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ARTICLE OF ASSOCIATION
OF
ZHEJIANG HUAYOU COBALT CO., LTD.

CHAPTER I GENERAL PROVISIONS

Article 1 ,)
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Article 2 :)
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The Company is a company limited by shares with foreign investment established upon the approval by the Ministry of) 6 8) by way of overall restructuring in 2008, which was registered with Zhejiang Provincial Administration for Market Regulation with ; 9)) 913300007368873961.

Article 3 5 0)) 9 8
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RIN :) 浙江华友钴业股份有限公司

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Article 5 :) 4 8 6 // :
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Article 6 :) 8 3 (□

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

Article 8 :))

Article 9 :)

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Article 10 ; ' '

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RMB For the purpose of the Articles of Association, other senior management refers to deputy general managers (which is called) , the secretary to the Board, the chief financial officer in the Company, similarly hereinafter) of the Company, etc.

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CHAPTER II OBJECTIVES AND SCOPE OF BUSINESS

RMB :) With focus on the development of new energy lithium-ion battery material industry and supported by scientific and technological innovation, the Company is committed to creating a new energy lithium-ion battery industrial ecology from cobalt and nickel mineral resources extraction, green refining and processing, manufacturing of ternary precursors and cathode materials, to resources recycling. Under the development mode of industrial agglomeration, enterprise clusters, industrial parks and integration, the Company will fully implement the strategy of Two new areas and Three trends , maintaining its global leading position in the cobalt new material industry and to become a leader in the new energy lithium-ion battery material industry.

The Company adheres to customer-centricity and creating value for customers, providing a platform for employees, and bringing returns to shareholders. The Company practices the development concept of carbon neutrality, develops resources, serves the society and takes social responsibility on its own initiative. The Company is making continuous contributions to the adjustment of the global energy structure and the improvement of human settlement ecological environment.

Article 14 As registered according to the) R&D, production and sales: cobalt, nickel, copper oxides; cobalt, nickel, copper salts; cobalt, nickel, copper metals and products; cobalt powder, nickel powder, copper powder, cobalt hydroxide, lithium cobalt oxide, ammonium chloride; import and import commission agents of metal mineral products and crude products; import and import commission agents of production equipment. (the above-mentioned commodities involving quotas, licenses and special regulations shall be handled in accordance with the relevant provisions of the State), and the business of contracting overseas projects (For the details of its scope, please refer to the Qualification Certificate for Contracting Overseas Projects 6 8)).

The scope of business of the Company shall be such items as approved by the relevant registration authority responsible for the Company.

CHAPTER III SHARES

Section 1 Issuance of Shares

Article 15 The Company shall have ordinary shares at all times. The Company may create other classes of shares as required subject to approval of the competent authorities under the State Council.

The shares of the Company shall be in the form of share certificates.

Article 16 The shares of the Company shall be issued under the principles of openness, fairness and impartiality, and each of the shares of the same class shall carry the same rights.

Each of the same class of shares in the same issue shall carry the same issue terms and price, and entities or individuals shall pay the same price for each of the shares subscribed for by them.

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

Article 17 The Company may issue shares or GDRs to domestic investors and foreign investors subject to approval by the securities regulatory authority under the State Council.

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investors from foreign countries or from Hong Kong, Macao or Taiwan that subscribe for the shares or GDRs)
inside the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company or GDRs under the overseas investment regulations of the state.

Article 18 The shares issued domestically and the additional domestic shares represented by GDRs issued overseas by the Company shall be deposited in Shanghai Branch of China Securities Depository and Clearing Corporation Limited in a centralized way.

Article 19

		shares subscribed for QJ N	**the total share capital (%)**
1.	GREAT MOUNTAIN ENTERPRISE PTE. LTD.	18,036.0000	50.10
2.	Tongxiang Huayou Investment Co., Ltd.	10,508.4000	29.19
3.	China-Belgium Direct Equity Investment Fund	1,440.0000	4.00
4.	Zhejiang Jinqiao Venture Capital Co., Ltd.	1,440.0000	4.00
5.	Tongxiang Huaxin Investment Co., Ltd.	1,436.4000	3.99
6.	Shangshi Investment (Shanghai) Co., Ltd.	900.0000	2.50
7.	Shenzhen Fortune Caixin Venture Capital Management Co., Ltd.	817.2000	2.27
8.	Zhejiang Venture Capital Co., Ltd.	720.0000	2.00
9.	Shenzhen Fortune Venture Capital Co., Ltd.	442.8000	1.23
10.	Tongxiang Jinhua Trading Co., Ltd.	259.2000	0.72
Total		36,000.0000	100.00

Article 20 The total shares of the Company are □ and the shareholding structure of the Company is □ ordinary shares, of which A shareholders hold shares, representing 94.15%; and foreign investors hold 100,000,000 underlying A shares represented by GDRs) representing 5.85%.

Section 2 Increase, Reduction and Repurchase of Shares

Article 21 Based on its operational and development needs, the Company may increase capital in the following means in accordance with the provisions of laws and regulations upon

(I) public offering of shares;

(II) non-public offering of shares;

(III) placement of shares to existing shareholders;

(IV) distribution of bonus shares to existing shareholders;

(V) conversion of capital reserve into share capital;

(VI) other means permitted by laws and administrative regulations and approved by the CSRC.

If the Company is to increase its capital by an offering of new shares, it shall do so by the procedure provided for in relevant laws and administrative regulations of the state after such increase has been approved in accordance with the Articles of Association.

When the Company issues convertible corporate bonds, the issuance of convertible corporate bonds, the conversion procedures and arrangement,)

under the circumstance set forth in subparagraph (III), (V) or (VI) under the first paragraph of Article 25 of the Articles of Association, it shall be resolved by more than two-thirds of the directors present at a Board meeting according to the provisions of the Articles of Association or as authorized by the .

Where the Company falls under the circumstance set forth in subparagraph (I) after repurchasing its shares in accordance with the provisions of Article 23 of the Articles of Association, it shall cancel the shares within 10 days from the date of repurchase. If the Company falls under the circumstance set forth in subparagraph (II) or (IV), it shall transfer or cancel the shares within six months. If the Company falls under the circumstance set forth in subparagraph (III), (V) or (VI), the total number of shares of the Company held by it shall not exceed 10% of the total number of shares issued by the Company, and the Company shall transfer or cancel the shares within three years.

If the Company cancels its shares repurchased, it shall carry out the registration of the change in its registered capital with the original company registration authority in accordance with the law.
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shares canceled.

Section 3 Transfer of Shares

Article 27 Subject to the laws and administrative regulations, the shares of the Company may be transferred free of any lien.

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to be traded through the agency share transfer system.

The Company shall not amend the provision in the preceding paragraph of the Articles of Association.

Article 28 The Company shall not accept its shares being held as the object of a pledge.

Article 29 The shares of the Company held by the promoters shall not be transferred within) :)
public offering of shares shall not be transferred within one year from the date on which the)

The directors, supervisors and senior management of the Company shall report the shares of the Company they held to the Company and the changes thereof, and the shares allowed to be transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company they held; the shares of the Company they held shall not be transferred within one) : -mentioned
personnel shall not transfer the shares of the Company they held within half a year after leaving the Company.

If there is any change in the shares of the Company held by the directors, supervisors and senior management due to equity distribution by the Company, the above provisions shall apply.

Article 30 If any directors, supervisors, senior management of the Company or shareholders))
securities held by them within six months after their purchase of the same, or purchase the

above-mentioned shares or securities within six months after their sale of the same, the proceeds thereof shall belong to the Company and the Board of the Company will recover such proceeds. However, such circumstance where a securities company holds more than 5% of the shares after by taking up the remaining shares not subscribed pursuant to an underwriting arrangement and other circumstances required by the securities regulatory authority of the State Council shall not be subject to the six-month restriction.

The shares or other equity securities held by the directors, supervisors, senior management and natural person shareholders referred to in the preceding paragraph shall include the shares or other equity securities held by their spouses, parents, children and held through accounts.

If the Board of the Company fails to observe the first paragraph, the shareholders shall be entitled to request the Board to enforce the same within 30 days. If the Board of the Company fails to do so within the aforesaid time limit, the shareholders are entitled to directly file a lawsuit at the)

If the Board of the Company fails to comply with the requirements set out in the first paragraph, the responsible director(s) shall assume joint and several liabilities according to the laws.

Section 4 Financial Assistance for the Purchase of Shares of the Company

Article 31 Neither the Company nor its subsidiaries shall at any time provide any financial assistance in any form to purchasers or prospective purchasers of shares of the Company. Purchasers of shares of the Company as referred to above shall include persons that directly or indirectly assume obligations as a result of purchasing shares of the Company.

Neither the Company nor its subsidiaries shall at any time provide any financial assistance in any form to the above obligors in order to reduce or release them from their obligations.

The provisions of this Article shall not apply to the circumstances described in Article 33 of the Articles of Association.

Article 32 For the purposes of this section
not be limited to financial assistance in the forms set forth below:

(I) gift;

(II) security (including the undertaking of liability or provision of property by the guarantor in order to secure the performance of the obligation by the obligor), indemnity (excluding,) !

(III) provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled before the obligations of the other party to the contract, or the change of parties to the contract, or the transfer of rights under such loan or contract;

(IV) financial assistance in any other forms if the Company is insolvent or has no net assets)

For the purposes of this section, t assuming of obligations
the assuming
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 33 The acts listed below shall not be regarded as acts prohibited under Article 31 of the Articles of Association:

(I) where the Company provides the relevant financial assistance genuinely for the benefit of the Company and the main purpose of the financial assistance is not to purchase the shares of the Company, or the financial assistance is an incidental part of some overall plan of the Company;

(II) lawful distribution of dividends in the form of) ;

(III) distribution of dividends in the form of shares;

(IV) reduction of registered capital, repurchase of shares, adjustment of the equity structure, etc. in accordance with the Articles of Association;

(V) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the provision does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the) !

(VI) the provision of money by the Company for an employee shareholding scheme (provided that the provision does not lead to a reduction in the net assets of the Company or that if)

profit; and provision of money for an employee shareholding scheme shall not be made under the circumstances expressly prohibited by law or regulations).

CHAPTER IV SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 34 :)

The share certificate of the Company shall bear the following main items:

(I) the name of the Company;

(II) the date of registration and establishment of the Company;

(III) the class of shares, par value and the number of shares it represents;

(IV) the serial number of share certificates;

(V) other matters as required by the Company Law, other laws and regulations and the stock exchange(s) where the shares or GDRs of the Company are listed.

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the securities regulatory authorities of the place(s) and the stock exchange(s) where the shares or GDRs of the Company are listed shall apply.

Article 35 Share certificates shall be signed by the chairperson of the Board. If the signatures of other senior management members of the Company are required by the stock exchange(s) where the shares of the Company are listed, the share certificates shall also be signed by such other senior management members. The share certificates shall become effective after the) : chairperson of the Board

shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part thereof.

Changes to and corrections of each part of the register of shareholders shall be carried out in accordance with the laws of its situs.

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the securities regulatory authorities of the place(s) and the stock exchange(s) where the shares or GDRs of the Company are listed shall apply.

Article 40 4

general meeting or within 5 days before the record date determined by the Company for the purpose of dividend distribution. If the securities regulatory authorities of the place(s) and the stock exchange(s) where the shares or GDRs of the Company are listed have any other provisions, such provisions shall prevail.

Article 41 Any person that challenges the register of shareholders and requests his/her name to be entered into or removed from the register of shareholders, may apply to the competent court for rectification of the register of shareholders.

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the securities regulatory authorities of the place(s) and the stock exchange(s) where the shares or GDRs of the Company are listed shall apply.

Article 42 Any shareholder who is registered in the register of shareholders or any person who requests his/9

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MEETING

Section 1 Shareholders

Article 45 The Company shall keep a register of shareholders in accordance with the voucher provided by the securities register authority. :)
persons that lawfully hold shares of the Company and whose names are entered in the register of shareholders. The shareholders enjoy rights and fulfill obligations as per the class and quantity of the shares they hold; shareholders holding the same class of shares enjoy the same rights and fulfill the same obligations.

Article 46)
dividends, undergoes liquidation and engages in other activities requiring the identification of (
equity registration date. Shareholders whose names appear on the register at the close of trading on the equity registration date shall be the shareholders enjoying relevant rights and interests.

Article 47 The shareholders of the Company shall have the following rights:

(I) to receive dividends and profit distributions in any other form in proportion to the shares they hold;

(II) shareholder(s) severally or jointly holding more than 1% of the)
may submit proposals to the Board in relation to their queries against the Independent Director or his dismissal;

(III)
meetings either in person or by proxy and exercise the corresponding voting right;

(IV) to supervise and manage, present suggestions on or make inquiries about the operations of the Company;

(V) to transfer, gift or pledge their shares in accordance with the laws, administrative regulations and the Articles of Association;

(VI) to inspect the stubs of corporate bonds, resolutions of the Board meeting, resolutions of the Supervisory Committee meetings and financial and accounting reports; and to obtain relevant information in accordance with the law and the Articles of Association, which shall include:

1. obtaining a copy of the Articles of Association of the Company after payment of a charge to cover costs;

2. being entitled, after payment of reasonable charges, to examine and copy:

(1) all parts of the register of shareholders;

(2) personal data of directors, supervisors, the president and other senior management of the Company, including:

(a) present and former names and aliases;

(b) principal address (residence);

(c) nationality;

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

(e) documents of identity and their numbers;

(3) share capital of the Company;

(4) reports showing the nominal value of, number of, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last fiscal year, and the aggregate amount paid by the Company for such shares;

;

(VII) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the shares held by them;

(VIII) for shareholders dissenting to a resolution for the merger or division of the))
their shares;

(IX) other rights stipulated by the laws, administrative regulations, departmental rules or the Articles of Association.

Article 48 If any shareholder proposes to inspect the relevant information mentioned in the preceding article or asks for information, the shareholder shall provide the Company with written documents bearing evidence of the class and number of shares held by such shareholder, and the Company shall provide the information as required by such shareholder upon

Article 49 / (
Company violates the laws or administrative regulations, the shareholders shall have the right

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Board meetings violates the laws, administrative regulations or the Articles of Association or the content of a resolution runs counter to the Articles of Association, the shareholders shall

passing the resolution.

Article 50 If any director or senior management violates the laws, administrative regulations or the Articles of Association in fulfilling their duties, thereby causing any loss to the Company, the shareholder(s) severally or jointly holding 1% or more shares of the Company for no less than 180 days continuously shall have the right to submit a written request
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Supervisory Committee violates the laws, administrative regulations or the Articles of Association in fulfilling its duties, thereby causing any loss to the Company, the shareholders
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court.

If the Supervisory Committee or the Board refuses to institute legal proceedings after receipt of the aforesaid written request from the shareholders or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent and any delay of legal proceedings may cause irreparable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute)

If any other person infringes upon the legitimate rights and interests of the Company, thereby causing any loss to the Company, the shareholders as specified in the first paragraph of

paragraphs.

Article 51 If any director or senior management violates the laws, administrative regulations or the Articles of Association, thereby damaging the interests of the shareholders, the

Article 52 The shareholders of the Company shall have the following obligations:

(I) to observe the laws, administrative regulations and the Articles of Association;

(II) to pay capital contribution as per the shares subscribed for and the method of subscription;

(III) not to withdraw shares unless in the circumstances stipulated by laws and administrative regulations;

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loss to the Company or other shareholders, the said shareholder shall be liable for compensation according to law.

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thereby seriously damaging the interests of the creditors of the Company, the said shareholder)

(V) to fulfil other obligations stipulated by the laws, administrative regulations and the Articles of Association.

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

Article 53 If any shareholder holding more than 5% voting shares of the Company pledges the said voting shares, the said shareholder shall submit a written report to the Company on the date on which the said pledge is executed.

Article 54 The controlling shareholders and de facto controllers of the Company shall not use the connected relations to the detriment of the interests of the Company; otherwise, they shall be liable for compensation for any loss caused to the Company.

The controlling shareholders and de facto controllers of the Company shall perform

fiduciary duty to the Company and general public shareholders thereof. The controlling

not damage the legitimate rights and interests of the Company and general public shareholders by such means as profit distribution, asset reorganization, external investment, fund appropriation, loan and guarantee and shall not abuse their controlling status to damage the interests of the Company and general public shareholders.

The directors, supervisors and senior management are legally obliged to safeguard the asset security of the Company. If any director or senior management assists or connives at the)

affiliates, the Board of Directors of Company will sanction the directly responsible person based on the severity of the circumstances, and will propose at a general meeting to remove from office such director who is materially accountable therefor.

Article 55 In addition to the obligations imposed by laws and administrative regulations or the listing rules of the stock exchange(s) where the shares or GDRs of the Company are listed, the controlling shareholder may not, in exercising its powers as shareholders, make decisions prejudicial to the interests of all or some of the shareholders due to the exercise of its voting rights on the issues set forth below:

(I) relieving a director or supervisor of the responsibility to act honestly in the best interest of the Company;

(II) approving that a director or supervisor (for his/her own or others the Company of its property in any way, including but not limited to any opportunities that are advantageous to the Company;

(III) approving that a director or supervisor (for his/her own or benefit) deprive other shareholders of their personal rights or interests, including but not limited to the rights to distributions and voting rights, but excluding a restructuring of the Company submitted to the general meeting for adoption in accordance with the Articles of Association.

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Article 56 :)

and shall exercise the following functions and powers according to the laws:

(I)) !

(II) to elect and replace directors and supervisors who are not employee representatives, and determine the remunerations of directors and supervisors;

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

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

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(VI))

plan;

(VII) to resolve on increase or decrease of the registered capital of the Company;

(VIII) to resolve on issuance of corporate bonds;

(IX)

extraordinary general meeting within two months from the date of the occurrence of the circumstance:

(I) when the number of directors falls short of the number specified in the Company Law or is less than two thirds (namely five directors) of the number specified in the Articles of Association;

(II) when the unrecovered losses of the Company amount to one third of the total paid-up share capital;

(III) when shareholders severally or jointly holding more than 10% shares of the Company request in writing to hold such meeting;

(IV) when the Board deems it necessary;

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

(VI) other circumstances as stipulated in the laws, administrative regulations, departmental rules or the Articles of Association.

Article 60 :)

domicile of the Company.

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Article 63 The Supervisory Committee shall have the right to propose to the Board to hold an extraordinary general meeting, and shall put forward such proposal to the Board in writing. The Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether it agrees to hold such an extraordinary general meeting within 10 days after receipt of the proposal.

If the Board agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. Any change to the original proposal set forth in the notice shall be subject to approval by the Supervisory Committee.

If the Board does not agree to hold the extraordinary general meeting or fails to give a written reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary general meeting, and the Supervisory Committee may convene and preside over the meeting by itself.

Article 64 Shareholder(s) severally or jointly holding more than 10% shares of the Company shall have the right to request the Board to hold an extraordinary general meeting, and shall put forward such request to the Board in writing, stating the subjects to be considered at the meeting. The Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether it agrees to hold such an extraordinary general meeting within 10 days after receipt of the written request.

Where the Board agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. Any change to the original request set forth in the notice shall be subject to approval by the relevant shareholders.

If the Board does not agree to hold the extraordinary general meeting or fails to give a written reply within 10 days after receipt of the request, shareholder(s) severally or jointly holding more than 10% shares of the Company shall be entitled to propose to the Supervisory Committee to hold an extraordinary general meeting, and shall put forward such request to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

If the Supervisory Committee fails to serve the notice of shareholders' general meeting within the prescribed period, it shall be deemed as failing to convene and preside over the shareholders' general meeting. The shareholder(s) severally or jointly holding more than 10% shares of the Company for more than 90 consecutive days may convene and preside over the meeting by themselves.

Article 65 Where the Supervisory Committee or shareholders decide to convene a

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and file with the stock exchange.

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shareholding of shareholders who convene the meeting shall not be less than 10%.

The Supervisory Committee or the convening shareholders shall, upon issuing a notice of

documentation to the stock exchange.

Article 66 9
Committee or shareholders on its/their own initiative, the Board and its secretary shall offer cooperation. The Board shall provide a register of members as of the equity registration date.

Article 67 If the Supervisory Committee or shareholders itself/themselves convene a

Company. If the Supervisory Committee or shareholders itself/themselves convene a
(he expenses shall be
deducted from the amount payable by the Company to the directors committing dereliction of duty.

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Article 68 :
meeting, have definite topics and specific resolutions, and shall comply with the relevant provisions of the laws, administrative regulations and the Articles of Association.

Article 69) (
Supervisory Committee, and shareholder(s) severally or jointly holding more than 3% shares of the Company shall have the right to make proposals to the Company.

Shareholder(s) severally or jointly holding more than 3% shares of the Company may

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general meeting within two days after receipt of the proposals and announce the contents of the provisional proposals.

Save as specified in the preceding paragraph, the convener shall not change the proposals

notice is served.

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Article 68 ' '
general meeting.

Article 70 The convener shall send notice to all shareholders 20 days prior to the date of the shareholders' annual general meeting and 15 days prior to the date of the extraordinary general meeting.

When calculating the starting date, the date of the meeting shall be excluded.

No extraordinary general meeting shall resolve matters not stipulated in its notice.

Article 71 : :

(I) be made in writing;

(II) specify the time, place and period of the meeting;

(III) state the matters and proposals submitted to the meeting for consideration;

(IV) provide to the shareholders the information and explanations necessary to make informed decisions on the matters to be discussed, which include but not limited to, when the Company proposes a merger, repurchase of shares, restructuring of share capital or other reorganization, the specific conditions and contract (if any) of the transaction contemplated and earnest explanation of the cause and effect of the transaction;

(V) contain a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, president or other senior management in any matter to be discussed; and an explanation of the difference, if any, between the way in which the matter to be discussed would affect such director, supervisor, president or other senior management in his/her capacity as shareholder and the way in which such matter would affect other shareholders of the same class;

(VI) contain the full text of any special resolution proposed to be approved at the meeting;

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meeting and appoint proxies in writing to attend and vote at such meeting and that such proxies need not to be shareholders of the Company;

(VIII) state the time and place for serving the power of attorney appointing the proxy at the meeting;

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meeting;

(X) name and telephone number of the permanent contact person of the meeting;

(XI) the voting time and voting procedure over network or of other means.

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and completely disclose the specific contents of all proposals. Where the opinions of an independent director are required on the matters to be discussed, such opinions and reasons

meetings are served.

The interval between the equity registration date and the convening date of the : equity registration date shall not be changed once confirmed.

Article 72 If the election of directors or supervisors is proposed to be discussed at a detailed information of the candidates for directors or supervisors, which information shall at least include:

(I) personal particulars, including educational background, work experience, and part-time jobs;

(II) whether one has any connected relations with the Company, its controlling shareholders and de facto controllers;

(III) the number of shares of the Company one holds;

(IV) whether one has been subject to penalties by the CSRC and any other relevant authority or the reprimand of the stock exchange;

Unless a director or supervisor is elected via the cumulative voting system, each candidate

for director or supervisor shall be proposed via a single proposal.

Article 73 '

shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement and give the reasons therefore at least two workdays prior to the date on which the meeting is originally scheduled.

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Article 74 The Board of the Company or any other convener shall take necessary measures

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or infringing upon the legitimate rights and interests of shareholders, and shall report such act to the relevant authority for investigation and treatment.

Article 75 All shareholders or their proxies in the register of members on the equity

voting rights according to relevant laws, regulations and the Articles of Association. Any

in person and may appoint one or more persons (who need not be shareholders) as his/her proxies to attend and vote on his/her behalf. Such proxy may exercise the following rights in accordance with his/her appointment by the shareholder:

/ general meeting;

(II) the right to demand or join in the demand for a ballot;

(III) the right to vote by show of hands or by ballot, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by ballot.

Article 76 '

shall present his/her identity card or other valid identity certificates or share account card; a

(III) directive to vote for or against or abstain from voting on each and every matter under !

(IV) the date of issue and validity period of the power of attorney;

(V) signature (or seal) of the principal.

If the principal is a corporate shareholder, the corporate seal shall be affixed.

Any power of attorney issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted on in connection with each topic of the meeting.

Article 78 A power of attorney shall state clearly that the proxy shall be entitled to vote at his discretion in the absence of specific instructions from the shareholder.

Article 79 The power of attorney appointing a voting proxy shall be deposited at the domicile of the Company or at such other place as specified in the notice of the meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time of the vote. If the power of attorney is signed by other personnel authorized by consignor, the power of attorney or other authorization documents authorizing the execution of the power of attorney shall be notarized. The notarized power of attorney or other authorization document, together with the power of attorney appointing the proxy, shall be placed at the domicile of the Company or other location specified in the notice convening the meeting.

Where the principal is a legal person, its legal representative or a person authorized by the Board or other decision-making body shall attend the general meeting of the Company.

Article 80 A vote made by the proxy in accordance with the terms of a power of attorney shall be valid notwithstanding the previous death or loss of capacity of the principal or revocation of the power of attorney or of the authorization under which power of attorney was executed, or the transfer of relevant shares, as long as the Company has not received written notice of the event before the relevant meeting commenced.

Article 81 ') :

state the names (or names of the corporations), identification card number and the address of the attendees, the number of voting shares held or represented, names of the principals (or names of the corporations) and so on.

Article 82 The convener and the lawyer appointed by the Company shall jointly verify the validity of the

the securities registration and clearing organization, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total number of their voting shares.

Article 83 ' (

general meetings of the Company, and the president and other senior management shall be present at the meetings.

Article 84 9 convened by the Board. If a

general meeting is convened by the Board, the chairperson of the Board shall serve as the chairperson of and preside over the meeting. Where the chairperson cannot or does not fulfil the duty thereof, the vice chairperson shall serve as the chairperson of and preside over the meeting; where the vice chairperson cannot or does not fulfil the duty thereof, more than half of the directors may jointly elect a director to serve as the chairperson of and preside over the meeting.

The chairperson of the Supervisory Committee shall serve as the chairperson of and preside over the 9)
Where the chairperson of the Supervisory Committee cannot or does not fulfil the duty thereof, more than half of the supervisors may jointly elect a supervisor to serve as the chairperson of and preside over the meeting.

A representative elected by the convener shall serve as the chairperson of and preside over the

If, for any reason, the conveners are unable to elect a representative to serve as the chairperson of and preside over the meeting, the shareholder (including his/her proxy) who holds the greatest number of voting shares among the conveners shall serve as the chairperson of the meeting.

violates the Articles of Association or the rules of procedure
meetings of the Company

chairperson of the meeting, subject to the approval of more than half of the shareholders having the voting rights who are present at the meeting.

Article 85 :)

covering notification, registration, consideration of proposal, voting, counting of votes, announcement of voting result, formation of resolution, meeting minutes and signing thereof and
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' ' (
general meeting.

Article 86 The Board and the Supervisory Committee shall report their work in the preceding year at the shareholders' annual general meeting. Every independent director shall also make his work report.

Article 87 Directors, supervisors and senior management shall make explanations in

Article 88 The presider shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of their voting shares, and the number of attending shareholders and their proxies and the total number of their voting shares

Article 89 Minutes of a general meeting shall be kept by the secretary to the Board. The minutes of the meeting shall specify:

general meeting:

(I) !

(II) work reports of the Board and the Supervisory Committee;

(III) the profit distribution plan and loss recovery plan proposed by the Board;

(IV) appointment and dismissal of the members of the Board and the Supervisory Committee, their remunerations and the method of payment thereof;

(V) balance sheets, income statements and other financial statements;

(VI) !

(VII) other matters than those that should be passed by special resolutions pursuant to laws, administrative regulations or the Articles of Association.

Article 95 :
general meeting:

(I) increase or decrease of the registered capital and issuance of any class of shares, warrants or other similar securities by the Company;

(II) issuance of corporate bonds;

(III) division, spin-off, merger, dissolution and liquidation form of the Company;

(IV) amendment to the Articles of Association;

) guarantee within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company;

(VI) equity incentive plans;

(VII) any other matter specified in the laws, administrative regulations or the Articles of
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may have material impact on the Company and accordingly shall be approved by special resolutions.

Article 96 Shareholders (including proxies thereof) shall exercise their voting rights as per the voting shares they represent. Each share carries the right to one vote.

Votes for medium and small investors shall be separately counted when any material :
counting results shall be disclosed timely and publicly.

The Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the

If a shareholder purchases any voting shares of the Company in violation of paragraphs 1 and 2 of article 63 of the Securities Laws, voting rights of the shares exceeding the prescribed percentage shall not be exercisable within 36 months after the purchase, and such shares shall

The Board, independent directors, shareholders of the Company holding more than 1% of the total voting shares of the Company or investor protection corporation established in

1. Nomination by the Board of the Company;

2. The number of candidates nominated by shareholders who individually or jointly hold more than 3% of the total voting shares of the Company shall not exceed the number of directors to be elected or changed.

(II) The Company may appoint independent directors according to the resolution of the

the following methods:

1. Nomination by the Board of the Company;

2. Nomination by the Supervisory Committee of the Company;

3. The number of candidates nominated by shareholders who individually or jointly hold more than 1% of the issued shares of the Company shall not exceed the number of independent directors to be elected or changed.

The nominator shall not nominate individuals who have interested relationship with it or other closely-

supervisors to be elected, and a shareholder may concentrate his voting rights. The Board shall make public to the shareholders the resume and general information of the candidates for directors and supervisors.

The nomination and election of directors or supervisors shall adopt the cumulative 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 101 Save under the cumulative voting system, the general meeting shall resolve on all the proposals separately; in the event of several proposals for the same matter, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is terminated or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general meeting.

Article 102 No amendment shall be made to a proposal when it is considered at a

Article 103 The same voting right can only be exercised in only one form: onsite, over the network, or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

Article 104 When a ballot is held, shareholders (including proxies) having the right to two or more votes need not use all of their voting rights in the same way, unless otherwise specified in the laws, administrative regulations and the listing rules of the stock exchange(s) where the shares or GDRs of the Company are listed.

Article 105 , however, subject to the requirements of laws, administrative regulations and the listing rules of the stock exchange(s) where the shares or GDRs of the Company are listed, the chairperson of the meeting may, in accordance with the principle of good faith, decide resolutions procedural or administrative matters to be voted on by a show of hands.

Article 106 (

any shareholder has interested relations with any matter considered, the said shareholder and proxy thereof shall not participate in counting and monitoring of votes.

counting and monitoring of the votes and shall announce the voting results on the spot, which shall be recorded in the meeting minutes.

Corporate shareholders or proxies of the listed company voting over the network or other means shall have the right to check their voting results via the corresponding voting system.

Article 107

Article 113 Where a proposal on cash dividends, bonus shares or increase of equity capital

Company shall implement the specific scheme within two months after conclusion of the

CHAPTER VI BOARD OF DIRECTORS

Section 1 Directors

Article 114 Where a director is a natural person, he/she shall not act as a director of the Company in one of the following circumstances:

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

(II) a person who has been punished for committing an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging socialist economic order or who has been deprived of his/her political rights due to any crime, in each case where less than five years have elapsed since the date of the end of such punishment or deprivation;

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

(IV) a person who is a former legal representative of a company or enterprise, which had its business license revoked and was ordered to close down due to a violation of laws and who incurred personal liability, where less than three years have elapsed since the date of the revocation of the business license;

(V) a person who has a substantial amount of debts due and outstanding;

(VI) a person who was investigated by judicial offices for violation of criminal law and the lawsuit is not settled yet;

(VII) a person who cannot serve as corporate leaders according to laws and administrative regulations;

(VIII) a person who has been convicted by the competent authority for violation of securities regulations and acting fraudulently or dishonestly, where less than five years have elapsed since the date of conviction;

(IX) a person under a penalty of prohibited access to the securities market imposed by the CSRC, which penalty is still effective;

(X) other contents as prescribed by laws, administrative regulations or departmental rules.

Where the Company elects and appoints its directors in violation of the provisions of this Article, such election, appointment or engagement shall be invalid. Where, during his/her term of office, a director is found to be a person as specified in the circumstances herein, the Company

other persons by exploiting his/her official functions, or run the same or similar businesses as those of the Company for himself/her or for others, without the consent of the general meeting;

(VII) not to accept commissions arising from transactions with the Company and appropriate to himself/herself;

(VIII)) !

(IX) not to abuse his/her connections with the Company to jeopardize the interests of the Company;

(X) other obligation of fidelity provided by laws, administrative regulations, departmental rules and the Articles of Association.

The income incurred in violation of this Article shall be accounted to the Company; for any loss caused to the Company, he/she shall be liable for compensation.

Article 117 Directors shall abide by laws and regulations and the Articles of Association and perform the following duties of diligence:

(I) to exercise the powers authorized by the Company in a prudent, careful and diligent way so as to ensure that the commercial activities of the Company are in compliance with PRC laws and regulations and economic policies, and that the business activities do not exceed the business scope of the Company as registered in the business license;

(II) to treat all shareholders equally;

(III) to seek to know the operation of the business and administration of the Company in time;

(IV) to issue in writing opinions of confirmation to the periodic reports of the Company so as to ensure that the information disclosed by the Company are true, accurate and complete;

(V) to provide information and documents according to the facts to the Supervisory Committee and not to hinder the exercise of responsibilities by the Supervisory Committee or supervisors;

(VI) other duties of diligence as prescribed by laws, administrative regulations, departmental) ' '

Article 118 A director shall be deemed to be unable to carry out his/her duties if he/she fails to attend two consecutive Board meetings in person and fails to appoint an alternate director to attend Board meetings on his/her behalf. The Board shall propose at the shareholders' general meeting for the removal of such director.

Article 119 A director may resign prior to the expiration of his/her term of office. If a director resigns from his/her office, he/she shall submit a written notice of his/her resignation to the Board. The Board shall make a disclosure related thereto within two days.

Where the number of members of the Board falls below the quorum due to the resignation of any director, the original director shall, before the newly-elected director assumes his post, carry out duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

Except for the circumstances specified in the preceding paragraph, the resignation of a director shall become effective when the resignation report is delivered to the Board.

Article 120 If resignation of a director takes effect or if his/her term of office expires, the said director shall go through all handover formalities with the Board. His/her honesty obligation to the Company and shareholders thereof shall not terminate automatically after the effective date of his/her resignation and at the end of his/her term of office, but the duty of confidentiality it owes to the Company's trade secrets (including core technologies, etc.) shall remain in effect until such trade secrets become public information. Such directors shall not use the core technology of the company to engage in the same or similar business as the company. The duration of the other obligations shall not be less than 2 years.

Article 121 Except as required by the Articles of Association or except as lawfully authorized by the Board, any director shall not purport to represent the Company or the Board in his/her own name. When a director acts in his/her own name and a third party reasonably considers such director acts on behalf of the Company or the Board, such director shall declare in advance his/her position and capacity.

Article 122 The director shall be liable for the compensation to the Company for losses caused should he/she violates laws, administrative regulations, departmental rules or the Articles of Association when performing the duties.

Article 123 The independent directors shall perform their responsibilities in accordance with laws, administrative regulations and relevant requirements of the departmental rules.

Section 2 Board of Directors

Article 124 The Company shall set up a Board, which shall be responsible to the general meeting.

Article 125 The Board shall be composed of seven directors (including three independent directors), all of whom are elected at the general meeting.

Article 126 The Board shall exercise the following functions and powers:

(I) to convene general meetings and to report on its work at the general meetings;

(II) to implement resolutions of the general meetings;

(III) to decide on the business plans and investment proposals of the Company;

(IV) to prepare the annual budget and final accounts of the Company;

(V) to prepare proposals for profit distribution and for making up accrued losses of the Company;

(VI) to prepare proposals for the increase or reduction of share capital, the issue of bonds or other securities and listing;

(VII))
demerger, dissolution, or change in the form of the Company;

(VIII) within the scope of authorization by the general meeting, to make decisions on external investments, assets purchase or sales, assets pledges, external guarantees, entrusted wealth management, related party transactions, donations etc.;

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

(X) to decide on the appointment or dismissal of the president, the secretary to the Board and other senior management of the Company and to determine matters relating to their remuneration, rewards and penalties, and at the recommendation of the president, to decide on the appointment or dismissal of a vice president, finance director and other senior management of the Company and to determine matters relating to their remuneration, rewards and penalties;

(XI) to formulate the basic management regulations of the Company;

(XII) to prepare proposals for the amendment to the Articles of Association;

(XIII) to manage disclosure of information concerning the Company;

(XIV) to propose to the general meeting for the engagement or change of auditors of the Company;

(XV) to receive reports and examine the work of the president of the Company;

(XVI) such other duties and functions as authorized by the laws, administrative regulations, departmental rules or the Articles of Association.

Resolutions of the Board referred to in the preceding paragraph, with the exception of items (VI), (VII) and (XII) above which shall be approved by more than two thirds of the directors, shall be approved by more than half of the directors.

Matters beyond the scope of authorization of the general meeting shall be submitted to the general meeting for consideration. The statutory functions and powers of the Board shall not be exercised by the chairman of the Board or the president.

The Board shall set up the audit committee, and shall set up the strategy committee, the nomination committee, and the remuneration and assessment committee and other special committees as required. These special committees shall be responsible to the Board, fulfill duties according to the Articles of Association and the authorization of the Board, and their proposals shall be submitted to the Board for deliberation. Members of special committees are all directors. In the audit committee, the nomination committee and the remuneration and assessment committee, independent directors shall take the majority and assume the role of convener. The convener of the audit committee shall be an accountant professional. The Board is responsible for establishing the working procedures of the special committees to regulate their operations.

Article 127 The Board shall set up a special meeting for independent directors. The special meeting of independent directors shall be convened and presided over by an independent director jointly elected by more than half of the independent directors. When the convener fails or is unable to perform his/her duties, two or more independent directors may convene and elect a representative to preside over the meeting. The following matters shall be subject to the deliberation of the special meeting of independent directors:

(I) to independently hire an intermediary to audit, consult, or verify specific matters of the Company;

(II) to propose to the Board to convene an extraordinary shareholders' meeting;

(III) to propose to convene a Board meeting;

(IV) related-party transactions that should be disclosed;

(V) plans for the Company or related parties to change or waive commitments;

(VI) the decisions and measures taken by the Board in response to the acquisition of the Company;

(VII) other matters stipulated by laws, administrative regulations, rules, and the Articles of Association.

Article 128 The Board shall explain to the general meeting the nonstandard auditing)

Article 129 The Board shall formulate rules of procedures of the Board, to ensure the implementation of the resolutions made at general meetings, improve the working efficiency and ensure scientific decisions-making process.

Article 130 The Board shall determine the scope of authority in respect of external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted wealth management, related party transactions and donations. It shall establish strict inspection and decision-making procedures. For major investment projects, the Board shall organize the relevant experts and professional to conduct assessment for approval of the shareholders at a shareholders' general meeting.

According to the relevant laws and regulations and the actual situation of the Company, the Board shall have the authority to consider the following transactions:

(I) the total assets which are the subject of the transaction account for more than 10% but less than 50% of the latest audited total assets of the Company. If there are both book value and assessed value for the assets which are the subject of the transaction, the higher figure shall be used as the basis of calculation;

(II) the net assets which are the subject of the subject matter of the transaction (such as equity interest) account for more than 10% of the latest audited net assets of the Company, with the absolute amount exceeding RMB10 million. If there are both book value and assessed value for the net assets which are the subject of the transaction, the higher figure shall be used as the basis of calculation;

(III) the operating income related to the subject matter of the transaction (such as equity interest) for the most recent financial year accounts for more than 10% of the audited operating income of the Company for the same period, with the absolute amount of such operating income exceeding RMB10 million;

(IV) the net profit related to the subject matter of the transaction (such as equity interest) for the most recent financial year accounts for 10% of the audited net profit of the Company for the same period, with the absolute amount of such net profit exceeding RMB1 million;

(V) the transaction amount (including the debt and expenses incurred) accounts for more)
exceeding RMB10 million;

(VI) the profit derived from the transaction accounts for more than 10% of the audited net profit of the Company for the most recent financial year, with the absolute amount of such profit exceeding RMB1 million;

(VII) consideration and approval of the related transaction to be entered into between the Company and related natural persons in the amount of RMB0.3 million or above (except for

related guarantees); and consideration and approval of the related transaction entered into between the Company and related legal persons in the amount of RMB3 million or above and accounting for more than 0.5% of the absolute amount of the latest audited net assets of the Company (except for related guarantees);

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the Board is unable to perform his/her duties or he/she does not perform his/her duties, the vice chairperson shall perform the duties. Where the vice chairperson is unable to perform his/her duties or he/she does not perform his/her duties, a director nominated by half or more of the directors shall perform the duties.

Article 135 Meeting of the Board shall be held at least twice a year and be convened by the chairperson. A notice shall be given to all directors and supervisors 14 days before the date of the meeting.

Article 136 A special meeting of the Board may be convened upon requisition by either shareholder holding 10% or more of voting shares, or one-third or more of the directors, or half or more of the independent directors or the Supervisory Committee. The chairperson shall convene and hold the meeting of the Board within 10 days after receiving the requisition.

Article 137 The notification for an extraordinary Board meeting shall be delivered by mail, fax, telephone, e-mail and other ways; the notice period is five days prior to the convening day of the meeting; and be served at any time in oral form, telephone, or otherwise in the event of emergencies.

Article 138 The notification of a Board meeting shall include following items:

(I) the date and venue of the meeting;

(II) the duration of the meeting;

(III) the matters and meeting agenda;

(IV) the date of delivery of the notification.

Article 139 Board meeting shall be held only when more than half of the directors attend the : (

A director shall have one vote when voting on a resolution of the Board.

Article 140 When the directors have connected relationship with the enterprise involved in the resolution to be passed at the Board meeting, he/she shall not vote in respect of such resolution, nor shall vote on behalf of other directors. Such Board meeting shall be held in the attendance of more than half of the directors without connected relationship. All resolutions to be passed at the Board meeting shall be passed by more than half of the directors without connected relationship. If number of the directors without connected relationship attending the meeting is less than 3, such matter shall be resolved at the general meeting.

Article 141 The voting method for the resolutions of the Board shall be by show of hands.

Provided that the directors can fully express their opinions at the extraordinary Board meetings, such meetings can be held by means of fax and resolutions could be passed thereof which shall be signed by the directors who attended the meeting.

Article 142 Directors shall attend Board meetings in person. Any director who is unable to attend the meeting for any reason may appoint in writing another director to attend the meeting on :

of authorization and term of the commission. The signature or seal of the director concerned shall be affixed on the proxy form. The appointed representative shall exercise the rights of a director within the scope of his/her authorisation. If a director fails to attend a Board meeting and has not

appointed a representative to attend on his/her behalf, he/she shall be deemed to have waived his/her right to vote at that meeting.

Article 143 The Board shall keep minutes of resolutions on matters discussed at relevant meetings. The minutes shall be signed by the directors and the recorder present at such meetings. The directors shall be liable for the resolutions of the Board. If a resolution of the Board is in violation of laws, administrative regulations or the Articles of Association, thereby causing the Company to sustain a material loss, the directors who took part in the resolution shall be liable to the Company for damages. However, if a director is proved to have expressed his/her opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, such director may be released from such liability.

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and above.

Article 144 The minutes of the Board meetings shall include the following:

(I) the date, place and name of convener of the meeting;

(II) the names of the directors present and the directors (proxies) entrusted by others to attend the Board meeting;

(III) the agenda of the meeting;

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(V) the method of voting and result of each resolution (the voting results shall indicate the number of votes for, against or abstaining from a resolution).

Section 3 Secretary to the Board

Article 145 The Board shall appoint a secretary to the Board. The secretary to the Board is a senior manager of the Company and shall be accountable to the Company and the Board.

Article 146 The secretary to the) (
knowledge in terms of finance, management and law, possess good professional ethics and personal quality. Any of the following persons shall not serve as a secretary to the Board:

(I) any circumstance as provided in article 146 of the Company Law;

(II) having been subject to the administrative punishment of China Securities Regulatory Commission in the recent year years;

(III) Having been publicly censured or criticized by circulating a notice of criticism for more than three (3) times by a stock exchange in the recent three years;

(IV) Currently serving as supervisor of the Company;

(V) was banned from market entry by the China Securities Regulatory Committee and still in the period of banning;

(VI) has been publicly declared by any stock exchange to be unsuitable for serving as the secretary to the Board of any listed company;

(VII) Other circumstances that are inappropriate to take the post of secretary to the Board as stipulated by laws, regulations or the Articles of Association.

Article 147 The primary duties of the secretary to the Board are:

(I) to be responsible for the communication and liaison between the Company and the related parties and the stock exchange and other competent authorities, to prepare and submit required reports and documents to relevant authorities;

(II) to be responsible for dealing with the disclosure of corporate information, to urge the Company to develop and implement a system of information disclosure and an internal reporting system of material information in order to facilitate the Company and the related parties in carrying out their information disclosure obligations according to the relevant laws, and handle disclosure of the regular reports and the extraordinary reports to the stock exchange in accordance with the relevant requirements;

(III) to coordinate and manage the relationship between the Company and its investors, to

to information disclosed by the Company;

(IV) to prepare general meetings and Board meetings in accordance with the legal procedures, and to prepare and submit the documents and materials for the relevant meetings, and to ensure that the Company has maintained a complete set of constitutional documents and records;

(V) to participate in Board meetings and produce and sign minutes of meeting;

(VI) to be responsible for the confidentiality of corporate information in relation to disclosure, to draw up relevant confidentiality measures, to procure the directors, supervisors, the president and other senior management and other personnel in the know to keep information in confidentiality prior to its disclosure, and to take timely remedial measures upon leaks of insider information and to report the same to the Shanghai Stock Exchange and other securities regulatory bodies;

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as the information about the holding of shares in the Company by the major shareholders, directors, supervisors, the president and other senior management, and the documents and minutes of general meetings and Board meetings and so on, and to ensure that persons who are entitled to access the relevant records and documents of the Company can access such records and documents in a timely manner;

(VIII) to assist the directors, supervisors, the president and other senior management to understand the laws, regulations in relation to information disclosure, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association and their legal responsibilities under the listing agreement;

(IX) to procure the Board to exercise their duties and powers in accordance with the laws; to alert directors of any potential violation of the laws, regulations, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association that a board resolution intended to be made at a meeting of the Board may cause, and to seek the views of the attending supervisors in this respect; if the aforesaid resolution is insisted upon by the Board, the secretary to the Board shall record the views of supervisors and individuals in the minutes, and report to the Shanghai Stock Exchange at the same time;

(X) to discharge such other duties as provided by the laws, regulations and the Articles of

Association or as required by the Shanghai Stock Exchange.

Article 148 Directors or senior management staff of the Company may serve concurrently as secretary to the Board. The certified public accountants from the accounting agencies and the lawyers from the law firms appointed by the Company may not serve concurrently as Secretary to the Board.

Article 149 The secretory of the Board shall be nominated by the chairman of the Board and appointed or removed by the Board. Removal decision made to the secretary to the Board by the Board shall be adequate and reasonable, and any removal without any reason is prohibited.

The Company shall file the required materials with the Shanghai Stock Exchange in five transaction days before convening a Board meeting for the appointment of the secretary to the Board. If the Shanghai Stock Exchange does not raise any objection to the qualification of candidates for the secretary to the Board, the Company may convene a Board meeting for appointing the secretary to the Board.

When the secretary to the Board is dismissed or resigns, the Board shall promptly report to the Shanghai Stock Exchange to state the reasons and make an announcement. The secretary to the Board shall have the right to submit a personal statement report to the Shanghai Stock Exchange regarding the circumstances in relation to the improper dismissal or resignation.

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

CHAPTER VII PRESIDENT AND OTHER SENIOR MANAGEMENT

Article 150 The Company shall have 1 president, 9 vice presidents, 1 finance director and 1 secretary to the Board, who shall be appointed and dismissed by the Board.

:) president, vice presidents, finance director, secretary to the Board are the)

Article 151 Provisions of Article 114 of the Articles of Association regarding the disqualified directors shall also apply to senior management.

Provisions of Article 116 of the Articles of Association regarding the duties of loyalty and (IV) ~ (VI) of Article 117 regarding the duties of diligence of directors shall also apply to senior management.

Article 152 Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company, de facto controllers, shall not serve as a senior management of the Company.

The senior executives only receive remuneration in the Company, not paid by the controlling shareholders, de facto controllers, on their behalf.

Article 153 The term of office of the president shall be three years, renewable upon reappointment.

Article 154 The president shall be accountable to the Board and shall exercise the following functions and powers:

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implementation of the resolutions of the Board and report on work to the Board;

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proposals;

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(V) to formulate specific rules and regulations for the Company;

(VI) to propose the appointment or dismissal of vice presidents and the finance director by the Board;

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

(VIII) other functions and powers conferred by the Articles of Association or the Board.

The president shall attend Board meetings. If the president is not a director, he/she shall not have the right to vote at Board meetings.

Article 155 The president shall formulate working rules of the president, and shall be implemented after being approved by the Board.

Article 156 The president

(I) specifying conditions, procedures and participants of the president !

(II) responsibilities and work allocation of the president and other senior management of the Company;

(III) use of funds and assets of the Company, scope of authorization to enter into material contracts and reporting policies regarding the Board and the Supervisory Committee;

(IV) other matters which the Board deems necessary.

Article 157 The president may resign before expiry of his/her term of office. The specific procedures and methods for the resignation of the president shall be specified in the employment contract concluded by the president and the Company.

Article 158 The Company may appoint vice presidents according to its operation and management needs. The vice presidents shall be nominated by the president, appointed and dismissed by the Board.

The vice presidents of the Company shall be responsible to the president, perform their duties with the authority granted by the president, and assist the president in his/her work.

Article 159 The listed company shall have a secretary to the Board. He/she shall be
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disclosure of the Company, etc.

The secretary to the Board shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and the Articles of Association.

Article 160 If any senior management violates laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties in the Company, such senior management shall indemnify the Company against losses incurred due to such violation.

Senior management of the Company shall faithfully perform their duties and safeguard the) /)
to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the law.

CHAPTER VIII SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 161 The circumstances of disqualification for directors prescribed in Article 114 hereof shall also apply to supervisors.

The directors, the president and other senior management shall not act concurrently as supervisors.

Article 162 The supervisors shall observe laws, administrative regulations and the Articles of Association. They shall shoulder the duties of loyalty and due diligence to the Company, and shall not accept any bribery or other illegal income by using his/her powers and position, or seize the assets of the Company.

Article 163 Each supervisor shall serve for a term of three years, which term is renewable upon reelection upon expiry.

Article 164 Where the tenure of supervisors expires and re-election has not yet been made in a timely manner, or where a supervisor resigns during his/her tenure resulting in the number of supervisors falls below the necessary quorum of meeting of the Supervisory Committee, the original supervisors shall (before the re-election of the new supervisors) continue to perform their duties as supervisors pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Article 165 A supervisor shall ensure that information disclosed by the Company is true, accurate and complete and he/she shall sign on the periodical report with written confirmation.

Article 166 Supervisors shall attend Board meetings and may raise queries or proposals regarding matters resolved at such meetings.

Article 167 Supervisors shall not prejudice the interests of the Company by means of their connected relationship or they shall be liable for compensation for any loss caused to the Company.

Article 168 If supervisors have violated the provisions of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing their duties, which has caused losses to the Company, they shall be liable for compensation.

Section 2 Supervisory Committee

Article 169 The Company shall set up a Supervisory Committee which shall be composed of three supervisors. The Supervisory Committee shall have one chairperson. The election of the chairperson of the Supervisory Committee shall be determined by more than half of the members of the Supervisory Committee. The meetings of Supervisory Committee shall be convened and presided over by the chairperson of the Supervisory Committee. If the chairperson of the Supervisory Committee is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a supervisor jointly elected by more than half of the supervisors.

The Supervisory Committee shall include Shareholder representatives and a proper proportion of employee representatives. The proportion of employee representatives shall be two-thirds. The employee representatives of the Supervisory Committee shall be elected and removed)
meeting or otherwise democratically.

Article 170 The Supervisory Committee shall exercise the following functions and powers:

(I) reviewing and expressing its review comments in writing on securities issuance documents and periodic reports prepared by the Board;

(II) examining the financial status of the Company;

(III) monitoring the performance of duties of directors and senior management, and proposing the dismissal of directors and senior management who have violated the laws, administrative regulations and the Articles of Association or resolutions passed by the !

(IV) demanding for remedies of any damage to the legal right of the Company caused by directors and senior management;

(V) proposing the convening of extraordinary general meetings, and convening and chairing Board having failed to perform so pursuant to the Company Law;

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(VII) instituting legal proceedings against directors and senior management in accordance with Article 151 of the Company Law;

(VIII) in case of any irregularity of the Company's operation identified, making investigations and if necessary, engaging professional institutions (such as accounting or law firms) to assist in its work at the expense of the Company;

(IX) other functions and powers conferred by the laws, administrative regulations and the ' '

Article 171 Meetings of the Supervisory Committee shall be held at least once every 6 months. Supervisors may propose to hold extraordinary meetings of the Supervisory Committee.

Resolutions of the Supervisory Committee shall be passed by the affirmative votes of half or more of the supervisors.

Article 172 The Supervisory Committee shall formulate procedural rules of the Supervisory Committee, specify the method for conducting business and the voting procedures of the Supervisory Committee, so as to ensure the working efficiency and scientific decision making of the Supervisory Committee.

Article 173 The Supervisory Committee shall cause decisions made during the meeting to be produced to minutes of meetings, and supervisors present shall sign on such minutes.

A Supervisor is entitled to request the points made by him/her as expressed in his/her discussion to be recorded as representations made in the meeting. Minutes of meetings of the Supervisory Committee shall be kept in the files of the Company for at least ten years.

Article 174 A notice of meeting of the Supervisory Committee shall include the following:

(I) date and venue of meeting and duration of the meeting;

(II) matters and agenda;

(III) date of issue of the notice of the meeting.

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

Article 175 The validity of an act of a director, the president or other senior management of the Company on behalf of the Company shall not, vis-a-vis a bona fide third party, be affected by any non-compliance in his/her holding of such office, election or qualifications.

Article 176 Besides the obligations imposed by the laws, administrative regulations or the listing rules of the stock exchange(s) where the shares or GDRs of the Company are listed, the directors, supervisors, president and other senior management of the Company shall perform the following obligations on each shareholder when exercising the powers conferred on them by the Company:

(I) not to allow the Company to operate beyond the scope stated in the business license;

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

(III) not to deprive the Company of its property in any way, including but not limited to any opportunities that are advantageous to the Company;

(IV) not to deprive shareholders of their personal rights or interests, including but not limited to the rights to distributions and voting rights, but excluding a restructuring of the
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Articles of Association.

Article 177 :) president and other senior management shall have an obligation, in the exercise of their rights or discharge of their obligations, to perform their acts with due care, diligence and skill that a reasonably prudent person should exercise in comparable circumstances.

Article 178 The directors, supervisors, president and other senior management of the Company shall perform their duties in accordance with the principles of honesty and shall not put themselves in a position where their duties and their interests may conflict. These principles include but not limited to the following:

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

(II) to exercise powers within the scope of their powers;

(III) to exercise their discretion vested in them and not to allow themselves to act under the control of others and, unless and to the extent permitted by the laws or administrative regulations or with the informed consent of the
exercise their discretion;

(IV) to treat shareholders of the same class equally;

(V) not to enter into any contract, transaction or arrangement with the Company unless otherwise specified in the Articles of Association or with the informed consent of the
general meeting;

/) in any way without the informed consent of the !

(VII) not to exploit their positions to accept bribes or other illegal income or expropriate the property of the Company by any means, including but not limited to opportunities which are advantageous to the Company;

(VIII) not to accept commissions in connection with the transactions of the Company without the informed consent of the !

(IX) to abide by the Articles of Association, perform their official duties faithfully and protect the interests of the Company, and not to exploit their positions and powers in the Company for their own interests;

(X) not to compete with the Company in any way without the informed consent of the general meeting;

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(II) a trustee of such director, supervisor, the president or other senior management of the Company or of any person referred to in item (I) of this Article;

(III) a partner of such director, supervisor, the president or other senior management of the Company or of any person referred to in items (I) and (II) of this Article;

(IV) a company over which such director, supervisor, the president or other senior management of the Company, alone or jointly with any person referred to in items (I), (II) and (III) of this Article or any other director, supervisor, the president or other senior management of the Company, has de facto control;

(V) a director, a supervisor, the president or other senior management of a company being controlled as referred to in item (IV) of this Article.

Article 180 :) the president and other senior management shall not necessarily cease upon the termination of their tenure. :)
termination of their tenure. The terms for which other obligations shall continue shall be decided upon in accordance with the principle of fairness, depending on the time which has elapsed between the termination of tenure and the occurrence of the matter and the circumstances and conditions under which the relationship with the Company is terminated.

Article 181 A director, a supervisor, the president or other senior management of the Company may, with informed consent of the general meeting, be relieved of liability for a specific breach of his/her obligations, except in circumstances as specified in the Articles of Association.

Article 182 If a director, a supervisor, the president or other senior management of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement concluded or planned by the Company (excluding his/her engagement contract with the Company), he/she shall disclose the nature and extent of his/her interest to the Board at the earliest opportunity, whether or not the matter is normally subject to the approval or consent of the Board.

Unless the interested director, supervisor, the president or other senior management of the Company has disclosed such interest to the Board as required under the preceding paragraph of this Article and the matter has been approved by the Board at a meeting in which he/she was not counted in the quorum and had refrained from voting, the Company shall have the right to void the contract, transaction or arrangement, unless the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, the president or other senior management concerned.

A director, a supervisor, the president or other senior management of the Company shall be deemed to be interested in any contracts, transactions or arrangements in which a Relevant Person of that director, supervisor, the president or other senior management is interested.

Article 183 If a director, a supervisor, the president or other senior management of the Company gives a written notice to the Board before the conclusion of the contract, transaction or arrangement is first considered by the Company stating that, by reason of the contents of the notice, he/she is interested in the contract, transaction or arrangement that may subsequently be made by the Company, such director, supervisor, the president or other senior management of the Company shall be deemed for the purposes of the preceding Article of this Chapter to have

declared his/her interest, to the extent stated in the notice.

Article 184 The Company may not in any manner pay tax on behalf of its directors, supervisors, the president or other senior management, unless otherwise specified in the laws.

Article 185 The Company may not directly or indirectly provide a loan to, or loan guarantees for, its directors, supervisors, the president and other senior management or those of its parent company, or provide loans to or loan guarantees for Relevant Persons of the above-mentioned persons.

DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System

Article 192 The Company shall formulate its financial and accounting system in accordance with the laws, administrative regulations and the provisions of the relevant authorities of the state. At the end of each accounting year, the Company shall prepare a financial report which shall be examined and verified in a manner prescribed by laws.

Article 193 The Board of the Company shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations as well as normative documents promulgated by local governments and competent authorities require the Company to prepare.

Article 194 The Company shall make available its financial report at the office of the Company for inspection by its shareholders 20 days prior to the convening of the annual general meeting. Every shareholder of the Company shall have the right to obtain the financial report mentioned in this Chapter.

Article 195 The Company shall submit and disclose its annual financial report to the CSRC and the stock exchange within four months after the end of each accounting year; submit and disclose the interim financial report to the branch of the CSRC and the stock exchange within two months after the end of the first six months of each accounting year; and submit and disclose the quarterly financial reports to the stock exchange within one month after the end of the first three months and the first nine months.

The aforesaid financial reports shall be prepared in accordance with relevant laws, administrative regulations and requirements of the CSRC and the stock exchange.

Article 196 The Company will not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article 197 The Company shall withdraw 10% of the annual after-tax profits as the statutory reserve of the Company, and such withdrawal may be stopped when the statutory reserve of the Company has accumulated to over 50% of the registered capital of the Company.

If the statutory reserve of the Company is insufficient to recover the losses of the preceding year, the profits of the current year shall first be used to recover the said losses before any statutory reserve is withdrawn as per the preceding paragraph.

After statutory reserve is withdrawn out of the after-tax profits, discretionary reserve may

The after-tax profits remaining after recovery of losses and withdrawal of common reserve may be distributed to the shareholders in proportion to their shareholding percentages, except where the Articles of Association provide that the distribution shall not be made in proportion to the shares held.

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distributes profits to shareholders before recovering losses and withdrawing statutory common reserve, the profits thus distributed shall be returned to the Company.

The shares of the Company held by the Company shall not be subject to profit distribution.

Article 198 The reserve of the Company shall be used to recover the losses, enhance the operating scale or increase the capital of the Company, but the capital reserve shall not be used to recover the losses of the Company. The capital reserve shall include the following funds:

(I) the premiums obtained from the issue of shares above par;

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capital reserve.

When statutory reserve is converted into capital, the remainder of the reserve shall not be less than 25% of the registered capital of the Company before such conversion.

Article 199

expenditures (excluding fund-raising projects). Major investment plans or significant cash expenditures refer to the expected one-off or accumulated investment amount or cash expenditures exceeding RMB200 million in the next fiscal year;

(5)))

the cash dividends distributed to the shareholder to repay the funds he/she occupies.

2. Conditions for the distribution of stock dividends

The Board of the Company may distribute stock dividends based on accumulated distributable profits, capital reserves and cash flows provided that the minimum cash dividend payout ratio and an optimal share capital base and shareholding structure of the Company are maintained.

(IV) Intervals and proportion of profit distribution

The Board shall comprehensively take into account factors including the characteristics of))
model, profitability, and whether there are any significant capital expenditure arrangements, etc.,)
distribution policy according to the procedures as stipulated in the Articles of Association. The Company will, in principle, pay cash dividends annually when the conditions for cash dividends are met and subject to the compliance of the profit distribution principles and the maintenance of the long-term development of the Company. The Board of the Company may also propose the))
demands. However, the proportion of cash dividends to the profits for distribution is required to meet the following requirements:

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years shall be no less than 30% of the average annual distributable profits realized in such three years.

3. /)

arrangements, during profit distribution, the proportion of cash dividends of the profits for distribution shall not be less than 40%;

4. /)

arrangements, during the profit distribution, the proportion of cash dividends of the

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directors in respect thereof after due consideration on stable, sustainable and scientific returns to shareholders.

2. If there are significant changes in the external operating environment of the Company or the established profit distribution policy may affect the sustainable development of the Company, the Board may propose to amend the profit distribution policy. When proposing amendments to the profit distribution policy, the Board shall take the interests of shareholders as the starting point, give due consideration to the opinions of minority shareholders, pay attention to the protection of the interests of investors, and provide

general meeting.

3. When formulating and amending the profit distribution policy, the Board shall proactively communicate and exchange views with shareholders, in particular minority shareholders, through various means, fully listen to the opinions and requests of minority shareholders, and address the concerns of minority shareholders in a timely manner.
4. The formulation of and any amendment to the profit distribution policy by the Board shall be passed by more than half of the Board and more than two-thirds of the independent directors. The independent directors shall express independent opinions on the formulation of and the amendment to the profit distribution policy.
5. The formulation and any amendment the profit distribution policy of the Company shall

passed by the shareholders with more than two-thirds of the voting rights held by the shareholders present at the meeting.

Section 2 Internal Audit

Article 202 The Company shall conduct internal audit system and assign full-time auditors to conduct internal audit and supervision on the financial revenue/expenditures and economic activities of the Company.

Article 203 The internal audit system and the duties of the auditors of the Company shall be subject to the approval of the Board. The officer in charge of audit shall be accountable to the Board and report his/her work to the Board.

Section 3 Appointment of Accounting Firm

Article 204 The Company shall engage accounting firms that are qualified under the Securities Law to audit its financial statements, verify its net assets, and provide other relevant consulting services. The accounting firms shall serve a term of 1 year from the conclusion of the annual general meeting until the conclusion of the next annual general meeting, subject to re-appointment, unless otherwise specified in the laws, administrative regulations or the listing rules of the stock exchange(s) where the shares or GDRs of the Company are listed.

Article 205 The appointment of accounting firms of the Company shall be subject to the

(II) by post;

(III) by announcement;

(IV) by other means specified in the Articles of Association.

Article 213 Where a notice of the Company is served by announcement, the notice shall be deemed as received by the relevant persons once the notice is announced.

Article 214 Unless otherwise stipulated in the laws, administrative regulations or the listing rules of the stock exchange(s) where the shares or GDRs of the Company are listed or the Articles of Association, the notice of a general meeting shall be delivered to the address shown in the register of shareholders. For holders of A shares, the notice of a general meeting may be served by announcement.

Once the A shares shall be deemed to have received the notice of the relevant general meeting.

Article 215 The notice of a Board meeting of the Company shall be served by personal delivery or sent in writing by mail. The notice of an extraordinary Board meeting may be served by post, fax, telephone, or e-mail.

Article 216 The notice of a meeting of the Supervisory Committee of the Company shall be served by personal delivery or sent in writing by mail. The notice of an extraordinary meeting of the Supervisory Committee shall be served by post, fax, telephone, or e-mail.

Article 217 If the notice of the Company is served by personal delivery, the recipient shall affix their signature (or seal) to the Return on Service and the signing date shall be the date of service; if the notice of the Company is served by post, the seventh working day after handover to the post office shall be the date of service; if the notice of the Company is served by announcement, the date of first announcement shall be the date of service.

Article 218 The accidental failure to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted at the meeting.

Section 2 Announcement

Article 219 The Company has designated the website of Shanghai Stock Exchange, Shanghai Securities News or other statutory newspaper as the media for publication of the)

CHAPTER XII MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is a consolidation, and the companies being consolidated shall be dissolved.

Article 221 In the event of a merger, the parties to the merger shall execute a merger agreement and prepare a balance sheet and an inventory of property. The Company shall notify all creditors within 10 days after adoption of the merger resolution and shall make announcements in the designated media for the disclosure of information about the Company within 30 days. The creditors may require the Company to repay debts or to provide corresponding guarantees within 30 days after receipt of the notice or within 45 days after the announcement if the creditors have not received the notice. Shareholders that oppose the proposal for the merger or division of the Company shall have the right to require the Company or shareholders that are in favor of such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders.

Article 222 The credits and debts of the parties to the merger during merger shall be inherited by the company subsisting after the merger or by the newly established company.

Article 223 Where the Company is divided, its properties shall be divided accordingly.

Where the Company is divided, a balance sheet and an inventory of property should be prepared. The Company shall notify all creditors within 10 days after adoption of the division resolution and shall make announcements in the designated media for the disclosure of information about the Company within 30 days.

Article 224 The debts of the Company prior to the division shall be undertaken by the companies after division, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before the division.

Article 225 The Company shall prepare a balance sheet and an inventory of property when it needs to reduce its registered capital.

The Company shall notify the creditors within 10 days from the date of making the resolution to reduce the registered capital, and shall make announcements in the designated media for the disclosure of information about the Company within 30 days. The creditors may require the Company to repay debts or to provide corresponding guarantees within 30 days after receipt of the notice or within 45 days after the announcement if the creditors have not received the notice.

The registered capital of the Company after the capital reduction shall not be lower than the statutory minimum.

Article 226 Changes in registered particulars arising from a merger or division of the Company shall be registered with the company registration authority according to the law. If the Company is dissolved, it shall be deregistered according to the law. If a new company is established, such establishment shall be registered according to the law.

Increase or decrease of the registered capital of the Company shall be registered with the company registration authority according to the law.

Section 2 Dissolution and Liquidation

Article 227 The Company may be dissolved for the following reasons:

(I) The term of operation stipulated in the Articles of Association has expired or circumstances for dissolution specified in the Articles of Association arises;

(II) ' !

(III) Merger or division of the Company entails dissolution;

(V) Where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the voting rights of the shareholders of the Company may request the) ;

(VI) The Company is legally declared insolvent due to its failure to repay due debts.

Article

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liquidation. It shall make a final report to the general meeting when the liquidation is completed.

Article 231 During liquidation, the liquidation committee shall exercise the following functions and powers:

(I) To examine and take possession of the assets of the Company and prepare the balance sheet and an inventory of property;

(II) To inform creditors by notice or announcement;

(III) To deal with the outstanding businesses of the Company relating to the liquidation;

(IV) To pay off outstanding taxes as well as taxes arising in the course of the liquidation;

(V) To settle credits and debts;

(VI) To dispose of the remaining assets of the Company after repayment of debts;

(VII) To represent the Company in civil proceedings.

Article 232 The liquidation committee shall notify all creditors within 10 days after its establishment and shall make announcements in the media designated for company information disclosure within 60 days. The creditors shall declare their rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after announcement if the creditors

The creditors shall explain matters relating to their rights and provide relevant evidential

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repayment to the creditors.

Article 233 After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and an inventory property, it shall formulate a

confirmation.

The remaining properties of the Company after payment of the liquidation expenses,

) , shall be distributed to its shareholders according to the class and the proportion of the shares held by them.

The Company shall subsist in the course of liquidation but shall not conduct any business operations unrelated to liquidation. Before liquidation as specified in the preceding paragraphs, the assets of the Company shall not be distributed to shareholders.

Article 234 In the case of liquidation as a result of dissolution of the Company, after the liquidation committee has examined and taken possession of the assets of the Company and

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Company bankrupt according to law.

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Article 235 Upon completion of liquidation, the liquidation committee shall prepare a liquidation report and an income and expenditure statement and financial account for the period of liquidation and, after they are certified by a Chinese certified public accountant, submit them . The liquidation committee shall, within 30 days from the confirmation of the , submit the aforesaid documents to the company registration authority for cancellation of company registration, and announce the termination of the Company.

Article 236 Any member of the liquidation committee shall dutifully and lawfully fulfill the liquidation obligation.

Any member of the liquidation committee shall not abuse his official powers to accept bribes)

Where any member of the liquidation committee causes any loss to the Company or the creditors with will or serious negligence, the said member shall be liable for compensation.

Article 237 Where the Company declares bankrupt according to the law, bankruptcy liquidation shall be conducted pursuant to laws on bankruptcy of enterprises.

CHAPTER XIII PARTY ORGANIZATION

Article 238 The Company shall establish the organization for the Communist Party of China .)) 2 6 5 accordance with the provisions of the Constitution of the Communist Party of China.

Article 239 The Company provide necessary funds for the Party Organization, which shall be included in administrative expenses before tax of the Company according to the relevant requirements.

Article 240 The Company shall provide office premises and essential office facilities for the Party Organization.

Article 241 The Party Organization of the Company shall perform the following duties in accordance with the Constitution of the Communist Party of China and other party regulations:

(I) To supervise the implementation of the principles and policies of the Party and the State in the Company according to laws, as well as the deployment of the relevant important work of the Party organizations at higher levels;

(II) :)
major business management and major issues involving the vital interests of !
meetings, the Board, the Supervisory Committee and the senior management in perform their duties according to laws; and to support the work of the staff and !

(III) :)
and ethical progress, trade unions, the Communist Youth League of China and the work of other groups according to laws and regulations;

(IV) :) -level Party organizations