a Director has a connected relationship with the proposal shall be determined in accordance with the laws, regulations, rules, securities regulatory authorities of the places where the Company's shares are listed, provisions by the stock exchanges and the Articles of Association of the Company.

Article 33 Directors shall attend a Board meeting in person. If Directors are unable to attend the meeting due to certain reasons, they may authorise other Directors by a letter of attorney to attend the meeting on their behalf. A letter of attorney shall indicate the names of the proxies, matters under authorisation, the scope of authorisation and the term validity, and shall be signed and sealed by the appointer.

The Director attending the meeting on behalf of other Directors shall exercise the rights of a Director within the scope of authorisation. If a Director does not attend a Board meeting in person, nor by proxy, such Director shall be deemed to have waived the voting right at the meeting.

If an independent Director failing to attend a Board meeting in person due to certain reasons appoints a proxy to attend the meeting, such independent Director shall appoint other independent Directors to attend the meeting and vote.

Article 34 Attendance of a meeting of the Board by proxies shall be compliance with the following principles:

(1) In considering the connected transactions, unconnected Directors shall not entrust connected Directors to attend the meeting on behalf of them and the connected Directors shall not accept such entrustment;

(2) The independent Directors shall not entrust non-independent Directors to attend the meeting and non-independent Directors shall not accept such entrustment;

(3) Directors shall not grant full authori- ation to and entrust other Directors to attend the meeting without explaining their views and voting intention on the proposal and such other Directors shall not accept such authorisation and entrustment;

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Article 37 If an independent Director fails to attend three consecutive meetings the Board shall propose the general meeting to have such Director replaced.

CHAPTER 5 EXAMINATION, VOTING AND RESOLUTION OF THE BOARD

Article 38 The Chairman of the meeting shall declare at the scheduled time the commencement of the meeting, and report the number of attendees in person or by proxies.

Article 39 The meeting shall proceed under the instruction of the chairman of the meeting. Firstly a explanation to the proposal shall be made to the Board by the proposer or related persons.

Directors shall carefully read the relevant meeting materials, and independently and prudently express their well informed views.

Directors may, before the meeting, seek information necessary for the decision making from relevant persons from the Board office, the convener, senior management members, the special committees, public accounting firms and law firms, and also, during the meeting, make recommendations to the chairman of the meeting to invite the aforesaid persons and persons in charge of the aforementioned institutions to explain relevant situations at the meeting.

The chairman of the meeting shall advise the Directors attending the meeting to express clear opinions on each proposal.

If a proposal is required to be approved by independent Directors according to relevant regulations, the chairman of the meeting shall, before the discussion of such proposal, designate an independent Director to read out the written approval opinions reached by the independent Directors.

A Director who hinders the normal process of the meeting or affects the speech by other Directors shall be promptly stopped by the chairman of the meeting.

Unless the unanimous consent of all Directors attending the meeting is obtained, the meeting of the Board shall not vote on proposals not included in the notice of the meeting. The Directors who are entrusted by other Directors to attend the meeting on their behalf shall not vote on proposals not included in the notice of the meeting on behalf of such other Directors.

Article 40 Independent Directors shall express their independent opinions to the Board on the following significant matters:

(1) the nomination, appointment and removal of Directors;

(2) the appointment or dismissal of the President and other senior management members;

(3) the remuneration of Directors, the President and other senior management members;

(4) significant connected transactions (as determined according to the standards promulgated by the governing regulatory authorities from time to time);

(5) matters that independent Directors believe may damage the medium and small shareholders' rights and interests;

(6) other matters stipulated in the Articles of Association of the Company.

Article 41 The meeting of the Board adopts the principle of voting on each matter at a time, which means that voting begins upon completion of the consideration of a proposal, and that the next proposal shall not be voted before the voting on a proposal has completed.

Each member has one vote represented by a written registered ballot.

A Director has 3 voting intentions: affirmative vote, negative vote and abstention from vote. All Directors attending the meeting shall select one from the above-mentioned intentions. If a Director fails to make a choice or selects two or more intentions, the chairman of the meeting shall require such Director to re-select. Refusal to choose shall be deemed as abstention from voting Leaving the meeting while the meeting is in progress without coming back to select shall also be deemed as abstention.

Article 42 If a Director or any associate (as defined in the Hong Kong Listing Rules of the Securities) has connected relationship with the matters to be resolved by the Board, such Director shall avoid consideration of these matters and not vote himself or on behalf of other Directors on these matters, nor be counted in the quorum of Directors present at the meeting, unless otherwise provided in the laws, regulations and regulations of securities regulatory and supervisory authorities of the places where the Company's shares are listed. Resolutions on such matters on the meeting of the Board shall only be adopted by more than a half of the unconnected Directors.

If the number of unconnected Directors attending the meeting of the Board is less than three or the Board is unable to adopt a resolution on some matters proposed for resolution due to the avoidance of the connected Directors, the Board shall promptly submit such proposal for the consideration of the general meeting. When the Board submits the proposal to the general meeting, the Board shall explain its consideration of the proposal and shall record the opinions of the unconnected Directors on the proposal.

Resolutions of the Board on the matters within the term of reference of the general meeting shall not be implemented until submitted to the general meeting for consideration and approval.

Article 43 Resolutions shall be adopted by the Board on by a half or more of all Directors. If there is any equality in the votes, the chairman shall have a casting vote.

Article 44 Unless otherwise required by the Articles of Association and the listing rules of the stock exchange where the Company's shares are listed, the Board may accept Directors submitting written proposals instead of holding a Board meeting, provided that the draft of such proposal are sent to each Director by hand, post, telegraph or facsimile.. Where a written proposal is voted, the expiry date of the voting shall be specified in the notice of voting, but the expiry date of the voting specified in the notice shall not be earlier than 5 days after the date of service of the notice, unless all the Directors agree to waive in writing such time requirement. If a Director votes in advance, such Director shall be deemed to have waived the time requirement.

Article 45 If the draft of such proposal has been dispatched to all Directors, and the number of Directors who approve of and signing on the draft reaches the quorum for adopting an resolution, and the Directors have submitted such written proposal signed and approved of to the Secretary to the Board before the expiry date, the proposal shall become the Board's resolution without convening a meeting of the Board.

Article 46 Written resolutions signed and agreed upon by all Directors shall be considered equally effective as resolutions passed at a Board meeting convened according to the laws. Such written resolutions may consist of several counterparts, each of which signed by one or more Directors. A resolution carrying the signature or the name of a Director sent to the Company by telegraph, telex, post, facsimile or hand shall be deemed to be a document signed by such Director for the purpose of this Article.

Article 47 Upon completion of voting by the Directors attending the meetings, the relevant office staff of the Board shall promptly collect the votes of the Directors and have them counted by the secretary to the Board under the supervision of a Supervisor or an independent Director.

At an on-site meeting, the chairman of the meeting shall announce the counting result on the spot. In other cases, the chairman of the meeting shall require the secretary to the Board to notify the Directors the voting results before the next working day following the expiry of the voting time limit.

If a Director votes after the chairman of the meeting has announced the voting result or beyond the expiry of the voting time limit, votes by such Director shall not be counted.

CHAPTER 6 MINUTES OF THE MEETINGS OF THE BOARD

Article 48 The Board shall keep minutes of the resolutions on matters considered at the meetings. The minutes shall be signed by the Directors, the Secretary to the Board present at the meetings and the recorder.

At the general meetings, opinions expressed by independent Directors shall be stated in the minutes of the meetings of the Board.

Any Director shall be entitled to inspect the documents and information of meetings of the Board. Any inquiries from Directors shall be answered responsively and thoroughly. The minutes of the meetings of the Board shall be available for inspection during business hours upon the issuance of a reasonable notice by any Director.

Article 49 The minutes of Board meetings shall be kept as the documents of the Company for a period of not less than ten (10) years. The minutes of Board meetings shall consist of the following:

(1) the date and venue of the meeting and name of the convener;

(2) the names of Director attending the meeting and names of Directors (proxies) attending the meeting on the behalf of other Directors;

(3) the agenda of the meeting;

(4) the highlights of Directors' speeches;

(5) the way of voting on and the voting result of, each matter (the result shall state the number of votes for and against and number of abstained votes).

Article 50 The Directors shall be liable for resolutions of the Board. If a resolution of the Board violates the laws, regulations or the Articles of Association, the Directors who voted for the resolution shall be directly liable. If it is proved that a Director who objected to the resolution when the resolution was voted on, and voted against the resolution pursuant to the minutes, such Director shall be exempt from the liability. Directors who abstained from voting or who failed to attend the meeting either in person or by a proxy, shall not be exempt from the liability. Directors who expressly objected to the resolution when the resolution was voted on but failed to vote against, shall neither be exempt from the liability.

Article 51 The matters in a Board resolution that are required to be announced shall be dealt with by the Secretary to the Board in accordance with the relevant provisions in Shanghai Stock Exchange Listing Rules and in the Stock Exchange Listing Rules. Prior to the disclosure of the announcement of resolutions, the participating Directors and other attendees, recorders and service personnel are liable for the confidentiality of the content of the resolutions.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 52 If there are any issues not covered in the Rules or any conflict occurs between the Rules and the laws, regulations, the Listing Rules of Listing Places or the Articles of Association promulgated or amended after the Rules' coming into force, such laws, regulations, the Listing Rules of Listing Places and the Articles of Association of shall prevail.

Article 53 Unless otherwise specified, the terms used in the Rules shall have the same meanings with those in the Articles of Association.

Article 54 The Rules are attached as appendices to the Articles of Association.

Article 55 To amend the Rules, the Board shall proposes amendments and submit them to the general meeting fro consideration and approval.

Article 56 The Board shall be responsible for the interpretation of the Rules.

CRRC CORPORATION LIMITED
RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE

CHAPTER 1 GENERAL PROVISIONS

Article 1 The Rules of Procedure (the "**Rules**") are formulated by CRRC Corporation Limited (the "**Company**") for the purposes of further standardising the decision making procedure and voting procedure of the Company's Supervisory Committee, prompting the Supervisors and the Supervisory Committee to more effectively perform their supervisory duties and improving the corporate governance structure, in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Securities Law of the People's Republic of China (the "**Securities Law**"), Corporate Governance Guidelines for Listed Companies, Mandatory Provisions for the Articles of Association of Companies Listed Overseas, the Listing Rules of Shanghai Stock Exchange (the "**Shanghai Stock Exchange Listing Rules**"), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange Listing Rules**") (collectively, the "**Listing Rules of Listing Places**"), Articles of Association of CRRC Corporation Limited (the "**Articles of Association**"), and other relevant laws, regulations and normative documents.

Article 2 The Supervisory Committee is the Company's supervisory body responsible to the general meeting. The Supervisory Committee shall supervise over the financial affairs of the Company and the compliance with the laws and regulations in the Directors' and senior management members' performance of their respective duties for the purposes of safeguarding the lawful rights and interests of the Company and shareholders.

Article 3 The Company shall take measures to ensure the Supervisors' right to information and provide necessary information and documents to Supervisors in a timely manner so that the Supervisory Committee is able to effectively supervise on, inspect and evaluate the Company's financial affairs and its operation and management. The Company's senior management members shall report to the Supervisory Committee the execution and performance of significant contracts of the Company's use of capital, profit and loss of the Company in accordance with the requirements by the Supervisory Committee. The President and other senior management members shall ensure the relevant information to be provided is true and complete.

CHAPTER 2 COMPOSITION AND AUTHORITY OF THE SUPERVISORY COMMITTEE

Article 4 The Company shall establish a Supervisory Committee comprising three (3) to five (5) persons, at least one-third of which must be employee representatives. The term of office of Supervisors is three (3) years and renewable upon reelection and reappointment.

The shareholder representatives shall be elected and removed by the general meeting, while the employee representative shall be democratically elected and removed by workers' congress, workers' assembly or through a democratic election in other forms.

Article 5 The Supervisory Committee shall have one (1) Chairman. The Chairman of the Supervisory Committee shall be elected or removed by two-thirds or more of members of the Supervisory Committee.

Article 6 The Supervisory Committee, as the Company's supervisory body, shall be responsible to the general meeting and exercise the following functions and powers:

(1) to provide audit opinions and audit the regular reports of the Company;

(2) to examine the Company's financial affairs;

(3) to supervise Directors' and senior management members' acts in violation of any laws, administrative regulations and the Articles of Association when performing their duties with the Company;

(4) to demand Directors and senior management members to rectify their acts that are harmful to the Company's interests;

(5) to propose the dismissal of Directors and senior management members who violate the laws, administrative regulations, the Articles of Association and resolutions of the general meeting;

(6) to examine the financial information such as the financial report, business report and profits distribution plans to be submitted by the Board to general meetings and, should any queries arise, to engage in the name of the Company certified public accountants and certified auditors to conduct a re-examination;

(7) to convene and chair a general meeting if the Board fails to fulfill its duties under the Company Law of convening and chairing a general meeting;

(8) to communicate with Directors on behalf of the Company;

(9) to put forward proposals to the general meeting;

(10) to file lawsuits to the People's Court against Directors, Supervisors and senior management members upon receipt of requests in writing from a single shareholder or shareholders with over 1% shares of the Company in aggregation for more than 180 consecutive days for the losses generated to the Company as a result of the violation of the law, regulations or Articles of Association of the Company by such persons when they carry out their duties;

(11) to conduct an investigation in the event of finding the operation of the Company unusual and, if necessary, to engage professional institutions such as accounting firms and law firms to assist with the investigation, with the reasonable cost borne by the Company;

(12) other powers specified in laws, regulations and department rules and the Articles of Association and conferred by the general meeting.

Supervisors may be present at board meetings, and raise enquiries or s

(5) other duties and powers required by laws, regulations and department rules and the Articles of Association.

Article 8 The Supervisory Committee may also render opinions regarding the proposals to be considered at the general meeting and submit an independent report where it deems necessary.

Article 9 The supervisory records and financial or special examination results made by the Supervisory Committee shall be an important basis for the performance evaluation of Directors, the President and other senior management members.

Article 10 The Supervisory Committee may report to the Board of Directors or the general meeting, or directly to the relevant governing authority of the State its findings that Directors, the President and other senior management member violate the laws, regulations or the Article of Association of the Company.

Article 11 The reasonable expenses incurred due to engaging public accounting firms or law firms by the Supervisory Committee in performing its duties shall be borne by the Company.

Article 12 The Company shall take measures to ensure the Supervisor's right to information and provides necessary assistance for Supervisors to duly perform their duties. No person shall be allowed to interfere with or obstruct it. The reasonable expenses incurred by the Supervisors in performing their duties shall be borne by the Company.

CHAPTER 3 CONVENING AND NOTICE OF THE MEETING OF THE SUPERVISORY COMMITTEE

Article 13 The meetings of the Supervisory Committee shall be in the form of regular meetings and extraordinary meetings. A regular meeting shall be convened by the Chairman of the Supervisory Committee and held at least once every six (6) months. If the meeting cannot be held as scheduled for some reason, the Board of Supervisor shall make a announcement and explain the reason.

Article 14 The main topics of regular meetings of the Supervisory Committee shall include:

(1) examination of the Company's annual financial reports;

(2) discussion on the work report, work plan and work summary of the Supervisory Committee;

(3) consideration on suggestions as to the handling of Directors, the President and other senior management members who have violated laws and regulations;

(4) to discuss other matters provided for in the Company's Articles of Association or authorised by the general meeting.

Article 15 Before the Annual General Meeting, the Supervisory Committee may audit and approve the Special Supervisory Report which shall include the following:

(1) the inspection result of the Company's financial affairs;

(2) the diligence of Directors, the President and other senior management members in performing their duties and the violation of relevant laws and regulations committed by them;

(3) other significant matters that the Supervisory Committee deems necessary to report to the shareholders' meeting.

Article 16 The Chairman of the Supervisory Committee shall, by hand, facsimile, express or registered mail, notify in writing all Supervisors of the regular meeting three (3) days prior to the meeting.

If the office of the Supervisory Committee slacks its duty to issue the notice of the meeting, the proposing Supervisors shall report it to the regulatory authority in a timely manner.

Article 20 A notice of the meeting of the Supervisory Committee shall include the following:

(1) the date and venue of the meeting;

(2) the way the meeting will be held;

(3) topics of the meeting;

(4) convener and chairman of the meeting, the proposer of an extraordinary meeting and his/her written proposal;

(5) meeting materials necessary for the voting by Supervisors;

(6) the requirement that a supervisor shall attend the meeting in person or appoint other directors to attend the meeting on his behalf;

(7) the contact person and contact details;

(8) the issuance date of the notice.

An oral notice of a meeting shall, at least, include items (1) and (2) in the preceding paragraph and an explanation for holding the extraordinary meeting of the Board as soon as possible in the event of emergency.

Article 21 After issuing the written notice of the regular meetings of the Supervisory Committee, if there is any need to change the time, venue or other matters of the meeting, or to add, change or cancel a meeting proposal, a written notice of change should be issued 3 days prior to the date of the original meeting to explain the situation and the contents of the new proposal and related materials. If less than 3 days are left, the meeting shall be postponed accordingly or be convened as scheduled with approval from all the participating Supervisors.

Article 22 After issuing the notice of an extraordinary meeting of the Supervisory Committee, if there is any need to change the time, place or other matters of the meeting or to add, change, cancel a meeting proposal, a prior written consent of all the participating Supervisors shall be obtained and well documented.

Article 23 If a Supervisor has attended the meeting and raised no objection as to their not receiving the notice of the meeting either prior to or at the time of arriving at the meeting, the notice of the meeting shall be deemed to have been sent to such Supervisor.

CHAPTER 4 CONVENING THE MEETINGS OF THE SUPERVISORY COMMITTEE

Article 24 The Chairman of the Supervisory Committee shall convene and preside over the meeting of Supervisory Committee. If the chairman of the Supervisory Committee is unable to or does not perform his/her duties, the meeting shall be convened and presided over by one (1) Supervisor elected by a half or more of all Supervisors.

Article 25 A meeting of the Supervisory Committees may not be held unless a half or more of the Supervisors are present. If a relevant Supervisor refuses to or slacks its duty to attend the meeting, resulting in the dissatisfaction of the minimum number of the meeting requirement, other Supervisors shall report it to the general meeting or the regulatory authorities in a timely manner.

The secretary to the Board and the representative of securities affairs shall be present at the meeting.

Article 26 Supervisors shall attend the meeting of Supervisors in person after receipt of the written notice. If a Supervisor is not able to attend the meeting for some reason, he/she can authorise other Supervisors to attend the meeting by a letter of attorney.

The letter of attorney shall indicate the name of the proxy, the authorised matters, the scope of authorisation, the instructions on his/her voting intention of proposals, whether having the right to vote and the term of validity, and carry the signature or seal of the Supervisor as the principal.

The Supervisor attending the meeting on behalf of other Supervisors shall exercise the rights within the scope of authorisation. If a Supervisor fails to attend a meeting of the Supervisory Committee in person, nor entrust other Supervisors to attend the meeting on his/her behalf such Supervisor shall be deemed to have waived the right to vote in the relevant meeting.

Article 27 The meeting of Supervisors shall, in principle, be held on site.

Where necessary, the meetings of the Supervisory Committee can be held by means of telephone conference or of other similar communication equipment or by written resolution. Provided that all Supervisors participating the meeting can hear clearly and communicate with each other through telephone or other similar communication equipment, all participating Supervisors shall be deemed to have attended the meeting in person.

Article 28 If the Supervisory Committee convenes a meeting by means of telephone conference or videoconference, the whole process shall be recorded by audio and video recordings, and such audio and video recordings of the meeting should be archived as the company's documentation, with a retention period of not less than ten years. If the Supervisors at such meetings cannot sign the minutes immediately, a voice vote shall be conducted and the signature shall be made as soon as possible.

Article 29 If a Supervisor fails to attend in person, nor entrust other Supervisors to attend two consecutive meetings of the Supervisory Committee, such Supervisor shall be deemed to be unable to perform his/her duties. The Supervisory Committee shall request the general meeting or recommend the electoral body for the employee representative Supervisor to have such Supervisor removed.

Article 30 A Supervisor has 3 voting intentions: affirmative vote, negative vote and abstention from vote. Supervisors attending the meeting shall choose one from the aforesaid intentions. If a Supervisor fails to choose one intention or chooses two or more intentions at the same time, the chairman of the meeting shall require the Supervisor to re-choose. If he/she refuses to do so, he/she shall be deemed to have abstained from the right to vote. If a Supervisor leaves the venue and fails to come back for voting, he/she shall also be deemed to have abstained from the right to vote.

CHAPTER 5 VOTING AND RESOLUTION OF THE SUPERVISORY COMMITTEE

Article 31 The chairman of the meeting shall declare at the scheduled time the commencement of the meeting, and report the number of attendees in person or by proxies.

Article 32 The meeting of the Supervisory Committee shall adopt the principle of voting on each matter at a time, which means that voting begins upon completion of the consideration of a proposal, and that the next proposal shall not be voted before the voting on a proposal has completed.

Article 33 The voting on the resolutions at the meeting of the Supervisory Committee can be made by a show of hands or by ballots. Each Supervisor has one vote.

Article 34 The resolution of the Supervisory Committee shall be adopted and approved by two thirds or more of all Supervisors. Provided that the Supervisors can fully express their opinions, extraordinary meetings of the Supervisory Committee can be held and resolutions can be reached by way of video conferences or written resolutions, and the approved resolutions shall be signed by the Supervisors in attendance.

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CHAPTER 6 MINUTES OF THE MEETINGS OF THE SUPERVISORY COMMITTEE

Article 36 The office staff of the Supervisory Committee shall keep minutes of the meeting of Supervisory Committee. The minutes of the meeting shall include the following:

(1) the session number, time, venue and method of holding the meeting;

(2) the issuance of meeting notice;

(3) the convener and the chairman of the meeting;

(4) the attendance to the meeting;

(5) the proposals, the highlights of speeches and key opinions made by each Supervisor regarding relevant matters, and their voting intention on each proposal;

(6) the method and result of voting on each proposal (stating the specific number of affirmative votes, negative votes and abstained votes);

(7) other matters required to be included in meeting minutes by the participating Supervisors;

(8) As for the meetings of Supervisors which are held by communication equipments, the office of the Supervisory Committee shall sort out the meeting minutes according to the aforesaid requirement.

Article 37 The Supervisory Committee shall record the decisions on the matters considered at the meeting into the meeting minutes. Participating Supervisors shall sign the meeting minutes for confirmation. Any Supervisor dissents the meeting minutes may make written explanations when signing the meeting minutes. Where necessary, such Supervisor may also report to the regulatory authority in a timely manner or make a public announcement.

If a Supervisor does not sign the meeting minutes in accordance with the preceding paragraph, neither make any written explanation of his dissenting opinions, report them to the regulatory authority or make a public announcement, he/she shall be deemed to fully agree with the contents of meeting minutes.

Article 38 The Announcement of the resolutions of the Supervisory Committee shall be dealt with by the Secretary to the Board according to the relevant provisions of Listing Rules of Listing Places where the Company's shares are listed.

Article 39 The Supervisors shall supervise and urge the relevant staff implementing the resolutions of the Supervisory Committee. The Chairman of the Supervisory Committee shall announce the implementation of resolution which has been reached at the next meetings of Supervisors.

Article 40 The chairman of the Supervisory Committee shall designate a special person to keep the Supervisory Committee's meeting archives, including the notices of meetings, the materials for meetings, the registration books of meetings, the tapes and videos of meetings, the sheets of voting, meeting minutes with the signature of participating Supervisors, and the announcements of resolutions. The Supervisory Committee's meeting materials shall be kept for a retention period of not less than ten years.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 41 Any matters not covered in the Rules or any conflicts between the Rules and laws, regulations, the listing rules of the place(s) where the Company's shares are listed or the Articles of Association that promulgated or amended after the effective date of the Rules, shall be dealt with in accordance with such laws, regulations, the listing rules of the place(s) where the Company's shares are listed and the Articles of Association.

Article 42 Unless otherwise specified, the terms used in the Rules shall have the same meanings with those in the Articles of Association.

Article 43 The Rules are attached as appendices to the Articles of Association.

Article 44 To amend the Rules, the Supervisory Committee shall proposes amendments and submit them to the general meeting fro consideration and approval.

Article 45 The Supervisory Committee is responsible for the interpretation of the Rules.