

A+H ARTICLES OF ASSOCIATION

of

China Vanke Co., Ltd.

English translation of this document is for reference only, if there are discrepancies between the English version and Chinese version, the Chinese version shall prevail.

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Chapter 1 General Provisions

Article 1 These Articles of Association are formulated in accordance with the Company Law of the People's Republic of China ("PRC") (hereinafter referred to as the "Company Law"), the Securities Law of the PRC (hereinafter referred to as the "Securities Law"), the the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises, the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant requirements with an aim to safeguard the legal interests of the Company, its shareholders, employees and creditors and regulate the organization and conduct of the Company.

Article 2 The Company is a joint stock limited company (hereinafter referred to as the "Company") incorporated in accordance with the requirements of "The Interim Measures on the Trial of a Joint Stock System in State-owned Enterprises in the Shenzhen Special Economic Zone" and other applicable law and regulations. In November 1988, with the approval of the "Shen Fu Ban (1988) No. 1509 Document" issued by the People's Government of Shenzhen Municipality, the Company was established through private placement after Shenzhen Modern Enterprise Co., Ltd. underwent a restructuring, and completed the relevant procedures in compliance with the Company Law. The Company registered with Shenzhen Administrative Bureau for Industry and Commerce at the time of its establishment and has now obtained the business licence (Unified Social Credit Code: 91440300192181490G).

Article 3 In 1988, as approved by the Shenzhen Branch of the People's Bank of China, the Company made an initial public offering of 28,000,000 RMB-denominated ordinary shares, which were listed on the Shenzhen Stock Exchange on 29 January 1991. In 1993, as approved by the Shenzhen Branch of the People's Bank of China, 45,000,000 domestically-listed foreign-invested shares were issued by the Company to foreign investors for subscription in foreign currencies and became listed on the Shenzhen Stock Exchange on 28 May 1993. On 25 June 2014, 1,314,955,468 domestically-listed foreign-invested shares were listed on The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") by introduction method, and converted into overseas-listed foreign-invested shares.

Article 4 Registered name of the Company: 萬科企業股份有限公司.

English name of the Company: CHINA VANKE CO., LTD. (Abbreviation: VANKE).

Article 5 Vanke Center, No. 33 Huanmei Road, Dameisha, Yantian District, Shenzhen, Postal code: 518083.

Article 6 The registered capital of the Company is RMB11,930,709,471.

Article 7 The Company is a joint stock limited company with perpetual succession.

Article 8 The director conducting company affairs on behalf of the Company is the statutory representative of the Company and shall be elected by the Board of Directors of the Company.

If the director who serves as the statutory representative resigns, he/she shall be deemed to have resigned as the statutory representative at the same time.

If the statutory representative resigns, the Company shall appoint a new statutory representative within 30 days from the date of resignation of the statutory representative.

Article 9 The legal consequences of civil activities performed by the statutory representative in the name of the Company shall be borne by the Company.

Restrictions on the authority of the statutory representative imposed by the Articles of Association or the shareholders' meeting shall not be enforceable against bona fide counterparty.

Where the statutory representative causes damage to any other person in the performance of his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, claim reimbursement from the statutory representative at fault in accordance with the laws or the Articles of Association.

Article 10 Shareholders shall be liable to the Company to the extent of the shares they subscribed. The Company shall be liable for its debts to the extent of its entire property.

Article 11 Since the effective date, the Articles of Association shall be a legally binding document governing the Company's organization and conduct, the rights and obligations between the Company and its shareholders, and among the shareholders, and shall be binding on the Company, its shareholders, directors, and senior management. Pursuant to the Articles of Association, shareholders may take legal actions against other shareholders or the directors, senior management of the Company; shareholders may take legal actions against the Company; and, the Company may take legal actions against shareholders, directors and senior management.

The legal actions mentioned in the preceding paragraph include lawsuits lodged with courts or claims referred to arbitration.

Senior management defined in the Articles of Association refer to the manager (i.e., the "president", the same hereinafter), vice manager (i.e., the "executive vice president", the same hereinafter), secretary to the board, and person-in-charge of finance affairs appointed by the board of the Company to take charge of the management of the Company.

Article 12 The Company shall establish the organization of the Communist Party of China (CPC), conduct activities of the CPC, set up the working institutions of the CPC with the party staff, guarantee the working expenses of the CPC. The Party organization implements the policies of the CPC, guides and supervises the Company in complying with the laws and regulations of the country, studies and discusses major operation and management issues of the enterprise, and strictly follows the standard procedures in selecting and appointing staff so as to assess and recommend candidates, supports the general meeting, the Board and the management in exercising their powers and performing their duties in accordance with the law, fulfills the major responsibility for the integrity construction of the Party, leads the trade unions, the Youth League, and other organizations to unite the workers and the general public, protects the legitimate rights and interests of all parties and promotes the healthy development of the Company. The Company shall establish a commission for discipline inspection in accordance with regulations to perform supervisory duties.

Chapter 2 Objectives and Scope of Business

Article 13 The Company's business objectives: to continue to explore ways to drive economic development; to achieve success against market competition through regulated activities; to ensure long-term development through implementation of scientific management and concepts; and to generate satisfactory results for shareholders. Actively practise green development concept, maximising value of stakeholders such as shareholders, customers, employees and society and promoting the sustainable and healthy development of the Company.

Article 14 As legally registered, the Company's scope of business includes: property development, establishment of industrial operations (separate declaration is required for specific projects), domestic supply and sale of commercial commodities (not including commodities sold in specialty stores, under special control and sold in exclusive stores), and import and export business (in compliance with the requirements of No. 113 foreign enterprise confirmation certificate by the Shenzhen municipal bureau of economic development).

Chapter 3 Shares

Section 1 Issuance of Shares

Article 15 The shares of the Company shall take the form of share certificates.

Article 16 The shares of the Company shall be issued in compliance with the principles of fairness and impartiality. Shares of the same class must carry the same rights.

Shares of the same class issued at the same time shall be issued on the same conditions and at the same price. All units and individuals shall pay the same price for each of the shares they subscribe for.

Article 17 Par value shares issued by the Company are denominated in RMB.

RMB mentioned in the preceding paragraph refers to the lawful currency of the People's Republic of China.

Article 18 The Company may issue shares to both domestic investors and foreign investors.

“Foreign investors” referred to in the preceding paragraph represent investors domiciled in foreign countries as well as Hong Kong, Macau and Taiwan who subscribe for the issued shares of the Company; “domestic investors” refer to investors within the territory of the People’s Republic of China (other than the foregoing regions) who subscribe for the issued shares of the Company.

Article 19 All shares issued by the Company are deposited with China Securities Depository and Clearing Corporation Limited. H Shares of the Company are mainly deposited with authorized custodians under Hong Kong Securities Clearing Company Limited.

Article 20 The Company was established upon the restructuring of Shenzhen Modern Enterprise Co., Ltd. in 1988. The net asset value of Shenzhen Modern Enterprise Co., Ltd. as at 31 October 1988 amounted to RMB13,246,680, representing 13,246,680 shares. The total number of shares issued upon the establishment of the Company was 13,246,680 shares, and the value of each par value share was RMB1.

Article 21 The Company’s total number of shares is 11,930,709,471, including 9,724,196,533 domestic shares and 2,206,512,938 H shares. Each class of ordinary shares of the Company shall rank pari passu with any distribution in terms of dividends or otherwise.

Section 2 Increase and Reduction of Shares and Share Repurchase

Article 22 In accordance with its operation and development needs, and in compliance with the requirements of the law and regulations, and after the respective resolutions are passed at general meetings, the Company may increase its capital through the following methods:

- (1) issuing shares to unspecified targets;
- (2) issuing shares to specified targets;
- (3) distribution of bonus shares to existing shareholders;
- (4) increase of capital by transfer from reserves;

- (5) other methods approved by the law, administrative regulations and the securities regulatory authorities of the State Council.

Article 23 The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be conducted in accordance with the procedures stipulated in the Company Law and other relevant provisions, as well as provisions of the Company's Articles of Association.

Article 24 The Company may repurchase its shares after seeking approval according to the the laws, administrative regulations, departmental rules and procedures set out in the Company's Articles of Association under the following situations:

- (1) reduce the Company's registered capital;
- (2) merge with another company that holds shares of the Company;
- (3) use of shares in employee shareholding plans or share option incentive;
- (4) shareholders require the Company to purchase their shares because of their objection to the resolution made at a general meeting regarding merger or spin-off of the Company;
- (5) use of shares for convertible bonds issued by the Company which are convertible into shares;
- (6) it is necessary to protect the Company's value and the shareholders' rights and interests by the Company.

For share repurchase made by the Company due to the situations specified in above (1) and (2) shall be subject to resolution adopted at the general meeting; and repurchase of its own shares by the Company under the circumstances specified in above (3), (5) and (6) shall be resolved by a board of directors' meeting with more than two-thirds of the directors present, and with the consent of more than half of all directors, in accordance with authorisation from general meeting.

Should the Company repurchase its own shares on grounds of item (1) as specified in paragraph 1 of this article, such shares shall be cancelled within ten days from the date of repurchase; where the shares are repurchased on grounds of item (2) or (4), such shares shall be transferred or cancelled within six months; and where the shares are repurchased

on grounds of item (3), (5) or (6), the total shares of the Company held by the Company itself shall not exceed 10% of the total shares issued by the Company and shall be transferred or cancelled within three years.

Repurchase of its own shares by the Company shall perform the obligation of information disclosure in accordance with the Securities Law.

Save for the abovementioned situations, the Company shall not acquire its own shares.

Article 25 The Company may repurchase shares through a public and centralized manner, or otherwise approved by the laws and regulations and the securities regulatory authorities of the State Council.

Repurchase of its own shares by the Company under the circumstances specified in item (3), (5) or (6) in paragraph 1 of Article 24 shall be conducted in a public and centralized manner.

Section 3 Transfer of Shares

Article 26 The shares of the Company may be transferred in compliance with the law.

Article 27 The Company shall not accept the shares of the Company as the subject of pledges.

Article 28 The directors and senior management of the Company shall notify the Company of their shareholdings in the Company and the movements of these shares, and each year during their term of office determined at the time of taking office shall not transfer more than 25% of such shares. The aforesaid persons are forbidden to transfer their shareholdings in the Company within half a year after termination of employment. If otherwise regulated by the laws and regulations, rules of the stock exchange and other normative documents, such regulations shall prevail.

Article 29 When the directors and senior management of the Company or shareholders holding more than 5% of the shares of the Company sell their shares or other securities with an equity nature within six months from the acquisition of such shares, purchase aforesaid securities within six months from the disposal of such shares, the board of directors of the Company shall repatriate any profits derived from such dealings

and the profits derived shall be vested in the Company. However, securities companies holding more than 5% of the shares of the Company as a result of taking up unacquired shares as underwriters, and other circumstances stipulated by securities regulatory authority under the State Council are excluded.

The stocks or other securities with an equity nature held by directors, senior management and individual shareholders referred to in the preceding provisions include the stocks or other securities with an equity nature held by their spouses, parents, and children, and these held by using others' accounts.

Shareholders have the right to require, in writing, the board of directors to comply with the requirement set out in the preceding paragraph within 30 days if the board of directors fails to do so in accordance with the first provision. In the event that the board of directors fails to rectify the situation within the said period, shareholders have the right to file a legal action in a people's court in their own name for safeguarding the interests of the Company.

If the board of directors of the Company fails to comply with the first paragraph, the relevant responsible directors shall bear joint liability in accordance with the law.

Section 4 Financial Assistance for Repurchase of Shares of the Company

Article 30 The Company or its subsidiaries (including affiliates of the Company) shall not by way of gift, advance, guarantee or lending provide financial assistance for others to acquire shares of the Company or its parent company, except when the Company implements the employee share ownership scheme.

Subject to the relevant provisions of laws and administrative regulations and the requirements of securities regulatory rules, for the interests of the Company, by resolution of the general meeting, or by resolution of the board of directors in accordance with the Articles of Association or the authorization of the general meeting, the Company may provide financial assistance for others to acquire shares of the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Such resolution made by the board of directors shall be passed by two-thirds or more of all directors.

Article 31 The following acts shall not be deemed as acts banned under Article 30 hereof:

- (1) the Company lawfully distributes its property as dividends;
- (2) the dividends are distributed in the form of shares;
- (3) the registered capital is reduced, shares are repurchased, shareholding structure is adjusted according to the Company's Articles of Association;
- (4) the Company provides a loan within its scope of business for its normal business activities (but this should not lead to a decrease in the Company's net assets, or even a decrease was caused, such financial assistance is made available from the Company's distributable profits).

Chapter 4 Shareholder and General Meetings

Section 1 General Provisions of Shareholders

Article 32 The Company establishes a register of members based on the vouchers provided by the securities registration and settlement institution, which is sufficient evidence to prove that shareholders hold the Company's Shares. Shareholders shall enjoy rights and assume obligations according to the types of Shares they hold. Shareholders holding the same type of Shares shall have equal rights and assume the same obligations.

Share certificates shall be signed by the chairman. In the event that the stock exchange on which the shares of the Company are listed requires the signatures of other senior management of the Company, the share certificates shall be signed by such other relevant senior management. Share certificates shall take effect after being affixed or printed with the Company seal. The affixture of the Company seal shall be authorized by the board of directors. The signatures of the chairman or other senior management of the Company on the share certificates may take the printed form.

If the Company's shares are traded in a paperless form, the regulations of the securities regulatory body of the place where the shares of the Company are listed shall apply.

Article 33 Should the laws and regulations and the rules of the stock exchange and other normative documents contain provisions which stipulate on the period of closure of the register of shareholders prior to a shareholders' general meeting or the reference date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

When the Company needs to confirm the identity of shareholders for holding a general meeting, distributing dividends, conducting liquidation and engaging in other acts, the board of directors or the convenor of the general meeting shall determine the record date. Shareholders registered in the register of members after close of market on the record date shall be those shareholders entitled to the relevant rights and interests of shareholders of the Company.

Article 34 A shareholder of the Company shall be entitled to the following rights:

- (1) receive dividends and benefit distributions in other forms according to the portion of shares he/she holds;
- (2) make a request to hold, convene, preside over and attend or appoint a proxy to attend a general meeting, and exercise the corresponding voting rights in accordance with the law;
- (3) carry out supervision of the Company's operations, and make recommendations or raise questions;
- (4) transfer, grant or pledge the shares he/she holds in accordance with the law, administrative regulations and the provisions of the Company's Articles of Association;
- (5) to review and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the board of directors, and the financial reports; and shareholders who comply with the requirements may request to inspect the accounting books and accounting vouchers of the Company;
- (6) participation in the distribution of the remaining property of the Company according to the portion of shares he/she holds at the time when the Company ceases operation or goes into liquidation;

- (7) those shareholders who object to a resolution made at a general meeting on the merger or spin-off of the Company shall have the right to request the Company to purchase their shares;
- (8) other rights conferred by the law, administrative regulations, and the Company's Articles of Association.

Article 35 In the event that a shareholder wants to access and copy the relevant information as described in the preceding article, or to obtain information, he/she shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations, and provide a written document to the Company proving the class and number of shares of the Company he/she holds. Such information shall be provided to the shareholder at his/her request after the Company verifies the identity of the shareholder.

If a shareholder who meets the requirements requests to inspect the accounting books and accounting vouchers of the Company, he/she shall submit a request in writing to the Company and state its purposes. If the Company, on reasonable grounds, considers that the shareholders are inspecting the account books and accounting documents for improper purposes and may result in damage to the Company's legitimate interests, the Company may refuse the inspection and make written response to the shareholders stating its reasons within 15 days upon delivery of the written request by the shareholders. If the Company refuses the inspection, the shareholders may initiate proceedings in the People's Court.

Shareholders shall comply with the requirements of laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy and personal information when inspecting and making copies of relevant information.

Article 36 In the event that the particulars of a resolution passed at a general meeting or a board meeting are in violation of the law or administrative regulations, a shareholder shall have the right to petition the people's court to establish such particulars as invalid.

In the event that the procedures for convening a general meeting or a board meeting, or the voting methods thereof are in violation of the law, administrative regulations or the Company's Articles of Association, or the particulars of a resolution are in violation of the Company's Articles of Association, a shareholder shall have the right to petition the people's court to make revocation within 60 days from the date of the resolution, unless

there is only a slight defect in the procedure for convening or the method of voting at the general meeting or Board meetings, which has no substantive impact on the resolution. Where the Board of Directors, shareholders and other stakeholders dispute the validity of a resolution of a shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgement or ruling such as revoking a resolution, the stakeholders shall execute the resolution of the shareholders' meeting. The Company, directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

Where the people's court makes a judgement or ruling on a relevant matter, the Company shall fulfil its obligation to disclose the information in accordance with the laws, administrative regulations, the requirements of the securities regulatory authorities of the State Council and the stock exchange, fully explain the impact, and actively co-operate with the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they will be handled in a timely manner and the corresponding information disclosure obligations will be fulfilled.

Article 37 Resolutions of a general meeting or a board meeting of the Company shall be invalid in any of the following circumstances:

- (1) the resolution was not made by a general meeting or a board meeting;
- (2) the resolution was not voted on at a general meeting or a board meeting;
- (3) the number of attendees of the meeting or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or the Articles of Association;
- (4) the number of attendees voting in favor of the resolution or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or the Articles of Association.

Article 38 In the event that a director or a senior management, other than a member of the audit committee, violates the law, administrative regulations or the provisions of the company's articles of association when performing his/her duties, thus causing losses to the company, shareholder(s) who either alone or jointly holding more than 1% of the company's shares for more than 180 consecutive days may request, in writing, the audit committee of the company to lodge legal actions with the people's court. In the event that a member of the audit committee violates the law, administrative regulations or the

provisions of the company's Articles of Association when executing his/her duties, thus causing losses to the Company, the aforementioned shareholders may request, in writing, the board of directors to lodge legal actions with the people's court.

In the event that the audit committee or the board of directors refuses to take legal actions upon receipt of the request in writing from the shareholders, or does not take legal actions within 30 days of receiving such a request, or any emergency or failure to take immediate legal actions will cause irreparable damage to the Company's interests of the Company, the aforementioned shareholders shall have the right to lodge legal actions with the people's court in their own names in the interests of the Company.

In the event that some other persons infringe the legitimate rights and interests of the Company, thus causing losses to the Company, the shareholders prescribed in paragraph 1 of this Article may lodge legal actions with the people's court in accordance with the provisions of said paragraph 1.

Where the directors, supervisors or senior management of a wholly-owned subsidiary of the Company violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause losses to the Company, or if any third parties infringe upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses, the shareholders severally or jointly holding 1% or more of the Company's shares for a period of 180 consecutive days or longer, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, are entitled to request the supervisory committee (or supervisors, the audit committee) or board of directors of the wholly-owned subsidiary to initiate legal proceedings with the people's court in writing or directly initiate legal proceedings with the people's court in its own name.

Article 39 In the event that a director or a senior management violates the law, administrative regulations or provisions of the Company's Articles of Association, thus causing damage to the interests of shareholders, shareholders may lodge legal actions with the people's court.

Article 40 A shareholder of the Company shall undertake the following obligations:

- (1) comply with the laws, administrative regulations and the Company's Articles of Association;

- (2) shall not abuse the rights of a shareholder to prejudice the interests of the Company or other shareholders; shall not abuse the Company's independent status of legal person and shareholders' limited liability to prejudice the interests of the Company's creditors;
- (3) pay equity capital according to his/her shares subscribed and the method of equity capital injection;
- (4) may not withdraw equity unless provided by the law or administrative regulations;
- (5) other obligations to be undertaken as prescribed by the law, administrative regulations and the Company's Articles of Association.

In the event that a shareholder of the Company abuses his/her rights, thus causing losses to the Company or other shareholders, he/she shall be liable for compensation in accordance with the law.

In the event that a shareholder of the Company abuses the Company's independent status of legal person and shareholders' limited liability to evade debts, thus seriously prejudicing the interests of the Company's creditors, he/she shall assume the joint and several liability for the Company's debts.

Section 2 Controlling Shareholder and De Facto Controller

Article 41 The controlling shareholder or the person who exercises effective control over the Company shall exercise rights and perform obligations in accordance with the laws and administrative regulations, the provisions of the securities regulatory authorities of the State Council and the stock exchanges and safeguard the interests of the listed company in accordance with the law.

Article 42 The controlling shareholder or the person who exercises effective control over the Company shall comply with the following provisions:

- (1) They shall exercise shareholders' rights in accordance with the law and shall not abuse their controlling rights or take advantage of their connected relationship to undermine the lawful rights and interests of the Company or other shareholders;

- (2) They shall stringently fulfill the public declarations and undertakings they made and shall not alter or waive such declarations or undertakings in a unilateral manner;
- (3) They shall strictly perform the obligation of information disclosure in accordance with pertinent provisions and shall actively cooperate with the Company to procure proper information disclosure, notifying the Company in a timely manner of material matters that have occurred or will likely incur;
- (4) They shall not appropriate the funds of the Company in any manner;
- (5) They shall not order by coercion, instruct or demand the Company and relevant staff to provide guarantee in violation of laws or regulations;
- (6) They shall not take advantage of the possession of unannounced material information of the Company for their gain, or divulge unannounced material information relating to the Company in any manner, or be engaged in illegal or illicit acts such as inside dealing, short-term dealing or market manipulation;
- (7) They shall not compromise the lawful rights and interests of the Company and other shareholders through any means, such as unfair connected transaction, profit allocation, asset reorganisation, and investment in third parties;
- (8) They shall guarantee the integrity of the Company's assets and the Company's independence in terms of staffing, finance, organisation and business, and shall not affect the independence of the Company in any manner;
- (9) Other provisions under the laws, administrative regulations, the provisions of the securities regulatory authorities of the State Council and the rules of the stock exchanges and Articles of Association.

Where the controlling shareholder or de facto controller of the Company who does not serve as a director but actually attends to the affairs of the Company, shall comply with the provisions of this Articles of Association regarding the fiduciary duties and duty of care of directors.

The controlling shareholder or de facto controller of the Company instructing a director or senior management to engage in acts that harm the interests of the Company or shareholders shall be liable jointly and severally with the director or senior management.

Article 43 Where a controlling shareholder or the de facto controller pledges the shares of the Company that he/ she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.

Where a controlling shareholder or the de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the regulations of the securities regulatory authorities of the State Council and the stock exchange, as well as his/her undertakings in respect of the restriction on the transfer of shares.

Section 3 General Provisions of a General Meeting

Article 44 The general meeting of the Company is composed of all shareholders. A general meeting is the organ of power of the Company and shall lawfully exercise its powers as follows:

- (1) elect and replace directors assumed by non-staff representative members; decide on the remuneration of the directors;
- (2) consider and approve the report of the board of directors;
- (3) consider and approve the Company's profit distribution plan and loss recovery plan;
- (4) make a resolution on the increase or decrease of the registered capital of the Company;
- (5) make a resolution on the issuance of bonds by the Company;
- (6) make a resolution on the merger, spin-off, change in corporate form, dissolution or liquidation of the Company;
- (7) amend the Company's Articles of Association;
- (8) make a resolution on the Company's engagement and dismissal of an accounting firm that undertakes the Company's audit business;
- (9) consider and approve changes in the use of the funds raised;

- (10) consider the Company's purchase, sale, or disposal of major assets or guarantees provided to others in excess of 30% of the Company's latest audited total assets within the previous year;
- (11) consider any guarantee provided after the total amount of external guarantees by the Company and its majority-owned subsidiaries reach or exceed 50% of the latest audited net assets. The guarantees provided by the Company for the mortgage of home purchasers shall not be included within the scope of external guarantees mentioned in this article;
- (12) consider any guarantee provided after the total amount of external guarantees by the Company exceed 30% of the latest audited total assets;
- (13) consider guarantees, among the Company's external guarantees, provided for a target party whose asset-liability ratio is over 70%;
- (14) consider external guarantees with a single guaranteed amount in excess of 10% of the Company's latest audited net assets;
- (15) consider any guarantee provided to the Company's shareholders, de facto controllers and their related parties by the Company;
- (16) consider and approve the Company's equity incentive plan and employee shareholding plans;
- (17) consider other matters on which resolutions shall be made by a general meeting as required by the provisions of the law, regulations, rules of the stock exchange and the Company's Articles of Association.

The general meeting may delegate the Board to resolve on the issuance of corporate bonds.

Article 45 To standardize operating procedures and to maximize the function of a general meeting, the board of directors has formulated the Procedural Rules for the General Meeting, which are attached to the Articles of Association as appendix and are subject to the approval of a general meeting. The said rules set out the procedures of convocation, convention and voting in respect of a general meeting, including notices, registration, consideration of and voting on proposals, vote counting, announcement on voting results, the resolution approval process, minutes, signing and announcements of the meeting, and other matters, as well as the principles for granting authorisation to the board of directors at the general meeting and the specific details on the scope of authorisation. If the shareholders' general meeting authorizes the board of directors or other organizations and individuals to exercise other powers on its behalf, it shall comply with relevant laws and regulations, the rules of the stock exchange, other normative documents and the Articles of Association.

Article 46 General meetings include annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year, and held within six months after the end of the previous accounting year.

Article 47 The Company shall convene an extraordinary general meeting within two months of the occurrence of any one of the following events:

- (1) when the total number of directors is less than the number prescribed by the Company Law or less than two-thirds of the number required by the Company's Articles of Association;
- (2) when the amount of the losses that the Company has left unrecouped reaches one-third of the total share capital;
- (3) when a shareholder individually holding, or the shareholders together holding, more than 10 per cent of the Company's shares request(s) to convene such a meeting;
- (4) when the board of directors deems it necessary;
- (5) when the audit committee proposes to convene such a meeting;
- (6) when it is proposed by more than half of the independent directors, and considered and approved by the board of directors;

- (7) when other situations stipulated by the laws, administrative regulations, departmental rules or the Company's Articles of Association occur.

The shareholding mentioned in subsection (3) is calculated on the date of notice to general meeting. However, prior to the announcement of the resolutions approved at the general meeting, the number of the Company's shares individually or jointly held by the shareholders mentioned in subsection (3) shall not be lower than 10% of the total number of the Company's shares with voting rights; should the shareholding is less than 10%, resolutions passed at the extraordinary general meeting will become invalid.

Article 48 The Company shall hold general meetings at its domicile or specific location set out in the notice of the general meeting of the Company. A meeting venue will be established for general meetings and meetings shall be held on site and may also be convened simultaneously by means of electronic communication. The Company will also enable shareholders to have access to the general meeting by online voting. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as present at the meeting.

Article 49 When the Company holds a general meeting, a lawyer shall be engaged to present legal opinions on the following matters and make an announcement:

- (1) whether or not the procedures for convening and holding the meeting are in compliance with the provisions of laws, administrative regulations, and the Articles of Association;
- (2) whether or not the qualifications of the members present at the meeting, and of the convenor are lawful and valid;
- (3) whether or not the voting procedures at the meeting and the voting results are lawful and valid;
- (4) legal opinions to be presented on other relevant matters at the request of the Company.

Section 4 Conducting of General Meeting

Article 50 The Board of Directors shall convene the general meeting on time within the specified period.

Article 51 Subject to the consent of more than half of all the independent directors, the independent directors shall have the right to propose to the board of directors to convene an extraordinary general meeting. For such proposal, the board of directors shall, in accordance with the requirements of the law, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting, within 10 days upon receipt of such proposal.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the board of directors is passed; if the board of directors does not agree to convene the extraordinary general meeting, it shall make an announcement with relevant explanations.

Article 52 The audit committee shall propose to the board of directors to convene an extraordinary general meeting. Such proposal shall be made in writing. The board of directors shall make a written response as to whether or not it agrees to convene such an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with the requirements of the law, administrative regulations and the Articles of Association.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the board of directors is passed. Changes made to the original proposal in the notice shall be approved by the audit committee.

If the board of directors does not agree to convene the extraordinary general meeting, or fails to make a response within 10 days upon receipt of the proposal, it shall be deemed that the board of directors is unable or fail to fulfil its responsibilities to convene the general meeting. The audit committee can hereby convene and preside the general meeting by itself.

Article 53 The shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall have the right to request the board of directors to convene an extraordinary general meeting. Such request shall be made in writing. The board of directors shall make a written response as to whether or not it agrees to convene such an extraordinary general meeting within 10 days upon receipt of the request in

accordance with the requirements of the law, administrative regulations and the Articles of Association.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the resolution of the board of directors is passed. Changes made to the original proposal in the notice shall be approved by the relevant shareholders.

If the board of directors does not agree to convene the extraordinary general meeting, or fails to make a response within 10 days upon receipt of the request, the shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall have the right to propose to the audit committee to convene the extraordinary general meeting. Such request shall be made in writing.

If the audit committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days upon receipt of the request. Changes made to the original proposal in the notice shall be approved by the relevant shareholders.

If the audit committee fails to issue a notice of the general meeting within a specified period, it shall be deemed that the audit committee shall not convene and preside the general meeting, the shareholder(s) holding individually or collectively 10% or more of the shares of the Company for 90 days consecutively may convene and preside over the meeting by himself/herself/themselves.

Article 54 If the audit committee or shareholders decide(s) to convene the extraordinary general meeting by itself/themselves, it/they shall issue a written notice to the board of directors and file with the stock exchange.

Prior to the announcement of the resolutions of the general meeting, the shares held by the convening shareholder(s) shall not be less than 10% of the shares of the Company.

The audit committee or convening shareholders shall provide relevant evidence to the stock exchange at the time the notice of general meeting is issued and the announcement of the resolutions of the general meeting is made.

Article 55 As for the general meeting convened by the audit committee or shareholders, the board of directors and the secretary to the board of directors shall coordinate accordingly. The board of directors shall provide the register of members as of the record date.

Article 56 All necessary expenses incurred by the audit committee or the shareholders to convene a general meeting shall be assumed by the Company.

Section 5 Proposals and Notices of General Meetings

Article 57 The contents of a proposal shall be within the scope of the duties and responsibilities of the general meeting, have definite topics and specific matters for resolution, as well as in compliance with the relevant requirements of the law, administrative regulations and the Articles of Association.

Article 58 The board of directors, the audit committee, and shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to submit to the Company proposed resolutions at a general meeting of the Company.

The shareholder(s) individually or jointly holding more than 1% of the Company's shares may submit extra proposed resolutions in writing to the convenor of a general meeting 10 days prior to the meeting. The convenor shall issue a supplementary notice of the general meeting and announce the contents of such extra proposed resolutions within 2 days after receipt thereof, and submit the same to the general meeting for consideration, provided that the extra proposed resolutions may not violate laws, administrative regulations or the provisions of the Articles of Association, or fall within the scope of authority of the general meeting.

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

Proposals which are not specified in the notice of the general meeting or which do not comply with the Articles of Association shall not be voted on and resolved at the general meeting.

Article 59 An announcement of an annual general meeting shall be given by the convenor to all shareholders at least 20 days before the meeting is held and an announcement of an extraordinary general meeting shall be given by the convenor to all shareholders at least 15 days before the meeting is held. If provisions otherwise provided by the laws and regulations, the rules of the stock exchange and other normative documents, such provisions shall prevail.

Article 60 The notice of general meeting shall include the following contents:

- (1) the date, venue, and duration of the meeting;
- (2) matters and resolutions to be considered at the meeting;
- (3) contain an express statement that a shareholder is entitled to attend at the general meeting, and to appoint proxies in writing to attend and vote on his/her behalf at the meeting, and that a proxy need not be a shareholder of the Company;
- (4) the record date on which shareholders have the right to attend the general meeting;
- (5) the names and telephone numbers of permanent contact persons for the affairs of the meeting;
- (6) the time and place of serving a power of attorney of the voting proxy.

Details of all proposals shall be fully and completely disclosed in the notice of the general meeting and its supplementary notice.

In the event that the Company provides to shareholders with an online voting system the shareholding meeting, the time and procedures for online voting, as well as matters to be considered shall be specifically stated in the notice of the general meeting.

Article 61 In the event that the election of directors is to be discussed at a general meeting, the notice of the general meeting shall fully disclose details of candidates for the directors, and shall at least include the following particulars:

- (1) their educational background, work experience, part-time jobs and other personal details;
- (2) whether or not they have any connections with the Company or the Company's controlling shareholders and de facto controllers;
- (3) the disclosed number of shares of the Company they hold;
- (4) whether or not they have been penalized by the securities regulatory authority under the State Council and other relevant departments, and disciplined by the stock exchange.

Unless a director is elected via the accumulative voting system, the election of each director candidate shall be proposed as a separate proposal.

Article 62 The interval between the record date and the date of the meeting shall not be more than 7 working days. Once the record date is confirmed, no change may be made thereto.

Article 63 After a notice of general meeting is given, the general meeting shall not be postponed or cancelled, and the proposals set out in the notice of general meeting shall not be cancelled without due reason. In the event that the meeting is postponed or cancelled, the convenor shall make an announcement and explain the reasons at least 2 working days prior to the scheduled meeting date.

Section 6 The Convening of General Meetings

Article 64 The board of directors of the Company and other convenors shall take necessary measures to ensure the normal order of a general meeting. They shall take measures to prevent any interference with the general meeting, disturbance and violation of the legitimate rights and interests of shareholders and promptly report the same to the relevant departments for investigation.

Article 65 All shareholders recorded in the register on the record date shall have the right to attend general meetings, and exercise the rights to vote in accordance with the relevant law, regulations and the Articles of Association.

A shareholder may attend a general meeting in person, and also may entrust the proxy(ies) (not necessarily shareholder(s)) as his/her proxy(ies) to attend the meeting and vote on his/her behalf. Such proxy may exercise the following rights in accordance with the shareholder's entrustment:

- (1) the shareholder's right to speak at the general meeting;
- (2) exercise of the voting right by poll.

A recognized clearing house within the meaning of the Securities and Futures Ordinance of Hong Kong (Chapter 571 of Hong Kong Laws) shall be entitled to appoint a proxy or company representative to attend any general meeting and meetings of creditors, who shall have the same legal rights as other shareholders, including the right to speak and vote.

Article 66 In the event that an individual shareholder attends a general meeting in person, he/she shall produce his/her own identity card or other valid documents or proof capable of identifying himself/herself. In the event that a proxy attends the meeting for someone else, he/she shall produce his/her own valid identity documents and the power of attorney from the shareholder.

For a shareholders who is a legal person or other organization, its statutory representative or a proxy duly authorized by such statutory representative, the board of directors or other decision-making bodies shall attend the meeting. In the event that the statutory representative attends the meeting, he/she shall produce his/her own identity card or valid proof capable of proving that he/she has the status of a statutory representative. In the event that the proxy attends the meeting, he/she shall produce his/her own identity card and the written power of attorney issued by the unit according to law.

Article 67 The appointment of proxy by a shareholder shall be made in writing, and signed by the appointer or by his/her attorney duly authorised in writing.

The power of attorney issued by a shareholder to appoint another person to attend a general meeting shall contain the following particulars:

- (1) the name of the principal, the class and number of shares of the Company held by him/her;
- (2) the name of the proxy;
- (3) specific instructions from shareholders, including the instructions to vote in favour of or against, or to abstain from voting on each matter set out on the agenda of the general meeting;
- (4) the date and validity of the power of attorney;
- (5) the signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal entity shall also be affixed.

Article 68 Proxy forms shall be made present at least 24 hours prior to the meeting at which voting is to be carried out by proxy under the proxy forms or 24 hours prior to the designated voting time at the Company's domicile or elsewhere specified in the notice of the meeting. In the event that the proxy forms for voting are signed by other

persons authorized by the principal, the letter of authority authorizing the signatures or other authorization documents shall be notarized. Notarized letter of authority or other authorization documents together with the proxy forms shall be made available at the Company's domicile or elsewhere specified in the notice of the meeting.

Article 69 In the event that principal has died, lost the capacity for acts, withdrawn the appointment or withdrawn the authorization signed for the appointment, or transferred the relevant shares prior to voting, the votes cast by a proxy according to the proxy form shall remain valid, as long as the Company has not received a written notice of such matters prior to the meeting.

Article 70 An attendance register for the meeting shall be compiled by the Company. The attendance register shall list the name (or name of organisation), identity card number of the attendants, the number of shares with voting rights held by the attendants or held on behalf of others, as well as the name of the principals (or name of organisation) and so on.

Article 71 The convenor and the lawyers engaged by the Company shall jointly verify the legitimacy of the qualifications of shareholders based on the register of members provided by the securities depository and clearing house, and record the names of shareholders and the number of voting shares held by them. Registration for the meeting shall end before the chairman of the meeting announces the number of shareholders and proxies physically present at the meeting, as well as the total number of voting shares held by them.

Article 72 If the shareholders' meeting requires a director or senior management to attend the meeting, the director or senior management shall do so and shall answer the shareholders' inquiries.

Article 73 A general meeting shall be chaired by the chairman. In the event that the chairman is unable or fails to perform his duties, the vice-chairman shall chair the meeting. In the event there is no vice-chairman, or the vice-chairman is unable or fails to perform his duties, a director jointly elected by more than half of the directors shall chair the meeting.

A general meeting convened by the audit committee on its own shall be chaired by the convenor of the audit committee. In the event that the convenor of the audit committee is unable to or fails to perform his duties, the meeting shall be presided over by a member of the audit committee nominated by a majority of the audit committee.

A general meeting convened by shareholders on their own shall be chaired by the convenor or a representative elected by the convenor.

During a general meeting, in the event that the chairman of the meeting violates the procedural rules so that the general meeting cannot proceed, a person may be elected as the chairman of the meeting thereat to proceed with the meeting with the consent of shareholders with a simple majority of the voting rights present at the meeting.

Article 74 At an annual general meeting, the board of directors shall report to the meeting on their work over the past year. Each independent director shall also present reports on their work at the meeting.

Article 75 The chairman of a meeting shall announce, before voting takes place, the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares held by them. The number of shareholders and proxies physically present at the meeting as well as the total number of voting shares held by them shall be based on the registration at the meeting.

Section 7 Voting and Resolutions of a General Meeting

Article 76 When voting at a general meeting, a shareholder (including his/her proxy(ies)) shall exercise his/her voting rights in respect of the number of voting shares it represents. Each share shall have one vote.

The shares of the Company held by itself have no voting rights and shall not be counted into the total number of shares carrying voting rights at the general meeting. When material issues affecting the interests of small and medium shareholders are considered at a general meeting, the votes of small and medium shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The board of directors, independent directors, and shareholders of the Company holding more than 1% of voting shares, or investor protection institutions established according to laws, administrative regulations or provisions of the securities regulatory authorities of the State Council may, as the soliciting parties, personally or authorize securities company or securities service agency to publicly request the Company's shareholders to authorize them to attend the general meeting and exercise the shareholders' rights such as right of making motions and voting rights on behalf of such shareholders.

When soliciting shareholders' rights in accordance with the requirements of the preceding paragraph, the soliciting parties shall disclose the solicitation documents and the Company shall cooperate in this regard.

Provision of consideration or de facto consideration is prohibited in soliciting shareholders' voting rights.

The soliciting parties shall bear compensation liabilities according to relevant laws for damages caused by violation of laws, administrative regulations or relevant provisions of the securities regulatory authorities of the State Council in the process of publicly soliciting shareholders' rights which resulted in losses suffered by the Company or its shareholders.

Article 77 Resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

To pass an ordinary resolution at a general meeting, votes representing a simple majority of the voting rights of the shareholders (including proxies) present at the meeting shall be cast in favour of such resolution.

To pass a special resolution at a general meeting, votes representing more than two-thirds of the voting rights of the shareholders (including proxies) present at the meeting shall be cast in favour of such resolution.

Article 78 The following matters shall be passed by way of ordinary resolutions at a general meeting:

- (1) the work report of the board of directors;
- (2) the board of directors' proposed profit distribution plan and loss recovery plan;
- (3) the appointment and removal of members of the board of directors and their remuneration and payment methods thereof;
- (4) matters other than those that are required to be passed by special resolution in accordance with the law, provisions of administrative regulations, or provisions of the Articles of Association.

Article 79 The following matters shall be passed by way of special resolutions at a general meeting:

- (1) the Company's increase or decrease of registered capital and issuance of any class of shares, warrants and other similar securities;
- (2) the Company's purchase or sale of major assets or guarantee amount provided to others in excess of 30% of the Company's latest audited total assets within the previous year;
- (3) the spin-off, division, merger, dissolution and liquidation of the Company;
- (4) amendments to the Company's Articles of Association;
- (5) equity incentive plans;
- (6) other matters which are required to be passed by special resolution under the Company's Articles of Association, and which are supposed to have a significant impact on the Company if they are passed by ordinary resolution at a general meeting.

Article 80 The Company safeguards the rights of shareholders to elect directors. Cumulative voting system is adopted for the election of directors and supervisors at the general meeting.

The system of cumulative voting means that for election of directors at a general meeting of a listed company, the number of voting rights allocated to each share is equal to the number of directors to be elected and such voting rights held by the shareholders may be pooled or spread.

Details of the operation of the cumulative voting method are as follow:

- (1) The total number of valid vote cast by every shareholder attending the meeting in election of directors shall be equal to the number of voting shares held by the shareholder multiplied by the number of directors to be elected;
- (2) Every shareholder may cast all his votes on a single candidate for director or spread his votes on different candidates for director;

- (3) Votes for one candidate of director could be more or less than the number of voting shares held by the shareholder, which do not need to be integral multiples of the number of his/her shares. However, the accumulative number of the votes for all candidates for directors shall not exceed the entitled total number of the valid voting rights;
- (4) Separate voting shall be implemented for independent directors and non-independent directors. When electing independent directors, the vote that every shareholder has the right to obtain shall equal to product of stock number held by themselves multiplying the number of independent directors to be elected, which can be only voted to candidates of independent directors of the Company. When electing non independent directors, the vote that every shareholder has the right to obtain shall equal to product of stock number held by themselves multiplying the number of non-independent directors to be elected, which can be only voted to candidates of non-independent directors of the Company;
- (5) After completion of voting, all the candidates for directors shall be elected in descending order according to the number of votes they received, given over half of shares with voting right presented at the meeting obtained, upon the capped number of directors to be elected.

Article 81 Save that the Company is under exceptional circumstances such as a crisis, unless approved by way of special resolution at a general meeting, the Company shall not enter into any contracts with any person other than the directors, manager and other senior management pursuant to which the management of all or a substantial part of the business of the Company will be given to such person.

Article 82 The list of candidates for non-staff representative directors shall be submitted to the general meeting for voting in the form of proposal.

The list of candidates for non-independent directors (staff representative directors excluded) shall be nominated by the previous board of directors or shareholder(s) who individually or jointly hold(s) more than 1% of the Company's total outstanding issued shares with voting rights.

The election of independent directors shall be carried out in accordance with the relevant regulations.

The board of directors shall disclose detailed information about the candidates for directors prior to the convention of the general meeting. The candidates for directors shall give their consent to accept the nomination in a written undertaking prior to the announcement of the general meeting notice, and undertake that the disclosed information on the candidates for directors is true, complete, and guarantee that they will perform the duties of directors diligently.

Article 83 Other than the cumulative voting system, the general meeting shall vote on each of the proposals as a separate proposal, and in the event that there are a number of proposals under one issue, voting will be proceeded according to the order of time these proposals are put forward. Other than special reasons such as force majeure which results in the interruption of the meeting or makes it impossible to decide on a resolution, the general meeting shall not put aside or not vote on the proposals.

Article 84 When a proposal is being considered at a general meeting, no modifications may be made to the proposal, and if it is modified, the modifications shall be deemed as a new proposal and shall not be voted at the general meeting.

Article 85 Voting at a general meeting is conducted by way of registered poll or other acceptable voting methods applicable to the listing rules. The same voting right may only be exercised at an on-site meeting, during online voting or through another voting method. In the event that the same voting right is repeated, the result of the first vote shall prevail.

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

Article 86 A poll demanded on the election of the chairman of the meeting or on a question of adjournment of the meeting shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Article 87 Before voting takes place on a proposal at a general meeting, two shareholder representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder has connections with a matter to be considered, the relevant shareholder and his proxy shall not participate in the vote counting and scrutinizing.

When voting takes place on a proposal at a general meeting, lawyers and representatives of shareholders shall be jointly responsible for vote counting and scrutinizing, and shall announce the voting results on the spot. The voting results of resolutions shall be recorded in the minutes.

Shareholders of the Company or their proxies who cast their votes through online voting or other voting methods shall have the right to inspect their own voting results through an appropriate voting system.

Article 88 An on-site general meeting shall not end earlier than the one held on the Internet or by another method. The chairman of the meeting shall announce details and results of the voting on each proposal, and announce whether a proposal is passed according to the voting results.

Before the formal announcement of voting results, companies, vote counters, vote scrutineers, shareholders, network service providers and other related parties involved in the on-site general meeting, online voting and other voting methods shall be under a confidentiality obligation relating to the details of the voting.

Article 89 Shareholders present at a general meeting shall express one of the following opinions on a proposal submitted for voting: being in favour of, being against or abstaining from voting. Except for the securities registration and settlement institutions which, being the nominal holders of shares subject to the interconnection mechanism of the Mainland China and Hong Kong stock market transactions, shall make declaration according to the intentions of actual holders or other provisions provided by laws and regulations, rules of the stock exchange or normative documents.

Uncompleted paper ballots, wrongly completed paper ballots, paper ballots with illegible characters and uncast paper ballots shall be deemed as voters abstaining from their voting rights. The voting results of the shares they hold shall be counted as “abstained”.

Article 90 In the event that the chairman of a meeting has any doubt about the results of a resolution submitted for voting, he may arrange the counting of the votes cast; in the event that the chairman of the meeting has not counted the votes but shareholders or their proxies present at the meeting disagree with the results announced by the chairman, they shall have the right to request vote counting immediately after the voting results are announced. The chairman shall immediately arrange the counting of votes.

Article 91 When related transactions are considered at a general meeting, interested shareholders shall not participate in voting. The total number of shares with voting rights represented by them shall not be counted in the total number of valid votes. The voting of uninterested shareholders shall be disclosed fully in the announcement on the resolutions of a general meeting.

Article 92 Minutes shall be prepared for a general meeting by a person designated by the secretary to the board of directors. The minutes of a meeting shall record the following particulars:

- (1) the time, place, agenda and name of the convenor of the meeting;
- (2) the name of the chairman of the meeting and the name of the directors and senior management sitting in on the meeting;
- (3) the number of holders (including proxies) of domestic shares and holders (including proxies) of foreign shares attending the general meetings, the number of voting shares held and their respective percentages of the Company's total number of shares;
- (4) the review process of and main points of remarks on each proposal;
- (5) the results of voting by holders of domestic shares and holders of overseas listed foreign shares on each resolution;
- (6) questions, comments or suggestions by shareholders, and the replies thereto or explanations thereof;
- (7) the name of lawyers, counters and scrutineers of votes;
- (8) other particulars that shall be recorded into the meeting minutes as prescribed the Company's Articles of Association.

Article 93 The convenor shall ensure that the particulars of the meeting minutes are true, accurate and complete. Directors, secretary to the board of directors, convenor or his/her representative, chairman of the meeting who attended or sit in on the meeting and the person who took the minutes shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the signature book of shareholders present at the meeting and powers of attorney of proxies present, and shall be kept for a period of 10 years.

Article 94 An announcement on the resolutions of a general meeting shall be made promptly. In the event that a proposal is not passed at a general meeting, or a resolution passed at a previous general meeting is modified at this general meeting, a special note shall be made in the announcement on the resolutions of the general meeting.

Article 95 A convenor shall ensure that a general meeting shall be held consecutively until a final resolution is formed. In the event that a general meeting is suspended or no resolutions can be made thereat due to special reasons, the convenor shall report to the agency of the securities regulatory authority under the State Council where the Company is located as well as the stock exchange, and take necessary measures to restore the meeting as soon as possible or directly terminate the meeting, and make an announcement promptly.

Section 8 Special Procedures for Voting by Class Shareholders

Article 96 Shareholders holding shares that are a different class of shares shall be defined as class shareholders holding that class of shares.

Class shareholders shall enjoy rights and undertake obligations in accordance with the law, administrative regulations and the provisions of the Company's Articles of Association.

Article 97 In the event that the Company intends to alter or abolish the rights of class shareholders, such alteration or abolition may only be made after it is passed by special resolution at a general meeting, and at general meetings respectively convened by affected class shareholders in accordance with Articles 99 to 103.

Article 98 The following scenarios shall be deemed as alteration or abolition of the rights of a class shareholder:

- (1) increase or decrease the number of shares of that class, or increase or decrease the number of shares of a class entitled to equal or more voting rights, distribution rights and other privileges as the shares of that class;
- (2) change all or part of the shares of that class to the shares of another class, or change all or part of the shares of another class to the shares of that class or grant the conversion rights thereto;
- (3) cancel or reduce the rights owned and/or acquired by the shares of that class to accrued dividends or cumulative dividends;
- (4) reduce or cancel the rights owned by the shares of that class to the priority to obtain dividends or the distribution of property during the liquidation of the Company;
- (5) increase, cancel or reduce the share conversion rights, options, voting rights, transfer rights, priority placement rights and the rights to obtain securities of the Company owned by the shares of that class;
- (6) cancel or reduce the rights owned by the shares of that class to receive payables from the Company in a particular currency;
- (7) establish a new class entitled to equal or more voting rights, distribution rights or other privileges as the shares of that class;
- (8) impose restrictions on or increase such restrictions on the transfer of ownership of the shares of that class;
- (9) issue share options or share conversion rights in respect of the shares of that or another class;
- (10) increase the rights and privileges of the shares of other classes;
- (11) a corporate restructuring programme constitutes the unproportionate distribution of responsibilities undertaken by the shareholders of different classes in the restructuring;
- (12) modify or repeal the articles of this chapter.

Article 99 Affected class shareholders, regardless of formerly having the voting rights at general meetings or not, shall have voting rights at class meetings in relation to matters in (2) to (8) and (11) to (12) of Article 98. However, interested shareholders shall not have any voting rights at class meetings.

For the purpose of the preceding paragraph, the expression “interested shareholders” shall have the following meanings:

- (1) when the Company makes a buyback offer to all shareholders by the same proportion in accordance with Article 25 hereof, or repurchase its own shares through public trading on a stock exchange, “interested shareholders” mean the controlling shareholders as defined under Article 232 hereof;
- (2) when the Company repurchase its own shares by over-the-counter agreement in accordance with Article 25 hereof, “interested shareholders” mean the shareholders in relation to that agreement;
- (3) in a corporate restructuring programme, “interested shareholders” mean the shareholders who undertake obligations in a proportion lower than that of the other shareholders of the same class, or the shareholders having an interest different from that of other shareholders of that class.

Article 100 Resolutions may only be made at a class meeting after they are passed by votes representing more than two-thirds of the shareholders with voting rights present thereat in accordance with Article 99 hereof.

Article 101 To convene a class meeting, the Company shall issue a written notice in accordance with the requirement in relation to the time limit for the notice of convening a general meeting of the Articles of Association, notifying all the shareholders of that class of shares appearing in the register of the matters to be considered thereat as well as the date and venue of the meeting. If otherwise regulated by the laws and regulations, rules of the stock exchange and other normative documents, such regulations shall prevail.

To convene a H share class meeting, the number of shares with voting rights represented by shareholders attending the meeting should reach more than one third of the total number of H shares with voting rights at the meeting.

Article 102 The notice of a class meeting shall only be given to shareholders with the rights to vote thereat.

The procedures for convening a class meeting shall be as similar as possible to those for convening a general meeting. The articles in the Company's Articles of Association regarding the procedures for convening a general meeting shall apply to class meetings.

Article 103 Other than the shareholders of other classes of shares, holders of domestic shares and overseas listed foreign shares shall be deemed as shareholders of different classes.

The following scenarios shall not apply to the special procedures for voting by class shareholders:

With the approval by special resolution at a general meeting, the Company issues either domestic shares or overseas listed foreign shares or both at an interval of 12 months, and the respective number of the proposed domestic shares and overseas listed foreign shares does not exceed 20% of the outstanding shares of that class.

Chapter 5 The Board of Directors

Section 1 Directors

Article 104 Directors of the Company shall be natural persons. A director needs not hold any of the Company's shares.

Article 105 None of the following persons shall serve as a director of the Company:

- (1) a person who has no or limited capacity for civil conduct;
- (2) a person who was sentenced to criminal punishment for embezzlement, bribery, seizure of property or misappropriation of property or for sabotage of the market order; or a person who was deprived of his political rights for the commission of a crime, where less than five years have elapsed after the expiration of the period of execution; or a person who was pronounced for suspension of sentence, where less than two years have elapsed after the expiration of the probation period for suspended sentence;

- (3) a person who, being a director or the head or manager of a company or enterprise that went into bankruptcy and liquidation, was personally liable for the bankruptcy of the said company or enterprise, where less than three years have elapsed from the date liquidation of the company or enterprise was completed;
- (4) a person who, being the statutory representative of a company or an enterprise, the business license of which was revoked for violation of law and which was ordered to close down, was personally liable for the above, where less than three years have elapsed from the date the business license of the company or enterprise was revoked or ordered to close down;
- (5) a person who is listed as a defaulter subject to enforcement by the People's Court for failure to liquidate a relatively large amount of personal debts when they are due;
- (6) a person who is subject to the securities regulatory body under the State Council's punishment which prohibits them from entering into the securities market for a period which has not yet expired;
- (7) a person who has been publicly declared by any stock exchange to be unsuitable for serving as the director and senior management of listed company for a period which has not yet expired;
- (8) a person who falls within other circumstances specified by the law, administrative regulations and departmental rules.

For any election and appointment of a director in contravention of the provisions prescribed by this article, such election, appointment or employment shall be void and null. Where a director falls into any of the circumstances stipulated in this article in his term of office, the director shall be removed from office and stopped from performing his/her duties.

Article 106 Non-staff representative directors shall be elected or replaced by general meeting; and any director assumed by staff representative shall be elected or replaced by staff representatives meeting of the Company.

The term of office of directors is three years, commencing from the date of approval by the general meeting or the date of approval by the staff representatives meeting up to the expiry of the current term of office of the board of directors. The term of office of directors is renewable upon re-election at its expiry. The general meeting may resolve to dismiss a non-staff representative director, and the dismissal shall take effect on the date the resolution is made. If a non-staff representative director is dismissed prior to the expiration of his/her term without just cause, the director may claim compensation from the Company. Such removal shall not affect any claim that the director may have under any contract.

Directors may hold a concurrent post as manager or other senior manager of the Company, provided that the total number of directors who are serving concurrently as manager or other senior manager together with the director assumed by staff representative shall not be more than half of the total number of directors of the Company.

Article 107 In the event that a director resigns due to whatever reasons, the term of office of a by-elected director will commence from the date of approval by the general meeting or the date of approval by the staff representatives meeting up to the expiry of the current term of office of the board of directors. In the event that the term of a director falls upon expiry whereas the new member of the board of directors is not re-elected in time, the existing director shall continue to perform his duties in accordance with the law, administrative regulations, departmental rules and the provisions of the Articles of Association until the re-elected director assumes office.

Article 108 Directors shall abide by the law, regulations and provisions of the Company's Articles of Association, and shall faithfully fulfil their obligations to the Company, take measures to avoid the conflict between their own interests and those of the Company and may not seek any improper interests by taking advantage of their powers.

Directors shall faithfully perform their following obligations to the Company:

- (1) not to expropriate the Company's property and misappropriate the funds of the Company;
- (2) not to set up accounts in his/her own name or in the name of any other person for the purpose of depositing any of the funds of the Company;
- (3) not to exploit his/her position to bribe or accept other illegal income;

- (4) not to conclude any contract or enter into any transaction with the Company directly or indirectly, without reporting to the board of directors or the shareholders' meeting, and without being approved by a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of the Articles of Association;
- (5) not to take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, except when reported to the board of directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or when the Company, according to laws, administrative regulations, or the provisions of the Articles of Association, cannot utilise such business opportunities;
- (6) not to operate for themselves or others any business similar to that of the Company, without reporting to the board of directors or the shareholders' meeting and obtaining approval through a resolution of the shareholders' meeting;
- (7) not to misappropriate commissions derived from transactions entered into by the Company;
- (8) not to disclose confidential information of the Company without permission;
- (9) not to abuse his connections with the Company to jeopardize the interests of the Company;
- (10) other faithful obligations as required by the law, regulations, departmental rules and the Articles of Association.

Any income derived by a director in violation of the provisions of this article shall belong to the Company. The director shall be liable to indemnify the Company against any loss incurred.

Article 109 Directors shall comply with the relevant regulations under the laws and regulations, rules of the stock exchange, other normative documents and the Articles of Association, and shall bear the following obligations of diligence to the Company. In performing their duties, they shall exercise the level of care that a reasonably prudent manager would exercise in the best interests of the Company:

- (1) shall exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the State's law, administrative regulations and requirements of the State's economic policies, not exceeding the scope of business specified in the Company's business license;
- (2) that all shareholders shall be treated impartially;
- (3) master the operation and management conditions of the Company in due time;
- (4) sign the written confirmation opinions for the regular reports of the Company, to ensure that the information disclosed by the Company is true, correct and complete;
- (5) they shall honestly provide the audit committee with relevant information, and not to interfere with the audit committee in performing their duties and powers;
- (6) they fulfil other due diligence obligations stipulated by the laws and regulations, rules of the stock exchange, other normative documents and provisions of the Articles of Association.

Article 110 No directors shall act, in their personal capacity, on behalf of the Company or the board of directors if not provided in the provisions of the Company's Articles of Association or appropriately authorised by the board of directors. A director shall, when acting in his personal capacity, state his standing and identity in advance whenever a third party may reasonably believe that the said director is acting on behalf of the Company or the board of directors.

Article 111 A director who cannot attend board of directors' meetings in person twice consecutively, nor appointed any other directors to attend on his behalf is deemed as failure in performing the duties, and shall be subject to replacement as recommended by the board of directors at a general meeting or a staff representatives meeting.

Article 112 Directors may request to resign before expiry of their terms of office. The directors to resign shall submit to the Company a written report in relation to their resignation, and the report shall take effect on the date on which the Company receives the resignation report. The Company shall disclose the relevant information within 2 trading days.

In the event that the resignation of any director results in the number of members of the board of directors falling below the quorum, the existing director shall still continue to perform his duties in accordance with the law, administrative regulations, departmental rules and provisions of the Articles of Association until the re-elected director assumes office.

Article 113 Upon a director's submission of his resignation or at the expiry of his office, his obligations to the Company and the shareholders shall not necessarily cease before his resignation report becoming effective or within a reasonable period after it becoming effective or after the termination of tenure. The duty of confidentiality in relation to trade secrets of the Company shall survive upon termination of his tenure up until the disclosure of such trade secrets. Other duties may continue for such period as fairness may require depending on the time lapses between the termination and the act concerned and the circumstances and conditions under which the relationships with the Company are terminated. The responsibility that a director bears during his/her term of office due to the performance of his/her duties shall not be waived or terminated upon leaving office.

Article 114 Where a director causes damage to others during the performance of their duties, the Company shall be liable for compensation; where a director acts with willful or material default, they shall also be liable for compensation. Where a director violates any laws, administrative regulations, departmental rules or the provisions of these Articles of Association during the performance of his/her duties and causes losses to the Company, he/she shall be liable for compensation.

Article 115 Directors shall sign the regular reports of the Company for confirmation.

Article 116 Directors shall ensure the information disclosed by the listed company is true, accurate and complete.

Section 2 The Board of Directors

Article 117 The Board shall consist of 11 members, including one chairman, and can have one to two vice chairmen.

Article 118 At least one-third of the Board shall comprise independent directors, and at least one independent director shall be a professional accountant. The Board shall have one director assumed by staff representative. The staff representative acting as director must have worked in the Company for more than three consecutive years, and he/she will join the Board directly after democratically elected by the staff representatives meeting.

Article 119 The Board shall exercise the following authority and powers:

- (1) to convene general meetings and report to the general meetings;
- (2) to implement resolutions passed at the general meetings;
- (3) to determine the Company's business plans and investment schemes;
- (4) to formulate the Company's profit distribution plan and loss recovery plan;
- (5) to formulate proposals for increasing or reductions of the Company's registered capital and for the issuance and listing plans of corporate bonds or other securities;
- (6) to draft plans for material acquisition, share repurchase, merger, spin-off, dissolution or change in corporate form;
- (7) to determine matters relating to the Company's external investment, asset acquisition and disposal, external guarantee, pledge of assets, entrusted financial management, related transactions, external donations and so on within the scope stipulated in the Articles of Association and authorized by the general meeting;
- (8) to determine the establishment of the Company's internal management organs;
- (9) to appoint or dismiss the Company's manager and the secretary to the Board; and pursuant to the manager's nomination, to appoint or dismiss senior management including vice managers and person-in-charge of finance affairs, and to decide on their remuneration, rewards and penalties;

- (10) to formulate the Company's fundamental management system;
- (11) to formulate the proposed amendments to the Articles of Association;
- (12) to deal with information disclosures of the Company;
- (13) to propose to the general meeting for appointment or replacement of the accounting firm serving as the auditor of the Company;
- (14) to receive work report submitted by the manager of the Company and to review his performance;
- (15) to exercise other duties and powers specified in the laws, regulations, rules of the stock exchange or the provisions of the Articles of Association and authorized by the general meeting.

Article 120 The Board shall give explanations at the general meeting on the qualified audit opinions issued by certified public accountants on the Company's financial report.

Article 121 The Board shall formulate the Procedural Rules for the Board of Directors to ensure its efficiency and scientific decision-making.

Such procedural rules shall be annexed to the Company's Articles of Association and subject to approval by the general meeting.

The Board shall formulate a system for the management of authorizations, specify the authorization principles, scope of matters, authorization procedures, supervision and responsibilities, and establish and improve the authorization mechanism for regular reporting, tracking and supervision and dynamic adjustment in accordance with the law.

Article 122 In deciding on issues such as external investments, acquisition, disposal and mortgage of assets, external guarantees, asset management, connected transactions and external donations mandate, the Board shall carry out strict examination and comply with the decision-making process, and organise relevant experts and professionals to make assessments on major investment projects, and then submit to the general meeting for approval. The approval authority of the general meeting and the board of directors in respect of the Company's transactions shall be prescribed by the Procedural Rules for the General Meeting and the Procedural Rules for the Board of Directors.

Article 123 The external guarantees provided by the Company shall be strictly subject to relevant laws and regulations and the provisions of the Articles of Association. Any defaulting person who shall be held accountable will be disciplined by the Company according to the severance of the default and the losses to the Company.

Article 124 The chairman and vice chairman shall be assumed by directors, and shall be elected and removed by a simple majority of the directors.

Article 125 The chairman shall perform the following duties and powers:

- (1) to preside over general meetings and to convene and preside over Board meetings;
- (2) to supervise and monitor the implementation of resolutions of Board meetings;
- (3) to sign share certificates, debentures and other quote securities of the Company;
- (4) to sign important documents of the Board;
- (5) to exercise special discretionary power on corporate affairs in accordance with the law and in the Company's interests in case of emergency situations such as the occurrence of natural disasters of an exceptional scale and other force majeure events, and provide aftermath reports to the Board and general meeting;
- (6) to nominate or recommend candidates for manager, consultant to the Board and specialist consultant, secretary to the Board for the Board to consider and vote on;
- (7) other duties and powers as authorised by the Board.

Article 126 The authorisation by the Board to the chairman to perform certain duties of the Board during the adjournment of board meetings, shall in principle, be specific with regard to the matters concerned and the monetary limit. The content of authorisation shall be explicit and in details. Any matter that is of material interest to the Company shall be decided by the entire board. Should the board of directors authorizes the chairman or other organizations and individuals to perform other duties on its behalf, it shall comply with relevant laws and regulations, rules of the stock exchange, other normative documents and the Articles of Association.

Article 127 The vice chairman shall assist the chairman in his work. In the event that the chairman is unable or fails to perform his duties, the vice chairman shall chair the meeting. In the event that there is no vice-chairman, or the vice chairman is unable or fails to perform his duties, a director jointly elected by more than half of the directors shall chair the meeting.

Article 128 The board of directors shall at least hold four regular meetings each year. Board of directors' meetings shall be convened by the chairman, and written notice of the meeting shall be served on all directors 14 days before the date of the meeting.

Article 129 An extraordinary meeting of the Board shall be convened and presided over by the chairman within 10 days upon his receipt of a request for meeting under any of the following circumstances:

- (1) if deemed necessary by the chairman;
- (2) if jointly proposed by more than one-third of the directors;
- (3) if proposed by the audit committee;
- (4) if proposed by shareholders representing more than 10% of the voting rights;
- (5) if proposed by more than half of the independent directors, or;
- (6) if proposed by the manager.

Article 130 The form of notice of convening an extraordinary meeting of the Board shall be as follows: written notice of meeting; the notice shall be given 3 business days before the date of the extraordinary meeting of the Board.

For special cases that require the Board to make decisions immediately, the chairman shall not be subject to the requirements for the form of notice and notification period set out in the preceding paragraph when convening the extraordinary meeting for the sake of the Company's interests,

Article 131 A notice of the Board meeting shall set out the following information:

- (1) date and venue of the meeting;

- (2) duration of the meeting;
- (3) reason to convene such meeting and business to be discussed; and
- (4) date of the notice.

Article 132 Meetings of the Board shall be held only if a simple majority of the directors are present. If otherwise regulated by the laws and regulations, rules of the stock exchange and the Articles of Association, such regulations shall prevail. Each director shall have one vote in respect of each resolution of the Board. Resolutions of the Board must be passed, save for the otherwise regulated by the Articles of Association, such regulations shall prevail, otherwise by a simple majority of all the directors.

When a director is considered a related person of the enterprise or individual involved in a resolution of the Board, such director shall promptly submit a written report to the board of directors. The related director shall refrain from voting on such resolution nor can he/she exercise any voting rights on behalf of other directors. The meeting may be held if it is quorated by a simple majority of the unrelated directors. Resolutions of the Board meeting shall be passed by a simple majority of the unrelated directors. If the number of unrelated directors present at the Board meeting is less than three, such matter shall be put forward to a general meeting for discussion and consideration.

Article 133 Resolutions of the Board meeting may be voted by a show of hands, a poll, fax or email.

As long as all the directors can fully express their opinions, an extraordinary Board meeting may be held by way of fax or email, and resolutions passed shall be signed by all participating directors.

Article 134 Directors shall attend Board meetings in person. A director attends a Board meeting by way of video conference or teleconference may be deemed as attending the meeting in person. If a director cannot attend a Board meeting due to whatever reasons, he/ she may appoint another director in writing to attend on his/her behalf.

The form of entrustment shall state the name of the proxy, the relevant matter to be entrusted, scope of authorization and validity period and shall be signed or sealed by the appointor.

The director attending the meeting on behalf of others shall exercise his/her rights within the scope of authorisation. If a director cannot attend a board meeting and fails to appoint a proxy to attend the meeting on his/her behalf, the director shall be deemed to have waived his/her voting right at that meeting.

Article 135 Minutes shall be taken for the Board meeting, and directors attending the meeting, secretary to the Board and the person who takes the minutes shall sign on the minutes. Directors attending the meeting shall have the right to request to record in the minutes details of the statements made by them at the meeting. The minutes of Board meetings shall be maintained as corporate archives for a period of 10 years.

Article 136 The minutes of the Board meeting shall include the following:

- (1) date and venue of the meeting and the name of the convenor;
- (2) names of the attending directors and names of the directors (proxies) appointed by others to attend the Board meeting;
- (3) agenda of the meeting;
- (4) main points of the statements of directors; and
- (5) the method and results of voting for each resolution (the voting results shall clearly state the number of votes for or against the resolution or abstention).

Article 137 Directors shall sign on Board resolutions and shall be accountable for the Board resolutions. If a Board resolution violates the law, administrative regulations or the Company's Articles of Association thus causing losses to the Company, the directors participating in the resolutions shall be liable to compensate the Company for the losses. However, if it is verified that a director had stated his/her objection when voting and the same was recorded in the minutes, such director may be exempted from such liability.

Article 138 The Company may purchase liability insurance for its directors subject to approval by the general meeting, save for those liabilities arising from breach of the law, regulations and provisions of the Company's Articles of Association by the directors.

Section 3 Independent Director

Articles 139 Independent Directors shall, pursuant to the relevant requirements of the laws, administrative regulations, the relevant rules of the securities regulatory body under the State Council, the stock exchange and the Articles of Association as well as the System of Independent Directors of China Vanke Co., Ltd, conscientiously perform their duties and responsibilities, play a role in participating in decision-making, supervising and balancing, and providing professional advice on the board of directors, safeguard the Company's interests as a whole and protect the lawful rights and interests of small and medium shareholders.

Articles 140 As the member of the board of directors, independent directors shall bear an obligation of loyalty and diligence towards the Company and all of its Shareholders and perform the following duties with due care:

- (1) to participate in the decision-making of the Board of Directors and express clear opinions on the matters considered;
- (2) to supervise the matters of potential material conflict of interests between the Company and controlling shareholders, actual controller, directors and senior management, and protecting the legitimate rights and interests of minority shareholders;
- (3) to provide professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making standard of the Board of Directors;
- (4) to perform other duties as required by laws, administrative regulations, requirements of the securities regulatory body under the State Council and the Articles of Association.

Section 4 Special Committees of the Board of Directors

Article 141 An audit committee has been established by the Board which discharges the duties of the supervisory committee as prescribed under the New Company Law.

Article 142 The audit committee shall consist of three members who are directors not serving as senior management of the Company and two of them shall be independent non-executive director, and the convenor shall be a professional accountant among the independent Directors.

Article 143 The audit committee is responsible for reviewing the financial information of the Company and its disclosure, supervising and evaluating internal and external audit work and internal control, inspecting and evaluating the Company's risk management system, as well as other matters stipulated by laws, administrative regulations, rules of the securities regulatory body under the State Council and the stock exchange, the Articles of Association, and authorized by the general meeting and the board of directors.

The following matters shall be submitted to the Board for consideration after being approved by more than half of the members of the Audit Committee:

- (1) to disclose the financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (2) to appoint or dismiss the accounting firm of the Company that undertakes the audit business of listed companies;
- (3) to appoint or dismiss the chief financial officer of the Company;
- (4) to revise accounting policies and accounting estimates or to correct material accounting errors for reasons other than changes in accounting standards;
- (5) to deal with other matters stipulated by laws, administrative regulations, the relevant rules of the securities regulatory body under the State Council and the Articles of Association.

Article 144 The audit committee shall meet at least once each quarter. Extraordinary meetings may be convened if requested by two or more members, or if the convenor deems it necessary. A meeting of the audit committee shall only be valid if no less than two-thirds of the members are present. When the audit committee makes a resolution, it shall be approved by more than half of all the members of the audit committee. For the voting on a resolution of the audit committee, each member has one vote. The resolutions of the audit committee shall be duly recorded in meeting minutes, and the audit committee members present at the meeting shall sign the minutes. The working procedures of the audit committee shall be formulated by the board of directors.

Article 145 The Board may set up other special committees, including a remuneration and nomination committee, investment and decision-making committee. The special committee shall be responsible to the board of directors and shall perform its duties as authorized by the Articles of Association and the board of directors. The special committee shall submit proposals to the board of directors for consideration and decision. The working procedures of the special committee shall be formulated by the board of directors. All such special committees shall consist of directors. The majority of the members of the audit committee and remuneration and nomination committee shall be independent directors, who shall convene the meetings of such committees.

Article 146 The remuneration and nomination committee shall be responsible for developing the standards and procedures for the selection of directors and senior management, selecting the candidates for directors and senior management, reviewing their qualifications for the positions, formulating the standards for appraising the directors and senior management and carrying out the appraisal, formulating and reviewing the remuneration policies and plans for directors and senior management, including the remuneration determination mechanism, decision-making processes, and payment/recoupment (clawback) arrangements, and proposing suggestions to the board of directors on the following matters:

- (1) nomination, appointment, or removal of a director;
- (2) appointment or dismissal of a senior management;
- (3) remuneration of directors and senior management;

- (4) formulation or amendment of the share incentive scheme, employee share ownership scheme, and the conditions to be achieved by eligible participants to obtain and exercise the rights and interests;
- (5) share ownership schemes made by directors and senior management in the subsidiaries to be spun off;
- (6) other matters stipulated by laws, administrative regulations, rules of the securities regulatory body under the State Council and the stock exchange, the Articles of Association, and authorized by the general meeting and the board of directors.

If the board of directors denies or denies part of any suggestion of the remuneration and nomination committee, such a suggestion of the remuneration and nomination committee and the reasons for denying the suggestion shall be recorded in the resolution of the Board of Directors and disclosed.

Article 147 The main function of the investment and decision-making committee is:

- (1) to do research and make proposals on the long-term development strategy and major investment decisions of the Company;
- (2) to be responsible for other matters as authorized by laws and regulations, the rules of the stock exchange, regulations of the Articles of Association, general meetings and the Board.

Chapter 6 Manager and Other Senior management

Article 148 The Company shall have one manager, who shall be appointed or removed by the Board. A director may be appointed to act concurrently as a manager, vice manager or other senior management

Article 149 Requirements set out in the Articles of Association with respect to the directors' duty of good faithfulness and directors' obligations of diligence, as well as requirements set out in Article 105 with respect to disqualified directors shall also be applicable to the manager and other senior management.

Article 150 A person holding administrative duties other than director, supervisor positions in the Company's controlling shareholders unit shall not hold the office of manager and other senior management of the Company.

Article 151 The manager shall serve for a term of 3 years and may serve consecutive terms if reappointed.

Article 152 The manager shall report to the Board and have the following duties and powers:

- (1) to be in charge of the production, operation and management of the Company, and to report his work to the Board;
- (2) to organize and implement the resolutions adopted by the Board, the annual business plans and investment plans of the Company;
- (3) to draft schemes for the establishment of the Company's internal management departments;
- (4) to draft the basic management systems of the Company;
- (5) to formulate detailed rules and regulations of the Company;
- (6) to make proposals regarding the appointment or removal of the vice manager and person-in-charge of finance affairs of the Company;
- (7) to appoint or remove managerial officers other than those to be appointed or removed by the Board;
- (8) to formulate plans for the remunerations, benefits, awards and punishments of the staff of the Company and determine the employment and removal of such staff;
- (9) other duties and powers authorized by the Company's Articles of Association or by the Board; and
- (10) to propose to convene an extraordinary meeting of the Board.

Article 153 The manager shall be present at Board meetings, but a non-director manager shall not have the voting rights at such meetings.

Article 154 In handling issues relating to the remuneration, benefits, safety production and labour protection and insurance, removal (or expulsion) of staff of the Company, the manager shall first consult with the trade union or the staff representatives meeting.

Article 155 The manager shall formulate rules of work of the manager and submit the same to the Board for approval and, upon such approval, implement such rules.

Article 156 The rules of work of the manager shall include the following:

- (1) conditions and procedures for convening and participants of the manager's meetings;
- (2) specific duties of the manager and other senior management;
- (3) the use of funds and assets of the Company, authority to enter into material contracts and systems for reporting to the Board;
- (4) other matters as deemed necessary by the Board.

Article 157 The manager may resign prior to the expiration of his term of office. The detailed procedures and measures for the manager's resignation shall be set out in the service contract entered into between the manager and the Company.

Article 158 The Company shall have a secretary to the Board, who shall be a senior management. He/she shall be responsible for preparing general meetings and Board meetings, keeping documents and managing the Company's register of members, as well as handling matters relating to information disclosure. The secretary to the Board shall be a natural person, possessing the necessary professional expertise and related work experience, and shall be appointed by the Board.

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

Article 159 A director or other senior management of the Company may concurrently serve as the secretary to the Board. No accountant of the accounting firm engaged by the Company shall concurrently serve as the secretary to the Board.

Where a director concurrently serves as the secretary to the Board and a certain act needs to be done by a director and the secretary to the Board respectively, he/she shall not do the act in his double capacities.

Article 160 Senior management of the Company shall strictly implement the relevant resolutions approved by the Board, and shall not change or refuse to implement the Board's resolutions without permission. Should there be changes in the objective conditions and the business environment, senior management shall promptly report to the Board.

Article 161 Senior management of the Company shall sign the regular reports of the Company for confirmation.

Senior management of the Company shall ensure the information disclosed by the listed company is true, accurate and complete.

Article 162 Should a director give an instruction beyond the scope of authorisation entrusted to him/her by the Board, the Company's senior management shall request the director to first comply with the corresponding approval procedures in accordance with the Company's Articles of Association or the relevant provisions.

Article 163 Senior management of the Company shall report to the Board on the progress of implementation of the Board's resolutions, as well as signing and execution of material contracts, the use of funds and profits and losses of the Company, and other relevant information at the request of the Board, and shall ensure the truthfulness, accuracy, completeness and timeliness of such reports.

The Company's senior management shall be liable for losses caused to the Company as a result of the alteration of or their refusal to implement the Board's resolutions without permission, and their failure to accurately report to the Board on the Company's actual situation.

Article 164 Where a senior management causes damage to others during the performance of their duties, the Company shall be liable for compensation; where a senior management acts with willful or material default, they shall also be liable for compensation.

If a senior management violates the provisions of laws, administrative regulations, departmental rules or the Articles of Association while performing his/her duties and causes losses to the Company, he/she shall be liable for compensation.

Article 165 The senior management of the Company shall faithfully perform their duties, and safeguard the best interests of the Company and all shareholders.

Any senior management of the Company who fails to faithfully perform his/her duties or breaches the fiduciary duty shall indemnify the Company and the public shareholders for the damages arising therefrom according to law.

Chapter 7 Qualifications and Obligations of Directors and Senior management

Article 166 A person satisfying one or more of the conditions set out in Article 105 of the Articles of Association shall not serve as the director, senior management of the Company.

Article 167 The validity of an act of directors and senior management on behalf of the Company is not, *vis-à-vis* a bona fides third party, affected by any irregularity in their office, election or qualification.

Article 168 In addition to the obligations required by the law, administrative regulations or the listing rules of the stock exchange(s) on which the Company's shares are listed, directors, and senior management of the Company shall, in performing duties and powers conferred by Company, take the following obligations towards each shareholder:

- (1) not to cause the Company to go beyond the scope of business stipulated in its business license;
- (2) to act honestly in the best interests of the Company;
- (3) not to expropriate in any guise the Company's property, including (but not limited to) usurpation of opportunities advantageous to the Company; and
- (4) not to expropriate the individual rights of shareholders, including (but not limited to) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to the general meeting for approval in accordance with the Company's Articles of Association.

Article 169 In excising rights or fulfilling obligations, directors and senior management of the Company have the duty to act with due discretion, diligence and skills as a reasonable discreet person should do in similar circumstances.

Article 170 In performing their duties, directors, and senior management of the Company shall act in good faith and shall not put themselves in a situation where their own interests may conflict with their obligations. This principle shall include (but not limited to) the fulfilment of the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the terms of reference without ultra vires;
- (3) to exercise the discretion vested in him personally and not to allow himself to act under the control of any other party;

unless and to the extent permitted by the law, administrative regulations or with the consent of informed shareholders at a general meeting, not to delegate the exercise of his discretion;

- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise stipulated in the Company's Articles of Association or otherwise consented by informed shareholders at a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) without the consent of informed shareholders at a general meeting, not to use, by any means, the Company's property for his own benefits;
- (7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property by any means, including (but not limited to) opportunities advantageous to the Company;
- (8) without the consent of informed shareholders at a general meeting, not to accept commissions in connection with any of the Company's transactions;
- (9) to abide by the Company's Articles of Association, perform his official duties faithfully and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private benefits;

- (10) not to compete with the Company in any way unless with the consent of informed shareholders at a general meeting;
- (11) not to misappropriate the Company's funds or lend such funds to others, not to open accounts in his own name or other names for the deposit of the Company's assets and not to provide a guarantee for debts of a shareholder of the Company or other individual(s) with the Company's assets;
- (12) unless otherwise permitted by informed shareholders at a general meeting, not to disclose the information acquired by him in confidentiality during his tenure; not to use such information other than in furtherance of the interests of the Company, save and except that disclosure of such information to the court or other competent government authorities is permitted in any of the following circumstances:
1. when so prescribed by the law;
 2. when public interests so require;
 3. when so required for the own interests of the directors or senior management.

Directors and senior management who directly or indirectly enter into contracts or transactions with the Company shall report to the board of directors on matters related to entering into contracts or transactions, which shall be approved by resolutions of the Board or the shareholder's meeting in accordance with the Articles of Association.

The provisions of the preceding paragraph shall apply to the entering of contracts or transactions with the Company by close family members of the directors and senior management members, enterprises directly or indirectly controlled by the directors and senior management members or their close family members, and associates who have other affiliations with the directors and senior management members.

Article 171 A director or senior management of the Company shall not cause the following persons or institutions (“associates”) to do what he/she is prohibited from doing:

- (1) the spouse or minor children of that director or senior management;
- (2) a person acting in the capacity of a trustee of that director or senior management or any person referred to in subsection (1) of this Article;
- (3) a person acting in the capacity of partner of that director or management or any person referred to in subsections (1) and (2) of this Article;
- (4) a company in which that director or senior management, either individually or jointly with one or more person(s) referred to in subsections (1), (2) and (3) of this Article or other directors and senior management, has (have) a de facto controlling interest; or
- (5) directors, managers and other senior management of the controlled company referred to in subsection (4) of this Article.

Article 172 The contract on remunerations between the Company and its directors shall provide that in the event of a takeover of the Company, the Company’s directors shall, subject to prior approval of shareholders at a general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement.

A takeover of the Company referred to in the preceding paragraph includes any of the following circumstances:

- (1) a general offer made by any person to all shareholders;
- (2) an offer made by any person with a view to make the offeror the controlling shareholder. A controlling shareholder shall have the same meaning as set forth in Article 232 of the Articles of Association.

Where the relevant director is in breach of this Article, any sum so received by him shall belong to those who have sold their shares as a result of the acceptance of the said offer. The expenses incurred in distributing such sum shall be borne by the relevant director on a pro rata basis and shall not be deductible from the sum.

Chapter 8 Financial and Accounting Systems, Profit Distribution and Audit

Section 1 Financial and Accounting Systems

Article 173 The Company shall establish its financial and accounting systems in accordance with the law, administrative regulations and requirements of the relevant departments of the State.

Article 174 The Company shall prepare a financial report at the end of each accounting year, and the financial report shall be audited pursuant to the applicable law.

Article 175 The Company shall deliver its annual financial report to the agency of the securities regulatory authorities of the State Council and the stock exchange and shall make disclosure on the same within 4 months from the conclusion of each accounting year. It shall deliver its interim financial report to the agency of the securities regulatory authorities of the State Council and the stock exchange and shall make disclosure on the same within 2 months from the conclusion of the first 6 months of each accounting year.

The aforesaid report shall be drafted in accordance with the requirements of the relevant law and regulations as well as the requirements of the securities regulatory authorities of the State Council and the stock exchange.

Article 176 The Company shall maintain no other accounts books other than a set of statutory accounts books. No fund of the Company shall be deposited into an account under the name of any individual.

Article 177 The Company shall allocate 10% of its profits to the statutory reserve of the Company when distributing its after-tax profits for the year, provided that no further appropriation is required if the accumulated statutory reserve exceeds 50% of the registered capital of the Company.

If the statutory reserve of the Company is insufficient to make up for the losses brought forward from the previous year, profits for the current year shall be applied to make up for such losses before making allocations to the statutory reserve in accordance with the aforementioned requirement.

Upon allocation of the after-tax profits to the statutory reserve, the Company may allocate a part of the after-tax profits to the discretionary reserve as approved by a resolution passed at the general meeting.

Upon making up for the losses incurred and allocating to the statutory reserve, the balance of after-tax profits shall be distributed to the shareholders in proportion to their shareholding.

If the aforementioned regulations are violated at the general meeting where the Company distributes profits to the shareholders prior to making up for losses and allocating to the statutory reserve, the shareholders shall return to the Company the profits distributed as a result of violation of the regulations; if the Company incurs losses as a result of which, the shareholders and the responsible directors and senior management shall be liable for compensation.

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

Any paid-up shares are entitled to the profit distribution, but shareholders with pre-paid shares shall not participate in any profit distribution declared thereafter.

Article 178 The common reserve of the Company is used to make up for the losses of the Company, expand the business operation of the Company or increase the registered capital of the Company.

The discretionary reserve and statutory reserve shall be used first to make up the Company's losses; if the losses cannot be covered, the capital reserve can be used in accordance with the regulations.

Upon transfer from the statutory reserve to increase registered capital, the remainder of such reserve shall not be less than 25% of the registered capital of the Company before such transfer takes effect.

Article 179 After the profit distribution plan has been resolved at the general meeting, or a specific plan has been formulated by the Board of the Company based on the conditions and caps of the interim dividends for the next year which have been considered and approved by the annual general meeting, the Board of the Company shall complete the distribution of dividends (or shares) within two months after the meeting.

Article 180 The Company may distribute dividend in the form of cash or bonus shares. The exchange rate used to calculate dividends for foreign shares shall be determined by the benchmark exchange rate of Renminbi against Hong Kong dollar announced by the People's Bank of China on the first business day immediately following the day on which the resolution has been passed at the general meeting of the Company.

Article 181 The Company shall appoint a receiving agent for holders of H shares. The receiving agent shall receive the dividends distributed and other amounts payable by the Company to the shareholders in respect of H shares on such shareholders' behalf.

The receiving agent for H shareholders appointed by the Company shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Article 182 The Company shall strictly adhere to the following requirements in the course of implementation of profit distribution:

- (1) The Company's profit distribution policy shall emphasise reasonable return on investment for investors. The Company may distribute dividend in the form of cash, bonus shares or both or other means permitted by the law and regulations. However, the amount of profit to be distributed shall not exceed the amount of accumulated distributable profit or prejudice the Company's ability to continue to operate, priority consideration shall be given to the profit distribution in cash.
- (2) The Company maintains a consistent and stable profit distribution policy. The accumulated cash distribution of profit for any three consecutive years shall not be less than 30% of the average annual distributable profit of the past three years.
- (3) Should the Company realize profits in each accounting year, the Board shall submit to the general meeting a cash dividend distribution proposal. In the event that the Company realizes profits but no cash dividend distribution proposal is submitted, the Board shall explain in detail why no cash dividend distribution proposal is submitted and the use of retained profit not distributed as cash dividend in the regular report. Independent directors shall express their opinions on this matter.

- (4) The Company may put forth a bonus share distribution proposal, provided that the Company has a sound business operation, and can maintain a reasonable size of the Company's share capital and shareholding structure.
- (5) Having taken into account the Company's profitability and capital needs, the Board of the Company may recommend the Company to carry out interim dividend distribution.
- (6) In the event that the Company's funds are being embezzled by a shareholder, the Company shall have the right to withhold and deduct the cash dividends to be distributed to that shareholder for repayment of the funds embezzled by him/her.

The Company may forfeit unclaimed dividends conditional on it abiding by relevant PRC laws, administrative regulations and rules and relevant requirement of Hong Kong Stock Exchange. This right shall only be exercised after the expiration of applicable limitation period.

The Company shall have the right to terminate sending dividend warrant to the relevant shareholders of overseas-listed foreign shares by mail. But the Company shall exercise such right only after dividend warrants failed to be redeemed for two consecutive times. The Company may exercise the right, if a dividend warrant fails to reach the recipient in the first mailing and is returned.

The Company shall have the right to sell the shares held by holders of overseas-listed foreign shares with whom the Company could not contact in a way deemed appropriate by the Board, provided the following conditions are met:

- (1) the Company has distributed dividends on the shares at least 3 times within 12 years but the dividends remained unclaimed;
- (2) the Company publishes announcements in one or more newspapers of the place in which the shares of the Company are listed after the expiration of the 12-year period, stating its intention to sell the shares, and informs the securities regulatory authority of the place in which the shares of the Company are listed, and the relevant announcements have been published in newspapers, which are in compliance with the applicable rules.

Article 183 The decision-making mechanism under the Company's profit distribution policy is as follows:

- (1) The annual profit distribution proposal of the Company shall be put forth by the Board in accordance with the Company's profitability, operation and development plans, return to shareholder, capital needs, the costs of social capital and external financing environment, as well as provisions of the Company's Articles of Association. The profit distribution proposal shall be submitted to the general meeting for consideration after being considered and passed by the Board;
- (2) the profit distribution proposal shall be passed by votes representing a simple majority of the directors when considered by the Board. The Company shall make detailed record of the management's recommendations, key points presented by participating directors, independent directors' opinions, and the details on voting of the Board during the Board's meeting to consider the profit distribution proposal. The record shall be properly kept as corporate archive;
- (3) the dividend distribution proposal put forth by the Board shall be submitted to the general meeting for consideration. During the general meeting at which the profit distribution proposal is considered, there shall be various channels to proactively communicate and exchange opinions with shareholders, especially minority shareholders, whose opinions and demands shall be given full consideration. Profit distribution plan shall be passed by votes representing more than half of the voting rights held by shareholders (including proxies) present at such general meeting. The Company shall safeguard the rights of public shareholders to attend the general meeting. The Board, independent directors, and shareholders satisfying relevant requirements may solicit voting rights from the Company's shareholders at the general meeting;
- (4) the Company shall provide a platform for online voting in addition to a venue for general meeting in the event that the Company realize profits during an accounting year but not put forth a cash dividend distribution proposal;

- (5) in the event that any adjustments are required to be made to the Company's dividend distribution policy as a result of material changes in external business environment or its own operating conditions, the Company shall hold thorough discussion and give detailed explanation in the interest of shareholders. Adjustments to the dividend distribution policy shall be submitted to the general meeting for consideration after being considered and passed by the Board, and shall be passed by votes representing more than two-third of voting rights held by shareholders (or proxies) present at such general meeting;
- (6) After the profit distribution proposal has been resolved at the Company's general meeting, the Board of the Company shall complete the distribution of dividends (or bonus shares) within two months after the meeting;

Section 2 Internal Audit

Article 184 The Company maintains an internal audit system, which specifies the leadership system, responsibilities and authorisations, staffing, financial security, application of audit results and accountability for internal audit work.

The Company's internal audit system shall be implemented upon the approval of the Board and disclosed to the public.

Article 185 The internal audit institution of the Company shall supervise and inspect the Company's business activities, risk management, internal control and financial information.

Article 186 The internal audit institution is accountable to the board of directors. During the supervision and inspection of the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall be subject to the oversight and guidance of the audit committee. If the internal audit institution discovers any significant issues or leads, it shall immediately report directly to the audit committee.

With the consent of three or more directors, a third-party audit institution may be entrusted to conduct a special audit of the Company's financial position, production and operation.

Article 187 The internal audit institution is responsible for the specific organization and implementation of the Company's internal control evaluation. Based on the evaluation report issued by the internal audit institution and reviewed by the Audit Committee, as well as relevant materials, the Company shall issue its annual internal control evaluation report.

Article 188 The internal audit function shall actively support and assist the audit committee in its communications with external auditors, including accounting firms and state audit agencies.

Article 189 The Audit Committee participates in the performance evaluation of the head of internal audit.

Section 3 Engagement of Accounting Firms

Article 190 The Company shall engage an accounting firm which complies with the requirements of the Securities Law to audit the financial statements, and provide net assets verification and other related consulting services for a term of one year. The appointment of accounting firm may be renewed upon the expiry of its term.

Article 191 The Company's engagement or termination of an accounting firm that is responsible for the Company's audit work shall be subject to the resolution of the general meeting, and the Board shall not engage an accounting firm until the general meeting makes its decision.

Article 192 The term of appointment of an accounting firm shall commence from the conclusion of the annual general meeting at which such appointment was considered until the conclusion of the next annual general meeting.

Article 193 The Company shall ensure the provision of true and complete accounting evidence, books of account, financial and accounting reports and other accounting data to the accounting firm engaged by it, and no refusal, withholding and false information are allowed.

Article 194 The accounting firm engaged by the Company shall have the following rights:

- (1) to inspect the Company's financial statements, records and vouchers, and to request the Company's directors, manager or other senior management to provide relevant information and explanations;

- (2) to request the Company to provide information and explanations of its subsidiaries deemed necessary by the accounting firm in performing its functions;
- (3) to participate in general meetings, obtain notice of general meetings or other information about general meetings, and speak at general meetings on matters relating to its capacity as the accounting firm of the Company.

Article 195 The audit fee of the accounting firm shall be ascertained by the general meeting.

Article 196 Should the Company terminate or cease to renew the engagement of an accounting firm, a notice of 30 days prior to the termination of engagement or renewal shall be given to that accounting firm. The accounting firm shall be entitled to make a statement at the general meeting at the time of voting upon ceasing the engagement of such accounting firm.

Article 197 Where the accounting firm tenders resignation, it shall explain to the general meeting whether there are any improper practices of the Company.

Chapter 9 Notices, Announcements and Investor Relations Management

Section 1 Notices

Article 198 Notices of the Company may be issued by the following methods:

- (1) by hand;
- (2) by post, fax, email;
- (3) by announcement;
- (4) in a manner permissible under the Company's Articles of Association.

Article 199 Any notice issued by the Company in the form of a public announcement shall be deemed to have been received by all relevant persons once it is published.

The “announcement” referred to in the Articles of Association, unless the context otherwise requires, for the purpose of the announcements to be issued to holders of domestic shares or announcements to be issued in China in accordance with relevant regulations and the Articles of Association, means announcements which are published in the newspapers, periodicals or website(s) in compliance with the requirements of laws and regulations; for the purpose of announcement issued to H shareholders or announcements issued in Hong Kong in accordance with the relevant provisions and the Articles of Association, such announcements shall be published on the Company’s website and on the website of the Hong Kong Stock Exchange in compliance with the requirements of the Hong Kong Listing Rules, and on other websites as required from time to time by the Hong Kong Listing rules.

Article 200 Any notice for convening a general meeting of the Company shall be given by way of an announcement.

Article 201 Any notice for convening a meeting of the Board of the Company shall be given by a notice in writing or via email.

Article 202 Unless otherwise stipulated in the Articles of Association, corporate communication (as defined in Hong Kong Listing Rules, including but is not limited to: (1) the directors’ report, its annual accounts together with a copy of the auditor’s report and, where applicable, its summary financial report; (2) the interim report and, where applicable, its summary interim report; (3) a notice of meeting; (4) a listing document; (5) a circular; and (6) a proxy form), such as notices, information or written statements, sent to H shareholders by the Company may be delivered or provided in electronic way in accordance with the provisions of Hong Kong Listing Rules and/or through the website of the Company and the website of the stock exchange(s) of the place(s) where the Company’s shares are listed, provided that the Company has made appropriate arrangements and is in compliance with the appropriate laws and regulations and listing rules of the place(s) where the Company’s shares are listed as well as the Articles of Association.

By giving a written notice to the Company, H shareholders of the Company may select receiving corporate communication from the Company either in electronic way or by post. The shareholder may also select only receive corporate communication in either Chinese or English or both Chinese and English. The shareholder may also give a written notice to the Company in advance within reasonable time to amend his/her choice of the mean to receive the aforesaid communication and language version(s) according to the appropriate procedures.

Article 203 For notices of the Company delivered by hand, an acknowledgement of receipt shall be signed (or stamped) by the recipient and the date of delivery shall be the date on which the acknowledgement is signed; for notices delivered by post, the date of delivery shall be the third business day from the mail delivered to the post office; for notices delivered by way of announcements, the date of service shall be the date on which the first announcement is published; for notices delivered by email, the date of service shall be the date on which the email is dispatched, and keep the record of delivery and acknowledgement of receipt of the email until the signing of the resolution.

Article 204 An accidental omission of giving notice of a meeting to a person entitled to receive such notice or such person's failure to receive such notice shall not invalidate the meeting or the resolutions adopted at the meeting.

Section 2 Announcements

Article 205 The Company has designated <http://www.cninfo.com.cn> and a Hong Kong or overseas English media, etc. as the platform for publishing the Company's announcements and other information which needed to be disclosed.

Section 3 Investor Relations Management

Article 206 The Company shall take an active role in establishing an adequate system of investor relationship management and enhance communications between the Company and its shareholders, especially its minority shareholders, through various channels.

Chapter 10 Merger, Spin-off, Increase and Reduction of Registered Capital, Dissolution and Liquidation

Section 1 Merger, Spin-off, Increase and Reduction of Registered Capital

Article 207 The Company may undergo merger or spin-off in compliance with the law. The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. The absorption by one company of another company constitutes a merger by absorption, in which case the absorbed company shall be dissolved. The merger of two or more companies into a new company constitutes a merger by new establishment, in which case all the parties to the merger shall be dissolved.

If the payment made by the Company for a merger does not exceed ten percent of its net assets, it may not require approval from the general meetings, except as otherwise provided in these Articles of Association. If the Company merges in accordance with the provisions of the preceding paragraph without the from the general meetings, it should be approved by the board of directors.

Article 208 After the merger or spin-off of the Company has been passed by the Company's general meeting, shareholders voting against the proposal for the merger or spin-off of the Company at such general meeting shall be entitled to demand the Company or shareholders consenting to the proposal for the merger or spin-off of the Company to purchase their shares at a fair price. The resolution on the merger or spin-off of the Company shall be kept as a special document, which shall be available for shareholders' inspection.

For H shareholders, the aforesaid document shall also be despatched by mail.

Article 209 As far as mergers are concerned, parties to the merger shall sign a merger agreement, and prepare the balance sheet and a list of property. The Company shall notify its creditors within 10 days, and shall make an announcement in one or more newspapers and periodicals that comply with the requirements of laws and regulations or National Enterprise Credit Information Publicity System within 30 days from the date of passage of the resolution on the merger. Creditors may, within 30 days upon receipt of the notification, (or for creditors who have not received such notification within 45 days after the date of announcement), request the Company to make repayments or provide corresponding guarantees in respect of its indebtedness.

Article 210 Upon merger of the Company, the subsisting company after the merger or a newly established company shall succeed to the creditors' rights and indebtedness of parties to the merger.

Article 211 As far as spin-offs are concerned, property of the Company shall be split up accordingly.

Upon spin-off, the balance sheet and a list of property shall be prepared. The Company shall notify its creditors within 10 days, and shall make an announcement in one or more newspapers and periodicals that comply with the requirements of laws and regulations or National Enterprise Credit Information Publicity System within 30 days from the date of passage of the resolution on the spin-off.

The indebtedness of the Company prior to the spin-off shall be jointly assumed by the companies which exist after the spin-off unless otherwise agreed between the Company and its creditors under a written agreement in relation to the settlement of debts prior to the spin-off.

Article 212 As far as reductions in its registered capital are concerned, the Company shall prepare the balance sheet and a list of property.

The Company shall notify its creditors within 10 days, and shall make an announcement in one or more newspapers that comply with the requirements of laws and regulations or National Enterprise Credit Information Publicity System within 30 days from the date of passage of the resolution on such reduction. Creditors are entitled to, within 30 days upon receipt of the notification, (or for creditors who have not received such notification, within 45 days after the date of announcement), request the Company to make repayments or provide corresponding guarantees in respect of its indebtedness.

In case of any reduction in registered capital, unless otherwise provided by laws or the Articles of Association, the amount of capital contribution or shares shall be reduced correspondingly in proportion to the capital contributed by the shareholders or their shareholdings.

Article 213 Where the Company still incurs losses after making up its losses in accordance with Paragraph 2 of Article 178 of the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not make distribution to its shareholders, nor exempt the shareholders from their obligation to make capital contribution or calls on share.

The provisions of the Paragraph 2 of the preceding article shall not apply to the reduction in the registered capital in accordance with the preceding article. The Company shall make an announcement in one or more newspapers and periodicals that comply with the requirements of laws and regulations or National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction of its registered capital at general meeting. After reducing its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of its statutory reserve and discretionary reserve reaches 50% of its registered capital.

Article 214 If the registered capital is reduced in violation of the Company Law and other relevant provisions, shareholders shall return the funds received, and the obligations of shareholders to make capital contributions shall be restored if such obligations are reduced or waived; if the Company incurs losses as a result of which, the shareholders and the responsible directors and senior management shall be liable for compensation.

Article 215 Where an increase in registered capital of the Company is made by means of issue of new shares, the shareholders do not have any pre-emptive right unless the Articles of Association provides otherwise or the shareholders' general meeting resolves that the shareholders shall have pre-emptive right.

Article 216 In the case that merger or spin-off of the Company results in any changes in registered particulars, modifications of registration shall be completed with the company registration authority according to law; in the case of dissolution, the deregistration shall be made according to law; in the case of the establishment of a new company, the registration of incorporation shall be made according to law.

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

Section 2 Dissolution and Liquidation

Article 217 The Company shall be dissolved and liquidated according to law upon the occurrence of any of the following events:

- (1) a special resolution on dissolution has been passed at a general meeting;
- (2) the Company has to be dissolved as a result of its merger or spin-off;
- (3) the business license has been cancelled or the Company has been ordered to close down its operations, or it has been wound up;
- (4) the term of its operations specified in the Articles of Association has expired or any other cause for dissolution specified in the Articles of Association arises;
- (5) a shareholder who holds more than 10% of the voting rights of all shareholders may petition the people's court to dissolve the Company on the basis that there are serious difficulties in the operation and management of the Company whose subsistence will significantly jeopardise the shareholders' interests and that such difficulties cannot be resolved by any other means.

If the Company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Article 218 Under the circumstances set out in items (1) and (4) of Article 217 of the Articles of Association, and the property has not been distributed to shareholders, the Company may survive through amendment of the Articles of Association or by resolution of the general meeting.

Amendments to the Articles of Association or resolutions of the general meeting pursuant to the preceding paragraph shall be approved by more than two-thirds of the votes held by the shareholders present at the general meeting.

Article 219 If the Company is dissolved pursuant to subsections (1), (3), (4) and (5) of Article 217 hereof, and the directors are the liquidation obligors of the Company, a liquidation team shall be formed to proceed the liquidation within 15 days from the date on which the causes for dissolution arise. The liquidation team shall consist of directors, except where otherwise provided by the Articles of Association or resolved by the general meeting to appoint others. The liquidation obligors shall be liable for any losses incurred by the Company or its creditors as a result of their failure to perform liquidation obligations in a timely manner.

Article 220 The liquidation team shall exercise the following functions and powers during the course of liquidation:

- (1) to sort out the Company's property and prepare the balance sheet and a list of property;
- (2) to make notices or announcements to creditors;
- (3) to deal with and settle the outstanding business of the Company in relation to the liquidation;
- (4) to pay the outstanding taxes and taxes incurred during the course of liquidation;
- (5) to settle all creditors' rights and indebtedness;
- (6) to dispose of the Company's residual assets after the settlement of its liabilities;
- (7) to attend any civil proceedings on behalf of the Company.

Article 221 The liquidation team shall notify creditors within 10 days, and shall make an announcement in one or more newspapers and periodicals that comply with the requirements of laws and regulations or National Enterprise Credit Information Publicity System within 60 days, from the date of formation. Creditors shall report its claims to the liquidation team within 30 days after the date of receipt of the notice, or within 45 days after the date of the announcement if no notice is received.

In reporting a claim, a creditor shall explain the relevant particulars of its claim and provide supporting materials. The liquidation team shall register the claim.

During the period of reporting claims, the liquidation team shall make no settlement with creditors.

Article 222 After the Company's property has been sorted out and the balance sheet and a list of property have been prepared, the liquidation team shall formulate a proposal for liquidation and report the same to the general meeting or the people's court for confirmation.

Article 223 The Company's property shall be settled in the following order:

- (1) payment of liquidation expenses;
- (2) payment of staff wages, social insurance expenses and statutory compensation;
- (3) payment of taxes in arrears;
- (4) discharge of the Company's liabilities;
- (5) distribution according to shareholdings held by the shareholders.

During the period of liquidation, the Company shall subsist, but cannot carry on any operating activities that are not related to the liquidation. The property of the Company shall not be distributed among the shareholders before the completion of the settlements as provided for in subsections (1) to (4) of the preceding paragraph.

Article 224 The liquidation team shall apply to the people's court for the bankruptcy liquidation according to law if they find that the Company's property is insufficient to settle its indebtedness after the Company's property has been sorted out and the balance sheet and a list of property have been prepared. If the application for bankruptcy of the Company was accepted by the people's court, the liquidation team shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

Article 225 After the completion of the liquidation of the Company, the liquidation team shall prepare a liquidation report and submit the same to a general meeting or the people's court for confirmation, and shall file the aforesaid documents with the company registration authority for the purpose of applying for the deregistration of the Company. An announcement of the termination of the Company shall be made.

Article 226 Members of the liquidation team shall perform their liquidation duty and assume duties of loyalty and due diligence. Members of the liquidation team shall compensate the losses brought to the Company due to their negligent in performing liquidation duties and compensate the losses brought to the creditors due to their intentional or gross negligence.

Article 227 If the Company is declared bankruptcy pursuant to law, bankruptcy liquidation shall be carried out in accordance with the law regarding enterprise bankruptcy.

Chapter 11 Amendments to the Articles of Association

Article 228 The Company will amend the Articles of Association under any of the following circumstances:

- (1) following amendments to the Company Law or the relevant law or administrative regulations, any provisions of the Articles of Association contravene the amended law or administrative regulations;
- (2) changes in the Company are inconsistent with the provisions of the Articles of Association;
- (3) amendments to the Articles of Association are resolved by special resolution at a general meeting.

Article 229 Any amendment to the Articles of Association passed by a resolution at a general meeting shall be filed with the authorities for approval if it is so required; and if an amendment is relevant to any registration items of the Company, modifications of the registration shall be completed according to law.

Article 230 Amendments to the Articles of Association shall be made by the Board in accordance with a resolution tabled at a general meeting on amendments to the Articles of Association and opinions of the relevant competent authorities on review and approval.

Article 231 Any amendment to the Articles of Association shall be subject to announcement if so required by law and regulations.

Chapter 12 Supplemental Provisions

Article 232 Definitions

- (1) A manager shall mean a president.
- (2) A vice manager shall mean an executive vice president.
- (3) A controlling shareholder shall mean a shareholder who holds more than 50% of the Company's total share capital, or a shareholder holds shares representing less than 50% of the capital but whose voting rights are sufficient to exert a material influence on the resolutions of the general meeting.
- (4) A de facto controller shall mean a natural person, legal person or unincorporated organization which has de facto control over actions of the Company through the investment relationship, an agreement or other arrangements.
- (5) Related relationship shall mean the relationship between a controlling shareholder, de facto controller, director or senior management of the Company and their directly or indirectly controlled enterprises and other relationships which may result in the transfer of the Company's interests. However, enterprises owned by the State will not be regarded as having connected relations only because they are owned by the State.

Article 233 The Board may formulate by-laws pursuant to the provisions of the Articles of Association. Such by-laws shall not be in conflict with the provisions of the Articles of Association.

Article 234 These Articles of Association are written in Chinese, and the Chinese version of the Articles, which has the approved registration made by the company registration authority recently, should prevail, if there is difference between the Chinese version and versions of other languages.

Article 235 All references to “over”, “within”, “below”, “at least” in the Articles of Association shall be inclusive of the stated figure; all references to “exceed”, “over”, “other than”, “lower”, “more than” shall be exclusive of the stated figure.

Article 236 It shall be the responsibility of the Board of the Company to interpret the Articles of Association.

Article 237 The appendix of the Articles of Association includes Procedural Rules for the General Meeting and Procedural Rules for the Board of Directors.

Article 238 These Articles of Association shall come into effect from the date of passing at the general meeting of the Company.