

Anhui Tianda Oil Pipe Company Limited

ARTICLES OF ASSOCIATION

(Revised on 23 May 2014)

Contents

Chapter	Title	Page
CHAPTER 1	GENERAL PRINCIPLES	1
CHAPTER 2	BUSINESS OBJECTIVES AND SCOPE	3
CHAPTER 3	SHARE AND REGISTERED CAPITAL	3
CHAPTER 4	REDUCTION OF CAPITAL AND REPURCHASE OF SHARES	7
CHAPTER 5	FIANCIAL ASSISTANCE FOR THE ACQUISITION OF THE SHARES OF THE COMPANY	9
CHAPTER 6	SHARE CERTIFICATE AND REGISTER OF SHAREHOLDERS	10
CHAPTER 7	RIGHTS AND OBLIGATIONS OF SHAREHOLDERS	14
CHAPTER 8	GENERAL MEETING	16
CHAPTER 9	SPECIAL PROCEDURES FOR THE VOTING OF CLASS SHAREHOLDERS	24
CHAPTER 10	BOARD OF DIRECTORS	27
CHAPTER 11	SECRETARY TO THE BOARD OF DIRECTORS OF THE COMPANY	32
CHAPTER 12	MANAGER OF THE COMPANY	34
CHAPTER 13	SUPERVISORY COMMITTEE	35
CHAPTER 14	QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS, MANAGER AND OTHER SENIOR MANAGEMENT OFFICERS OF THE COMPANY	36
CHAPTER 15	FINANCIAL ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION	42
CHAPTER 16	APPOINTMENT OF ACCOUNTING FIRM	45
CHAPTER 17	MERGER AND DIVISION OF THE COMPANY	47
CHAPTER 18	DISSOLUTION AND LIQUIDATION OF THE COMPANY	48
CHAPTER 19	PROCEDURES FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION	51
CHAPTER 20	NOTICES	51
CHAPTER 21	SETTLEMENT OF DISPUTES	52
CHAPTER 22	BYE-LAWS	52

Note: In the right-hand margin notes of these Articles of Association, “Mandatory Provisions” means Mandatory Provisions for Articles of Association of Companies Listing Overseas promulgated by the former China Securities Committee under the State Council and the former State Committee on Economic System Reform; “Listing Rules” means the Listing Rules promulgated by the Stock Exchange of Hong Kong Limited; “Zheng Jian Hai Han” means Circular Regarding Comments on the Amendment of Articles of Association of Companies Listing Overseas in Hong Kong (Zheng Jian Hai Han [1995] No.1), which was promulgated by the Overseas-Listing Department of China Securities Regulatory Commission and the Production System Department of the former State Committee on Economic System Reform; “Opinions” means Opinions Regarding the Promotion of Legally Compliant Operations and the Further Reform of Companies Listing Overseas, which was promulgated by the State Economic and Trade Commission and China Securities Regulatory Commission; and “Practice Guidelines for Company Secretary” means Practice Guidelines for Company Secretary of Companies Listing Overseas promulgated by the China Securities Regulatory Commission.

**Articles of Association of
Anhui Tianda Oil Pipe Company Limited**

App.11c-1(a),
Listing Rules

Chapter 1 General Provisions

- Article 1 Anhui Tianda Oil Pipe Company Limited (the “Company”) is a foreign-invested company limited by shares established in accordance with the Company Law of the People’ s Republic of China (the “Company Law”), the State Council’ s Special Regulations Regarding the Issue of Shares Overseas and the Listing of Shares Overseas by Companies Limited by Shares (the “Special Regulations”) and other relevant laws and regulations of the State. Article 1, Mandatory Provisions
- The Company was established by way of promotion. It is registered with and has obtained a business licence from the Administration Bureau of Industry and Commerce in Chuzhou, Anhui on 13 April 2006. The Company’ s business licence number is: 34110000024439.
- The promoters of the Company are: Anhui Tianda Enterprise (Group) Company Limited and Anhui Tianda Investment Company Limited.
- Article 2 The Company’s registered name (in Chinese): 安徽天大石油管材股份有限公司
(in English): Anhui Tianda Oil Pipe Company Limited Article 2, Mandatory Provisions
- Article 3 The Company’s residence: Zhenxing Road, Tongcheng Town, Tianchang City, Anhui Province, the PRC Article 3, Mandatory Provisions
- Postal code: 239311
Telephone number: 0550-7511801
Facsimile number: 0550-7511023
- Article 4 The legal representative of the Company shall be any one executive Director or the general manager of the Company. Article 4, Mandatory Provisions
- Article 5 The Company is a foreign-invested company limited by shares which has perpetual existence. Article 5, Mandatory Provisions
- The liability of a shareholder is limited to the value of the shares held by him, while the Company undertakes all of its liabilities with all of its assets. The Company is an independent corporate legal person, governed by, and existing under the protection of, the laws and regulations of the People’ s Republic of China.
- Article 6 Pursuant to the relevant requirements of the Company Law, the Special Regulations and the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”) and other PRC laws and administrative regulations, the Company convened the Extraordinary General Meeting on 23 November 2010, to amend the original

Articles of Association (the “original Articles of Association”) and enact these Articles of Association (the “Articles of Association” or “these Articles of Association”). Save as the relevant laws and regulation require otherwise, the terms included in these Articles of Association in accordance with the requirement of the Mandatory Provisions shall not be amended or abolished.

Article 7 The original Articles of Association took effect from the date of establishment the Company. Article 6, Mandatory Provisions

These Articles of Association shall take effect after being passed at the Company’s general meeting and upon the listing date of the Company’s overseas offering shares on the Growth Enterprise Market of the Hong Kong Stock Exchange. After the Articles of Association come into effect, the original Articles of Association shall be superseded by the Articles of Association.

Article 8 From the date on which the Articles of Association come into effect, the Articles of Association constitute the legally binding document regulating the Company’s organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders. Article 6, Mandatory Provisions

Article 9 The Articles of Association are binding on the Company and its shareholder, director, supervisor, manager and other senior management officer; all of whom may, according to the Articles of Association, assert rights in respect of the affairs of the Company. Article 7, Mandatory Provisions

A shareholder may take action against the Company pursuant to the Articles of Association, and vice versa. A shareholder may also take action against another shareholder, and may take action against the director, supervisor, manager and other senior management officers of the Company pursuant to the Articles of Association.

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

Article 10 The Company may invest in other limited liability companies or joint stock limited companies. The Company's liabilities to an invested company shall be limited to the amount of its capital contribution to the invested company. Article 8, Mandatory Provisions

The Company may not be a shareholder with unlimited liabilities of any other organizations operating for profits.

Unless otherwise stipulated by law, the Company shall not become a contributor which assumes joint liabilities for the debts of the enterprise invested.

Article 11 Subject to compliance with PRC laws and administrative regulations, the Company shall have the right to raise funds or take loans, including (but not limited to) issuing company bonds,

and have the right to charge or pledge its assets.

Chapter 2 The Company's Objectives And Scope Of Business

Article 12 The Company's objectives are: to act with kindness and honesty, pursuit of practicality and innovation, and establish Tianda Pipe as one of the top world brands. Article 9, Mandatory Provisions

Article 13 The Company's scope of business shall be consistent with and subject to the scope of business approved by the authority responsible for the registration of the Company. Article 10, Mandatory Provisions

The Company's scope of business includes: design, development, manufacturing and sale of seamless steel pipes for oil and natural gas exploration, transmission and refining, seamless steel pipes for boilers and vessels and petrochemical machinery accessories; operation of businesses of import and export of self-products and technology of the enterprise and the import of machinery equipments, components and accessories, raw materials and technology required by the enterprise, except the import and export of commodities and technology restricted or prohibited by the State.

Article 14 The Company may, based on its business development needs, establish subsidiaries, branches, representative offices and other branch organizations.

Based on its business development needs and upon approval of the relevant governmental authorities, the Company may adjust its scope of business and manner of operation from time to time, and may establish branch organizations and/or representative offices (whether or not wholly owned) in the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region.

CHAPTER 3: SHARES AND REGISTERED CAPITAL

Article 15 There must, at all times, be ordinary shares in the Company. The ordinary shares issued by the Company include domestic shares and foreign shares. Subject to the approval of the companies approving department authorized by the State Council, the Company may, according to its requirements, create different classes of shares. Article 11, Mandatory Provisions App.3-9, Listing Rules

Article 16 The shares issued by the Company shall each have a par value. At the time when the Company was established, the par value was RMB1 each. As approved by the securities regulatory authority of the State Council, the par value was changed to RMB0.5 each. Article 12, Mandatory Provisions

"RMB" referred to in the previous paragraph means the legal currency of the PRC.

Article 17 Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic investors and foreign investors, and then become a joint stock limited company with its shares issued and listed within the territory and overseas. Article 13, Mandatory Provisions

“Foreign investors” referred to in the previous paragraph means those investors who subscribe for the shares issued by the Company and who are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. “Domestic investors” means those investors who subscribe for the shares issued by the Company and who are located within the territory of the PRC.

Article 18 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as “domestic shares”. Domestic shares which are listed within the territory shall be referred to as “A Shares”. Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as “foreign shares”. Shares (which have not yet been listed within the territory and overseas) subscribed by foreign investors shall be referred to as “unlisted foreign shares”. Foreign shares which are listed overseas are called “overseas listed foreign shares”. Both holders of domestic shares and holders of overseas listed foreign shares are holders of ordinary shares, and have the same obligations and rights.

Article 14, Mandatory Provisions App.3-9, Listing Rules

“Foreign currencies” referred to in the previous paragraph means the legal currencies (apart from RMB) of other countries or regions which are recognized by the foreign exchange authority of the State and which can be used to pay the share price to the Company.

Article 19 Foreign shares issued by the Company and which are listed in Hong Kong shall be referred to as “H shares”. H shares are shares which have been admitted for listing on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

Article 20 By the registration with the Administration Bureau of Industry and Commerce in Chuzhou, Anhui, the Company issued upon its establishment a total of 170,000,000 ordinary shares and were all issued to the promoter, representing 100% of the total number of issued ordinary shares of the Company, of which 136,000,000 shares are held by the Anhui Tianda Enterprise (Group) Company Limited, representing 80% of the issued share capital; and 34,000,000 shares are held by the Anhui Tianda Investment Company Limited, representing 20% of the issued share capital.

Article 15, Mandatory Provisions

Article 21 Subject to the approval of China Securities Regulatory Commission on September 7, 2006 and The Stock Exchange of Hong Kong Limited. On November 30, 2006, 167,570,000 overseas listed foreign shares were issued by the Company and listed on the Growth Enterprise Market of the Hong Kong Stock Exchange.

Article 16, Mandatory Provisions App.3-9 Listing Rules

After the issue of overseas listed foreign shares referred to in the previous paragraph, the structure of share capital of the Company was as follows: the total number of ordinary shares was 507,570,000 shares, of which 272,000,000 shares were domestic shares held by the promoter Anhui Tianda Enterprise (Group) Company Limited, representing 53.59% of the issued share capital; 68,000,000 domestic shares were held by the Anhui Tianda Investment Company Limited, representing 13.40% of the issued share capital; and 167,570,000 foreign shares (H shares) were held by the shareholders of overseas listed foreign shares, representing

33.01% of the aggregate share capital of the Company.

Subject to the approval of the 2008 annual general meeting held on April 18, 2008, the Company increased its capital by the capitalization of the capital common reserve fund.

After the capitalization of the capital common reserve fund referred to in the previous paragraph, the structure of share capital of the Company was as follows: the total number of ordinary shares was 761,355,000 shares, of which 408,000,000 shares were domestic shares held by the promoter Anhui Tianda Enterprise (Group) Company Limited, representing 53.59% of the issued share capital; 102,000,000 domestic shares were held by the Anhui Tianda Investment Company Limited, representing 13.40% of the issued share capital; and 251,355,000 foreign shares (H shares) were held by the shareholders of overseas listed foreign shares, representing 33.01% of the aggregate share capital of the Company.

Subject to the approval of the 2009 annual general meeting held on April 15, 2009, 50,271,000 additional overseas listed foreign shares was issued by the Company. After the issue of additional overseas listed foreign shares referred to in the previous paragraph, the structure of share capital of the Company was as follows: the total number of ordinary shares is 811,626,000 shares, of which 408,000,000 shares were domestic shares held by the promoter Anhui Tianda Enterprise (Group) Company Limited, representing 50.27% of the issued share capital; 102,000,000 domestic shares were held by the Anhui Tianda Investment Company Limited, representing 12.57% of the issued share capital; and 301,626,000 foreign shares (H shares) were held by the shareholders of overseas listed foreign shares, representing 37.16% of the aggregate share capital of the Company.

Subject to the approval of the extraordinary general meeting held on 23 November 2010, the approval of China Securities Regulatory Commission on 23 February 2011 and The Stock Exchange of Hong Kong Limited on 14 October 2010, 196,000,000 additional overseas listed foreign shares was approved to be issued by the Company.

After the capital increase and issue referred to in the previous paragraph, the structure of share capital of the Company is as follows: the total number of ordinary shares is 1,007,626,000 shares, of which 408,000,000 shares are domestic shares held by the promoter Anhui Tianda Enterprise (Group) Company Limited, representing 40.49% of the issued share capital; 102,000,000 domestic shares are held by the Anhui Tianda Investment Company Limited, representing 10.12% of the issued share capital; 497,626,000 foreign shares (H shares) are held by the shareholders of overseas listed foreign shares, representing 49.39% of the aggregate share capital of the Company.

All of the Company's existing domestic shares are not transferable within one year from the date on which the H shares of the Company are listed on the Hong Kong Stock Exchange.

After the initial issue and listing of shares of the Company overseas, domestic shares and unlisted foreign shares may be converted into H shares, subject to the approval of the administrative authority delegated by the State Council.

No class meeting is required to convene to poll for the aforesaid transfer of nature of shares unless the overseas securities regulatory authorities require otherwise.

Article 22 The Company's board of directors may take all necessary action for the issue of overseas listed foreign shares and Domestic shares after proposals for issuance of the same have been approved by the securities regulatory authority of the State Council. Article 17, Mandatory Provisions

The Company may implement its proposal to issue overseas listed foreign shares and domestic shares pursuant to the preceding paragraph within 15 months from the date of approval by the securities regulatory authority of the State Council.

Article 23 Where the total number of shares stated in the proposal for the issuance of shares includes overseas listed foreign shares and domestic shares, such shares should be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for all at once due to special circumstances, the shares may, subject to the approval of the China Securities Regulatory Commission, be issued in separate batches. Article 18, Mandatory Provisions

Article 24 The registered capital of the Company at the time when it was established was RMB170,000,000. The registered capital of the Company currently is RMB503,813,000. Any adjustment of the registered capital of the Company shall be registered with the companies registration authority accordingly, and filed with the securities administrative authority. Article 19, Mandatory Provisions

Article 25 The Company may, based on its operating and development needs, authorize the increase of its capital pursuant to the Company's Articles of Association. Article 20, Mandatory Provisions

The Company may increase its capital in the following ways:

- by offering new shares for subscription by unspecified investors;
- by issuing new shares to its existing shareholders;
- by allotting bonus shares to its existing shareholders;
- by capitalization of capital common reserve fund;
- by issuing convertible company bond;
- by formulating the employee share ownership schemes in accordance with applicable laws to issue shares to the staff and employee share ownership organizations;
- by any other means which is permitted by laws and administrative regulations.

After the Company's capital increase by means of the issuance of new shares has been approved in accordance with the provisions of the Company's Articles of Association, the issuance thereof should be made in accordance with the procedures set out in the relevant State laws and administrative regulations.

Article 26 Except as provided for by other provisions of laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien. Article 21, Mandatory Provisions

CHAPTER 4: REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 27 According to the provisions of the Articles of Association, the Company may reduce its registered capital. Article 22, Mandatory Provisions

Article 28 The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital. Article 23, Mandatory Provisions

The Company shall notify its creditors within 10 days of the date of the Company's resolution for reduction of capital and shall publish an announcement in a newspaper at least three times within thirty 30 days of the date of such resolution. A creditor has the right within 30 days of receipt of the notice from the Company or, in the case of a creditor who has not receive such notice, within 90 days of the date of the first public announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debt.

The Company's registered capital may not, after the reduction in capital, be less than the minimum amount prescribed by law.

Article 29 The Company may, in accordance with the procedures set out in the Company's Articles of Association and with the approval of the relevant governing authority of the State, repurchase its issued shares under the following circumstances: Article 24, Mandatory Provisions

cancellation of shares for the purposes of reducing its capital;
merging with another company that holds shares in the Company;
other circumstances permitted by laws and administrative regulations.

The Company's repurchase of its issued shares shall comply with the provisions of Articles 30 to 33 herein.

The Company shall report in writing to the securities regulatory authority of the State Council within 15 working days after the completion of share repurchase.

Article 30 The Company may repurchase shares in one of the following ways, with the approval of the relevant governing authority of the State: Article 25, Mandatory Provisions
by making a general offer for the repurchase of shares to all its shareholders on a pro rata basis;
by repurchasing shares through public dealing on a stock exchange;
by repurchasing shares outside of the stock exchange by means of an agreement.

Article 31 The Company must obtain the prior approval of the shareholders in a general meeting (in the manner stipulated in the Company's Articles of Association) before it can repurchase shares outside of the stock exchange by means of an agreement. The Company may, by obtaining the prior approval of the shareholders in a general meeting (in the same manner), release, vary or waive its rights under an agreement which has been so entered into. Article 26, Mandatory Provisions

An agreement for the repurchase shares referred to in the preceding paragraph includes (but is not limited to) an agreement to become liable to repurchase shares or an agreement to have the right to repurchase shares.

The Company may not assign an agreement for the repurchase of its shares or any right contained in such an agreement.

Article 32 Where the Company has the power to repurchase shares, if the repurchase is not made through the open transaction or by offer shall not exceed a certain maximum price; if repurchase is by offer, the offer shall be available to all shareholders with identical terms. App.3-8, Listing Rules

Shares which have been legally repurchased by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the original companies registration authority for registration of the change in its registered capital and make a public announcement. Article 27, Mandatory Provisions

The aggregate par value of the cancelled shares shall be deducted from the Company's registered share capital.

Article 33 Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its issued shares: Article 28, Mandatory Provisions

where the Company repurchases shares at par value, payment shall be made out of book surplus distributable profits of the Company or out of proceeds of a new issue of shares made for that purpose;

where the Company repurchases shares of the Company at a premium to its par value, payment up to the par value may be made out of the book surplus distributable profits of the Company or out of the proceeds of a new issue of shares made for that purpose.

Payment of the portion in excess of the par value shall be effected as follows:

if the shares being repurchased were issued at par value, payment shall be made out of the book surplus distributable profits of the Company;

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

the Company shall make the following payments out of the Company's distributable profits:

payment for the acquisition of the right to repurchase its own shares;
payment for variation of any contract for the repurchase of its shares;
payment for the release of its obligation(s) under any contract for the repurchase of its shares;

after the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value of shares which have been repurchased shall be transferred to the Company's capital common reserve fund account.

CHAPTER 5: FINANCIAL ASSISTANCE FOR THE ACQUISITION OF SHARES

Article 34 The Company and its subsidiaries shall not, at any time, provide any form of financial assistance to a person who is acquiring or is proposing to acquire shares in the Company. This includes any person who directly or indirectly incurs any obligations as a result of the acquisition of shares in the Company. Article 29, Mandatory Provisions

The Company and its subsidiaries shall not, at any time, provide any form of financial assistance to the obligor for the purposes of reducing or discharging the obligations assumed by such obligor.

This Article shall not apply to the circumstances specified in Article 36 herein.

Article 35 For the purposes of this Chapter, "financial assistance" includes (without limitation) the following: Article 30, Mandatory Provisions

gift;

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

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

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

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

Article 36 The following actions shall not be deemed to be activities prohibited by Article 34 herein: Article 31,
Mandatory
Provisions

the provision of financial assistance by the Company where the financial assistance is given in good faith in the interests of the Company, and the principal purpose of which is not for the acquisition of shares in the Company, or the giving of the financial assistance is an incidental part of some larger purpose of the Company;

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

the allotment of bonus shares as dividends;

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

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

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

CHAPTER 6: SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 37 Share certificates are vouchers issued by the company to certify the shares held by the shareholders. The Company shall issue its share certificates in book-entry form or physical form pursuant to the requirement of the relevant governments and authorities in the places where its shares are issued and listed and in such other forms as stipulated by the securities administration authorities of the State Council.

Article 38 Share certificates of the Company shall be in registered form. Article 32,
Mandatory
Provisions

The share certificate of the Company shall contain following main particulars:

the name of the Company;

the date of incorporation of the Company;

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

the share certificate number;

other matters required to be stated therein by the Company Law, Special Regulations and the stock exchange(s) on which the Company's shares are listed.

The Company may adopt the other derivative forms of foreign depositary shares and shares to

issue overseas listed foreign shares in accordance with the laws and practices of securities registration and custody of the place of listing.

Article 39 Share certificates of the Company may be assigned, given as a gift, inherited or charged in accordance with relevant provisions of laws, administrative regulations and these Articles of Association.

For assignment and transfer of share certificates, relevant registration shall be carried out with App.3-1(1), the share registration institution authorized by the Company. Listing Rules

Article 40 Share certificates of the Company shall be signed by the chairman of the Company's board of directors. Where the stock exchange(s) on which the Company's shares are listed require other senior officer(s) of the Company to sign on the share certificates, the share certificates shall also be signed by such senior officer(s). The share certificates shall take effect after being imprinted with the seal of the Company (including the seal of the Company especially for securities). The share certificate shall be imprinted with the seal of the Company or the seal of the Company especially for securities under the authorization of the board of directors. The signatures of the chairman of the board of directors or other senior officer(s) of the Company may be printed in mechanical form. Article 33, Mandatory Provisions Article 1, Zheng Jian Hai Han App.3-2(1), Listing Rules

Article 41 The Company shall keep a register of shareholders which shall contain the following particulars: Article 34, Mandatory Provisions

- (1) the name (title) and address (residence), the occupation or nature of each shareholder;
- (2) the class and quantity of shares held by each shareholder;
- (3) the amount paid-up on or agreed to be paid-up on the shares held by each shareholder;
- (4) the share certificate number(s) of the shares held by each shareholder;
- (5) the date on which each person was entered in the register as a shareholder;
- (6) the date on which any shareholder ceased to be a shareholder.

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

Article 42 The Company may, in accordance with the mutual understanding and agreements made between the securities authority of the State Council and overseas securities regulatory organizations, maintain the register of shareholders of overseas listed foreign shares and appoint overseas agent(s) to manage such register of shareholders. The Company's original register for holders of overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong. Article 35, Mandatory Provisions Article 2, Zheng Jian Hai Han App.11c-1(b), Listing Rules

A duplicate register of shareholders for the holders of overseas listed foreign shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall ensure consistency between the original and the duplicate register of shareholders at all times.

If there is any inconsistency between the original and the duplicate register of shareholders

for the holders of overseas listed foreign shares, the original register of shareholders shall prevail.

Article 43 The Company shall have a complete register of shareholders which shall comprise the following parts: Article 36, Mandatory Provisions

- (1) the register of shareholders which is maintained at the Company's residence (other than those share registers which are described in sub- paragraphs (2) and (3) of this Article);
- (2) the register of shareholders in respect of the holders of overseas listed foreign shares of the Company which is maintained in the same place as the overseas stock exchange on which the shares are listed;
- (3) the register of shareholders which are maintained in such other place as the board of directors may consider necessary for the purposes of the listing of the Company's shares.

Article 44 Different parts of the register of shareholders shall not overlap. No transfer of any shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register. Article 37, Mandatory Provisions

All overseas listed foreign shares listed in Hong Kong which have been fully paid-up may be freely transferred in accordance with the Company's Articles of Association. However, unless such transfer complies with the following requirements, the board of directors may refuse to recognize any instrument of transfer and would not need to provide any reason therefore: Article 2, Zheng Jian Hai Han

- (1) a fee of HK\$2.50 or such higher amount agreed from time to time by the Stock Exchange for registration of the instrument of transfer and other documents relating to or which will affect the right of ownership of the shares; App.3-1(1), Listing Rules
- (2) the instrument of transfer only relates to overseas listed foreign shares listed in Hong Kong;
- (3) the stamp duty which is chargeable on the instrument of transfer has already been paid;
- (4) the relevant share certificate(s) and any other evidence which the board of directors may reasonably require to show that the transferor has the right to transfer the shares have been provided;
- (5) if it is intended that the shares be transferred to joint owners, the maximum number of joint owners shall not be more than 4; App.3-1(3), Listing Rules"
- (6) the Company does not have any lien on the relevant shares. App.3-1(2), Listing Rules

The transfer of overseas listed foreign shares in the Company listed in Hong Kong shall be carried out in writing on normal or standard instruments of transfer or on a form acceptable to the board of directors; and such transfer instrument can be signed only by hand or, if the transferor or transferee is a securities clearing institution or its representative signed by hand or signed in printed mechanical form. All the transfer instruments shall be maintained in the legal address of the Company or other place the board of directors may designate from time to time.

Any change or correction to various parts of the register of shareholders shall be carried out in

accordance with the law of the place where such parts of the register of shareholders are maintained.

Article 45	No change may be made in the register of shareholders as a result of a transfer of shares within 10 days prior to the date of a shareholders' general meeting or within 5 days before the record date for the Company's distribution of dividends.	Article 38, Mandatory Provisions
Article 46	When the Company needs to determine the rights attaching to shares in the Company for the purposes of convening a shareholders' meeting, for dividend distribution, for liquidation or for any other purpose, the board of directors shall decide on a date for the determination of rights attaching to shares in the Company. The shareholders of the Company shall be such persons who appear in the register of shareholders at the close of such determination date.	Article 39, Mandatory Provisions
Article 47	Any person aggrieved and claiming to be entitled to have his name (title) entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.	Article 40, Mandatory Provisions
Article 48	Any person who is a registered shareholder or who claims to be entitled to have his name (title) entered in the register of shareholders in respect of shares in the Company may, if his share certificate (the "original certificate") relating to the shares is lost, apply to the Company for a replacement share certificate in respect of such shares (the "Relevant Shares").	Article 41, Mandatory Provisions

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

Application by a holder of overseas listed foreign shares, who has lost his share certificate, for a replacement share certificate may be dealt with in accordance with the law of the place where the original register of shareholders of holders of overseas listed foreign shares is maintained, the rules of the stock exchange or other relevant regulations.

The issue of a replacement share certificate to a holder of H shares, who has lost his share certificate, shall comply with the following requirements:

(1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration, stating the grounds upon which the application is made, the circumstances and evidence of the loss; and declaring that no other person is entitled to have his name entered in the register of shareholders in respect of the Relevant Shares.

(2) The Company has not received any declaration made by any person other than the applicant declaring that his name shall be entered into the register of shareholders in respect of such shares before it decides to issue a replacement share certificate to the applicant.

(3) The Company shall, if it intends to issue a replacement share certificate, publish a notice of its intention to do so at least once every 30 days within a period of 90 consecutive days in such newspapers as may be prescribed by the board of directors.

App.3-7(1), Listing Rules

(4) The Company shall, prior to publication of its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed, a copy of the notice to be published and may publish the notice upon receipt of confirmation from such stock exchange that the notice has been exhibited in the premises of the stock exchange. Such notice shall be exhibited in the premises of the stock exchange for a period of 90 days.

In the case of an application which is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a copy of the notice to be published.

(5) If, by the expiration of the 90-day period referred to in paragraphs (3) and (4) of this Article, the Company has not have received any challenge from any person in respect of the issuance of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his application.

(6) Where the Company issues a replacement share certificate pursuant to this Article, it shall forthwith cancel the original share certificate and document the cancellation of the original share certificate and issuance of a replacement share certificate in the register of shareholders accordingly.

(7) All expenses relating to the cancellation of an original share certificate and the issuance of a replacement share certificate shall be borne by the applicant and the Company is entitled to refuse to take any action until reasonable security is provided by the applicant therefore.

Article 49 Where the Company issues a replacement share certificate pursuant to the Company’s Articles of Association and a bona fide purchaser acquires or becomes the registered owner of such shares, his name (title) shall not be removed from the register of shareholders. Article 42, Mandatory Provisions

Article 50 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original share certificate or the issuance of the replacement share certificate unless the claimant is able to prove that the Company has acted in a deceitful manner. Article 43, Mandatory Provisions

CHAPTER 7: SHAREHOLDERS’ RIGHTS AND OBLIGATIONS

Article 51 A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders. Article 44, Mandatory Provisions

A shareholder shall enjoy rights and assume obligations according to the class and amount of shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations.

In the case of the joint shareholders, if one of the joint shareholders is deceased, only the other existing shareholders of the joint shareholders shall be deemed as the persons who have the ownership of the relevant shares. But the board of directors has the power to require them to provide a certificate of death as necessary for the purpose of modifying the register of shareholders, or any of the joint shareholders of the shares, only the joint shareholders ranking first in the register of shareholders have the right to accept certificates of the relevant shares, receive notices of the Company, attend and vote at general meetings of the Company.

Any notice which is delivered to the shareholder shall be considered as all the joint shareholders of the relevant shares who have been delivered.

- | | | |
|------------|---|---|
| Article 52 | <p>The ordinary shareholders of the Company shall enjoy the following rights:</p> <ol style="list-style-type: none">(1) the right to receive dividends and other distributions in proportion to the number of shares of the paid-up capital held;(2) the right to attend or appoint a proxy to attend shareholders' general meetings and to vote thereat;(3) the right of supervisory management over the Company's business operations and the right to present proposals or to raise queries;(4) the right to transfer shares in accordance with laws, administrative regulations and provisions of the Company's Articles of Association;(5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:<ol style="list-style-type: none">1. the right to obtain a copy of the Company's Articles of Association, subject to payment of costs;2. the right to inspect and copy, subject to payment of a reasonable fee:<ol style="list-style-type: none">(1) all parts of the register of shareholders;(2) personal particulars of each of the Company's directors, supervisors, manager and other senior management officers, including:<ol style="list-style-type: none">(a) present and former name and alias;(b) principal address (place of residence);(c) nationality;(d) primary and all other part-time occupations and duties;(e) identification documents and the numbers thereof;(3) report on the state of the Company's share capital;(4) reports showing the aggregate par value, quantity, highest and lowest price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount paid by the Company for this purpose;(5) minutes of general meetings;(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of surplus assets of the Company in accordance with the number of shares held;(7) other rights conferred by laws, administrative regulations and the Company's Articles of Association. | Article 45,
Mandatory
Provisions
App.3-9, Listing
Rules
App.3-3(1),
Listing Rules |
| Article 53 | <p>The ordinary shareholders of the Company shall assume the following obligations:</p> <ol style="list-style-type: none">(1) to comply with the Articles of Association;(2) to pay subscription monies according to the number of shares subscribed and the method of subscription;(3) other obligations imposed by laws, administrative regulations and the Articles of | Article 46,
Mandatory
Provisions |

Association.

Shareholders are not liable to make any further contribution to the share capital other than according to the terms which were agreed by the subscriber of the relevant shares at the time of subscription.

Article 54 In addition to the obligations imposed by laws and administrative regulations or required by Article 47, the listing rules of the stock exchange on which the Company's shares are listed, a controlling Mandatory shareholder shall not exercise his voting rights in respect of the following matters in a manner Provisions prejudicial to the interests of all or part of the shareholders of the Company:

- (1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the Company's assets in any way, including (but not limited to) opportunities which are beneficial to the Company;
- (3) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (but not limited to) rights to distributions and voting rights (save pursuant to a restructuring which has been submitted for approval by the shareholders in a general meeting in accordance with the Company's Articles of Association).

Article 55 For the purpose of the foregoing Article, a "controlling shareholder" means a person who satisfies any one of the following conditions: Article 48, Mandatory Provisions

- (1) a person who, acting alone or in concert with others, has the power to elect more than half of the board of directors;
- (2) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30 % or more of the voting rights in the Company;
- (3) a person who, acting alone or in concert with others, holds 30 % or more of the issued and outstanding shares of the Company;
- (4) a person who, acting alone or in concert with others, has de facto control of the Company in any other way.

"Acting in concert" referred to in this Article means the acting of two or more persons by agreement (whether verbal or in writing) so as to gain or strengthen the control over the Company through the acquisition of voting rights in the Company by either of them.

CHAPTER 8: GENERAL MEETINGS

Article 56 The general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with law. Article 49, Mandatory Provisions

Article 57 The general meeting shall have the following functions and powers: Article 50,

- | | |
|---|-----------------------------|
| <ul style="list-style-type: none"> (1) to decide on the Company's operational policies and investment plans; (2) to elect and replace directors and to decide on matters relating to the remuneration of directors; (3) to elect and replace supervisors who represent the shareholders and to decide on matters relating to the remuneration of supervisors; (4) to examine and approve the board of directors' reports; (5) to examine and approve the supervisory committee's reports; (6) to examine and approve the Company's proposed preliminary and final annual financial budgets; (7) to examine and approve the Company's profit distribution plans and loss recovery plans; (8) to decide on the increase or reduction of the Company's registered capital; (9) to decide on matters such as merger, division, dissolution, liquidation or change in the form of the Company; (10) to decide on the issue of debentures by the Company; (11) to decide on the appointment, dismissal and non-reappointment of the accounting firm of the Company; (12) to amend the Articles of Association; (13) to consider motions raised by shareholders who represent 5 % or more of the total number of voting shares of the Company; (14) to decide on other matters which, according to law, administrative regulation or the Articles of Association, need to be approved by shareholders in general meetings; | <p>Mandatory Provisions</p> |
|---|-----------------------------|

The shareholders in a general meeting may authorize the board of directors to carry out matters on their behalf, or may sub-delegate the carrying out of such matters to the board of directors.

Article 58	The Company shall not, without the prior approval of shareholders in a general meeting, enter into any contract with any person (other than a director, supervisor, manager and other senior management officers) pursuant to which such person shall be responsible for the management and administration of the whole or any substantial part of the Company's business.	Article 51, Mandatory Provisions
------------	--	----------------------------------

Article 59	General meetings are divided into annual general meetings and extraordinary general meetings. General meetings shall be convened by the board of directors. Annual general meetings are held once every year and within six months from the end of the preceding financial year.	Article 52, Mandatory Provisions
------------	--	----------------------------------

The board of directors shall convene an extraordinary general meeting within two months of the occurrence of any one of the following events:

- (1) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Company's Articles of Association;
- (2) where the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (3) where shareholder(s) individually or collectively holding 10 % or more of the Company's issued and outstanding voting shares request(s) in writing for the convening of an

extraordinary general meeting;

(4) whenever the board of directors deems necessary or the supervisory committee so requests;

(5) whenever two or more independent directors so request.

Article 6,
Opinions

Article 60 When the Company convenes a general meeting, written notice of the meeting shall be given 25 days before the date of the meeting to notify all of the shareholders whose names appear in the share register of the matters to be considered and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his attendance at such meeting 5 days before the date of the meeting. Article 53, Mandatory Provisions

Article 61 When the Company convenes an annual general meeting, shareholder(s) holding 5% or more of the total voting shares of the Company shall have the right to propose new motions in writing, and the Company shall place such proposed motions on the agenda for such annual general meeting if they are matters falling within the functions and powers of shareholders in general meetings. Article 54, Mandatory Provisions

Article 62 The Company shall, based on the written replies which it receives from the shareholders 5 days before the date of the general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting amount to more than one-half of the Company's total voting shares, the Company may hold the meeting; if not, then the Company shall, within 3 days, notify the shareholders by way of public announcement the matters to be considered at, and the place and date for, the meeting. The Company may then hold the meeting after publication of such announcement. Article 55, Mandatory Provisions

An extraordinary general meeting shall not decide on any matter not stated in the notice for the meeting. An extraordinary may be convened by way of circulating written resolutions. Extraordinary general meeting may not adopt resolutions by way of circulating written resolutions when considering and approving the following matters:

- (1) Increase or reduction of registered capital;
- (2) Issue of the debenture;
- (3) Division, merger, dissolution and liquidation of the Company;
- (4) Amendment to the Articles of Association;
- (5) Profit distribution plan and loss compensation plan;
- (6) Appointment and removal of directors and supervisors;
- (7) Change on use of proceeds;
- (8) Connected transaction which is subject to consideration by shareholders at general meeting;
- (9) Acquisition or disposal of asset which is subject to consideration by shareholders at general meeting;
- (10) Change of the accounting firm which is responsible for the annual audit for the Company.

Article 63 A notice of a meeting of the shareholders of the Company shall satisfy the following criteria: Article 56,

- (1) be in writing;
- (2) specify the place, date and time of the meeting;
- (3) state the matters to be discussed at the meeting;
- (4) provide such information and explanation as are necessary for the shareholders to make an informed decision on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;
- (5) contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, manager and other senior management officers in the proposed transaction and the effect which the proposed transaction will have on them in their capacity as shareholders in so far as it is different from the effect on the interests of shareholders of the same class;
- (6) contain the full text of any special resolution to be proposed at the meeting;
- (7) contain a conspicuous statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that a proxy need not be a shareholder;
- (8) specify the time and place for lodging proxy forms for the relevant meeting.

- Article 64 Notice of general meetings shall be served on each shareholder (whether or not such shareholder is entitled to vote at the meeting), by personal delivery or prepaid airmail to the address of the shareholder as shown in the register of shareholders. For the holders of domestic shares, notice of the meetings may also be issued by way of public announcement. Article 57, Mandatory Provisions App.3-7(3), Listing Rules
- The public announcement referred to in the preceding paragraph shall be published in one or more national newspapers designated by the securities authority of the State Council within the interval of 25 days to 30 days before the date of the meeting; after the publication of such announcement, the holders of Domestic shares shall be deemed to have received the notice of the relevant general meeting. App.3-7(1), Listing Rules
- Article 65 The accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted thereat. Article 58, Mandatory Provisions
- Article 66 Any shareholder who is entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one or more persons (whether such person is a shareholder or not) as his proxies to attend and vote on his behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder: Article 59, Mandatory Provisions
- (1) the shareholders' right to speak at the meeting;
 - (2) the right to demand or join in demanding a poll;
 - (3) the right to vote by hand or on a poll, but a proxy of a shareholder who has appointed

more than one proxy may only vote on a poll.

If the shareholder is the recognized clearing house (within the meaning of Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong)), such shareholder is entitled to appoint one or more persons as his proxies to attend on his behalf at a general meeting or at any class meeting, but, if one or more persons have such authority, the letter of authorization shall contain the number and class of the shares in connection with such authorization. Such person can exercise the right on behalf of the recognized clearing house (or its attorney) as if he is the individual shareholder of the Company.

Article 67 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity, either under seal or under the hand of a director or a duly authorized attorney. The letter of authorization shall contain the number of the shares to be represented by the attorney. If several persons are authorized as the attorney of the shareholder, the letter of authorization shall specify the number of shares to be represented by each attorney. Article 60, Mandatory Provisions

Article 68 The instrument appointing a voting proxy and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority shall be deposited at the residence of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than 24 hours before the time for holding the meeting at which the proxy propose to vote or the time appointed for the passing of the resolution. Article 61, Mandatory Provisions

If the appointer is a legal person, its legal representative or such person as is authorized by resolution of its board of directors or other governing body may attend any meeting of shareholders of the Company as a representative of the appointer.

Article 69 Any form issued to a shareholder by the directors for use by such shareholder for the appointment of a proxy to attend and vote at meetings of the Company shall be such as to enable the shareholder to freely instruct the proxy to vote in favour of or against the motions, such instructions being given in respect of each individual matter to be voted on at the meeting. Such a form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote as he thinks fit. Article 62, Mandatory Provisions

Article 70 A vote given in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of such matters before the commencement of the relevant meeting. Article 63, Mandatory Provisions

Article 71 A proxy attending a general meeting shall present his identity certification and the proxy form signed by the appointer or the legal representative of the appointer. The proxy form shall specify the issuing date. If a shareholder as a legal person appoints its legal representative to attend a meeting, such legal representative shall present his identity certification and a

notarially certified copy of the resolutions of such board of directors or other authorities in respect of the appointment of the proxy or any other copy certified in a manner accepted by the Company (save as the authorized clearing house or its proxy).

- | | | |
|------------|---|--|
| Article 72 | Resolutions of general meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution must be passed by votes representing more than one-half of the voting rights represented by the shareholders (including proxies) present at the meeting.

A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.

Shareholders (including proxies) shall expressly specify they are in favour of or against any matter under voting. Any abstention from or waiver of voting shall not be regarded as valid votes when the Company counts the votes in respect of the relevant matter. | Article 64,
Mandatory
Provisions |
| Article 73 | A shareholder (including a proxy), when voting at a shareholders' general meeting, may exercise such voting rights as are attached to the number of voting shares which he represents. Each share shall have one vote. | Article 65,
Mandatory
Provisions |
| Article 74 | At any general meeting, a resolution shall be decided on a show of hands unless a poll is demanded:
(1) by the chairman of the meeting;
(2) by at least two shareholders present in person or by proxy entitled to vote thereat;
(3) by one or more shareholders (including proxies) representing 10% or more of shares (held solely or in combination) carrying the right to vote at the meeting, before or after a vote is carried out by a show of hands.

Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who demands the same. | Article 66,
Mandatory
Provisions |
| Article 75 | 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 67,
Mandatory
Provisions |
| Article 76 | On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way. | Article 68,
Mandatory |

Article 77	In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall have a casting vote.	Provisions Article 69, Mandatory Provisions
Article 78	The following matters shall be resolved by an ordinary resolution at a general meeting: (1) work reports of the board of directors and the supervisory committee; (2) profit distribution plans and loss recovery plans formulated by the board of directors; (3) establishment or removal of members of the board of directors and members of the supervisory committee, their remuneration and manner of payment; (4) annual preliminary and final budgets, balance sheets and profit and loss accounts and other financial statements of the Company; (5) appointment or dismissal of accounting firm; (6) matters other than those which are required by the laws and administrative regulations or by the Company's Articles of Association to be adopted by special resolution.	Article 70, Mandatory Provisions
Article 79	The following matters shall be resolved by way of a special resolution at a general meeting: (1) the increase or reduction of share capital and the issue of shares of any class, warrants and other similar securities; (2) the issue of debentures of the Company; (3) the division, merger, dissolution and liquidation and major acquisition or disposal of the Company; (4) the amendment to the Articles of Association; and (5) any other matters decided by the shareholders at general meetings by way of an ordinary resolution to be of a nature which may have a material impact on the Company and shall be adopted by way of a special resolution.	Article 71, Mandatory Provisions
Article 80	Any resolution passed at the general meeting shall comply with the relevant requirements of the laws and administrative regulations of the PRC and the Articles of Association.	
Article 81	The demand of convening an extraordinary general meeting or a class shareholders' meeting by the shareholders should be in accordance with the following procedures: (1) Two or more shareholders, alone or jointly, holding 10% or more of the shares carrying voting right at the meeting to be convened may, by signing one or more counterpart written requisition(s) stating the object of the meeting, require the board of directors to convene an extraordinary general meeting or a class shareholders' meeting. The shareholdings referred to above shall be calculated as at the date of the delivery of the written requisition(s). (2) Upon receipt of the above written request, the board of directors determine whether to convene a general meeting based on the circumstances and in accordance with the laws, administrative regulations and the Articles of Association, and inform the proposing shareholders of its decision whether to convene a general meeting within 15 days upon receipt of the above written request.	Article 72, Mandatory Provisions

(3) When the board of directors agrees to convene a general meeting, it shall issue a notice convening the general meeting, and any amendments to the original proposed resolution shall be made with the prior consent of the proposing shareholders. The board of directors shall not propose additional proposed resolution after issuing the notice, and shall not change the time appointed for the general meeting without the prior consent of the proposing shareholders.

(4) If the board of directors do not agree to convene a general meeting, or fails to issue convene notice of meeting within 30 days after receipt of the above written request, and the proposing shareholders determine to convene the general meeting, the shareholders proposed the request may convene and chair the meeting within four months upon the board of directors' receipt of the request

(5) When the proposing shareholders determine to convene the extraordinary general meeting, they shall notice the board of directors in written form. If the proposing shareholders issue the notice convening the meeting, they shall comply with the provisions of Articles 59, 60, 61, 62 and 63 of the Articles of Association. The notice of meeting shall not propose additional resolution, otherwise the proposing shareholders shall request the board of directors to convene a general meeting in accordance with the following procedures of provision (1) of this Article.

When the shareholders convene a general meeting, they shall ensure that all shareholders receive reasonable notice in respect of the convening and the information of the meeting in their best endeavors. The convening procedures shall as much as possible be equivalent to which the board of directors convenes the general meeting.

(6) If a general meeting on the spot is convened, the meeting shall be held at the place where the Company is located.

If the shareholders convene and hold the meeting as the board of directors fails to convene the meeting on the above request, any reasonable expenses for the meeting shall be borne by the Company and deducted from the amount payable to the negligent director(s) of the Company.

Article 82 A general meeting shall be convened by the chairman of the board who shall preside at the meeting. If the chairman of the board cannot attend the meeting for reason(s), the general meeting shall be convened and presided by the vice-chairman. If the chairman and vice-chairman of the board cannot attend the general meeting, the board of directors may designate a director of the Company to convene and preside at the general meeting as chairman on his/her behalf. If a chairman has not been designated, shareholders attending the meeting may elect a person to act as the chairman. If for any reason the shareholders cannot elect a chairman, the shareholder (including proxy) with the largest number of voting rights at the meeting shall act as the chairman. Article 73, Mandatory Provisions

Article 83 The chairman of the meeting shall be responsible for deciding whether or not a resolution has been carried. His decision shall be final and shall be announced at the meeting and recorded Article 74, Mandatory

	in the minutes book.	Provisions
Article 84	Where the chairman of the meeting has doubts about the results of the resolution tabled for voting, he may count the number of votes cast. If no counting is made by the chairman of the meeting, any shareholder or his proxy attending the meeting who queries the results as announced by the chairman have the right to immediately demand a counting of the votes. The chairman shall forthwith conduct such counting of the votes.	Article 75, Mandatory Provisions
Article 85	Should the counting of votes is conducted in a general meeting, the results shall be recorded in the minutes book. Minutes of the general meeting shall be taken by the secretary and the chairman of the meeting and the directors attending the meeting shall sign on the minutes. The resolution approved at the general meeting shall be the minutes of the meeting. The records and minutes of the meeting shall be prepared in the Chinese language, the minutes and the signed attendance record of those shareholders attending the meeting and the proxy forms shall be kept at the Company's residence.	Article 76, Mandatory Provisions
Article 86	Shareholders may inspect the copies of the minutes of meeting free of charge during normal office hours of the Company. The Company shall dispatch the copies of meeting records to any shareholders at their request and within 7 days upon the payment of reasonable copying charges.	Article 77, Mandatory Provisions
Article 87	Where a shareholder is required to abstain from voting or is restricted to vote only in favour of or against any special resolution pursuant to the provision of the listing rules of the stock exchange, any resolution made by such shareholder or his proxy contrary to that provision or limitation, such resolution would not be counted.	App. 3-14, Listing Rules

Chapter 9 Special Procedures for the Voting of Class Shareholders

Article 88	Shareholders holding different classes of shares are referred to as class shareholders. Class shareholders shall be entitled to rights and assume obligations in accordance with the laws, administrative regulations and the requirements in the Articles of Association. The corporate shares holding by the promoters are ordinary shares which may circulate overseas and are equally entitled to the same right of all shares. Upon the Company's first overseas offer and listing, and the approval by the approving department authorized by the State Council, whole or part of these shares may be converted to foreign shares, and be listed and transacted in the overseas stock exchange.	Article 78, Mandatory Provisions
Article 89	Rights conferred on any class shareholders may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by the affected class shareholders at a separate meeting conducted in accordance with Articles 91 to 95.	Article 79, Mandatory Provisions

- | | | |
|------------|--|--|
| Article 90 | <p>The rights of class shareholders shall be deemed to be varied or abrogated in the following circumstances:</p> <ol style="list-style-type: none"> (1) the increase or decrease of the number of shares of such class, or the increase or decrease of the number of shares of a class having voting or equity rights, distribution rights, or privileges equal or superior to the shares of such class; (2) the exchange of all or part of the shares of such class into shares of another class, or the exchange of all or part of the shares of another class into the shares of such class or conferring such rights of exchange; (3) the removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class; (4) the reduction or removal of a dividend preference or a preference in assets distribution in liquidation attached to shares of such class; (5) the increase, removal or reduction of conversion privileges, options, voting rights, transfer or pre-emptive rights or rights to acquire securities of the Company attached to shares of such class; (6) the removal or reduction of rights to receive amounts payable by the Company in particular currencies attached to shares of such class; (7) the creation of a new class of shares having voting rights, distribution rights or other privileges equal or superior to the shares of such class; (8) the imposition of restrictions or additional restrictions on the transfer of ownership of the shares of such class; (9) the issue of rights to subscribe for the shares of such class or another class or the right to convert shares; (10) the increase in rights or privileges of shares of another class; (11) the restructuring of the Company which will result in shareholders of different classes bearing a disproportionate burden of such proposed restructuring; (12) the variation or abrogation of the provisions of this chapter. | Article 80,
Mandatory
Provisions |
|------------|--|--|

- | | | |
|------------|---|--|
| Article 91 | <p>Affected class shareholders, whether or not otherwise entitled to vote at the general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning sub paragraphs (2) to (8), (11) and (12) of Article 90, but interested shareholder(s) shall not be entitled to vote at class meetings.</p> | Article 81,
Mandatory
Provisions |
|------------|---|--|

The meaning of an interested shareholder as referred to in the preceding paragraph shall be as follows:

- (1) Where the Company has made a repurchase offer to all shareholders in the same proportion in accordance with the provisions of Article 30 of the Articles of Association or repurchases its shares on a stock exchange through open transactions, “interested shareholder” shall mean the controlling shareholder as defined in Article 55 of the Articles of Association;
- (2) Where the Company repurchases its shares by way of an agreement otherwise than on a stock exchange in accordance with the provisions of Article 30 of the Articles of Association,

“interested shareholder” shall mean the shareholder to which the agreement relates;

(3) In the case of a restructuring of the Company, “interested shareholder” shall mean a shareholder who undertakes obligations by a lower proportion than that of other shareholders of the same class, or a shareholder who holds interests different from those held by other shareholders of the same class.

Article 92 Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders in accordance with Article 91 at the class meeting who are entitled to vote at class meetings. Article 82, Mandatory Provisions

Article 93 For the Company to convene a general meeting, a written notice shall be issued 25 days (date of the meeting inclusive) prior to the general meeting, informing all such class shareholders in the register of the matters to be considered at the meeting, and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve the written replies to the Company 5 days prior to the date of the meeting. Article 83, Mandatory Provisions

If the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than one half of the total voting rights of such class shares in the meeting, the Company may hold the class shareholders meeting; if not, the Company shall within 3 days re-notify the shareholders by announcement of the matters to be considered at, the date and place of the meeting. After making such announcement, if the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than one third of the total voting rights of such class shares in the meeting, the Company may hold the class shareholders meeting; if not, the class shareholders meeting shall not be held.

Article 94 Notices of class meetings need only be served on shareholders entitled to vote thereat. Any class meeting shall be conducted as nearly as possible as any general meeting. Article 84, Mandatory Provisions
Provisions in the Articles of Associations which relate to the procedure of any general meeting shall apply to any class meeting.

Article 95 Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign shares shareholders shall be regarded as holders of different classes of shares. Article 85, Mandatory Provisions
The special procedures for voting of class shareholders shall not apply to the following circumstances: Article 3, Zheng Jian Hai Han App. 11c-1(f), Listing Rules
(1) Where, upon approval by a special resolution passed at a shareholders’ general meeting, the Company issues domestic shares and overseas listed foreign shares either separately or concurrently once every 12 months, and the total amount of the domestic shares and overseas listed foreign shares so issued do not exceed 20% of their total issued amount respectively; or
(2) Where the Company plans to issue domestic shares and overseas listed foreign shares on establishment, to be implemented within 15 months from the date of approval by the securities regulatory authority of the State Council.

The corporate shares holding by the promoters are converted to foreign shares with the approval by the approving department authorized by the State Council, and are listed and transacted in the overseas stock exchange.

Chapter 10 Board of Directors

Article 96 There shall be a board of directors comprising eight members, at least two of which shall be a Article 86,
executive directors. External directors (represent directors not holding offices in the Mandatory
Company, such term having the same meaning as hereinafter appearing) shall not less than Provisions
one-half of the total number of the board members, at least two of which shall be independent Article 6,
(non-executive) directors (represent directors independent of the shareholders of the Opinions
Company and not holding offices in the Company, such term having the same meaning as
hereinafter appearing).

The board of directors comprises one chairman and one vice-chairman.

The board of directors establishes professional committees, such as Strategic Committee, Auditing Committee and Remuneration Committee, in accordance with the requirement.

Article 97 The directors shall be elected by members at the general meetings for a term of three years. Article 87,
Upon the expiry of the term, a director shall be eligible for re-election and re-appointment. Mandatory
Provisions

Directors may resign before expiry of their term. Directors shall submit to the board of directors a written report in relation to their resignation. A director whose term of appointment is undue shall bear the liability for the damages caused by the demission on his own discretion.

If the number of the directors is not compliant with the minimum requirement of five, the director's resignation shall not come into force unless the vacancy of the directors have been fulfilled.

The written notices in relation to the intention to nominate a person for election as a director and the indication of such person's willingness to accept the nomination shall be lodged 7 Article 4, Zheng
days prior to the date of convening the general meeting. The notice period for the written Jian Hai Han
notices shall not be less than 7 days. App. 3-4(4)(5),
Listing Rules

Candidates for directors of the first board of directors shall be nominated by the promoters and elected at the founding meeting for the establishment of the Company. The number of directors elected shall be not less than the number specified in Article 96 and not more than the maximum number of directors prescribed by ordinary resolutions passed at the shareholders' general meeting. Directors who obtained the highest number of votes with reference to the maximum number of directors so fixed shall be elected as directors when the number of director passed by voting exceeds the intended maximum number of directors.

Subject to the relevant laws and administrative regulations, the general meeting may by an Article 4, Zheng

ordinary resolution remove a director before the expiration of his term of office but without prejudice to any claim for damages under any contract.

Jian Hai Han
App3-4(3),
Listing Rules

The chairman and vice-chairman shall be elected and removed by a simple majority of all directors. The term of office for the chairman and vice-chairman shall be three years which term is renewable upon re-election and re-appointment.

External directors shall have sufficient time and the necessary knowledge and skills in order to be capable of performing their duties. In performing his duties by an external director, the Company shall provide all the necessary information. Among other things, independent non-executive directors may report directly to the shareholders' general meeting, the securities supervisory and regulatory body of the State Council and to other relevant departments.

Article 6,
Opinion

An executive director is responsible to carry out matters authorized by the board of directors.

A director shall not be required to hold any shares of the Company.

Without the lawful authorization by the Articles or the board of directors, no director shall act for the Company or the board of directors in his own name. Where a director acts in his own name, he shall declare his position and identity in advance.

Article 98 The board of directors shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers:

Article 88,
Mandatory
Provisions

- (1) to be responsible for convening shareholders' general meetings and to report its work to the shareholders' general meeting;
- (2) to implement resolutions of the shareholders' general meeting;
- (3) to decide on the Company's business plans and investment proposals;
- (4) to formulate the Company's annual financial budget and final accounts;
- (5) to formulate the Company's profit distribution proposals and proposals for making up losses;
- (6) to formulate the Company's debts and financial policies and proposals for the increase or reduction of the registered capital of the Company, and proposals for the issuance of securities of the Company;
- (7) to draft proposals for the major acquisition or proposals for sale, and proposals for the merger, division, dissolution of the Company;
- (8) to decide on the establishment of the Company's internal management organisation;
- (9) to appoint or remove the manager of the Company, and to appoint or remove the deputy managers and financial controllers of the Company based on the recommendations of the manager, and to decide on their remuneration and rewards;
- (10) to decide on the establishment of the Company's sub-organisation;
- (11) to formulate proposals for any amendment of the Articles;
- (12) to formulate the Company's basic management system;
- (13) to decide on other material affairs and administrative affairs of the Company, and sign on

other material agreements, other than affairs that should be approved at the general meeting according to the Company Law and the Articles of Association.

(14) other functions and powers conferred by the general meeting and the Articles of Association.

Except the board resolutions in respect of the matters specified in paragraphs (6), (7) and (11) above, which shall be passed by two-thirds or more of the directors, board resolutions in respect of all other matters may be passed by more than one half of the directors.

The resolution of the board of directors in respect of the Company's connected transactions shall not become effective until each independent director has signed for the resolution. Article 6, Opinions

Article 99 Where there is a disposition of fixed assets by the board of directors and the aggregate of the expected value of the consideration for the proposed disposition and the value of the consideration for any disposition of fixed assets made in the 4 months immediately preceding the proposed disposition exceeds 33 per cent. of the value of the fixed assets as shown in the last balance sheet placed before the shareholders in general meeting, the board of directors shall not dispose or agree to dispose of the fixed assets without the prior approval of shareholders in general meeting. Article 89, Mandatory Provisions

In this Article, "disposition of fixed assets" includes an act involving transfer of an interest in property other than by way of security.

The validity of a disposition by the Company shall not be affected by a breach of the first paragraph of this Article.

Where the board of directors is making decisions in respect of market development, mergers and acquisitions, and investments in new sectors, and the amount of investment project or the mergers and acquisition project exceed 10% of the total assets of the Company, it should engage consultative organisations in providing professional opinions as key basis of the decision of the board of directors. Article 4, Opinions

Article 100 The chairman of the board shall exercise the following functions and powers: Article 90, Mandatory Provisions

- (1) to preside at shareholders' general meetings and to convene and preside at meetings of the board of directors;
- (2) to organise and perform the duties of the board of directors, and to inspect the actual implementation of the resolution of the board;
- (3) to sign securities issued by the Company;
- (4) to nominate the candidates of the general manager and the secretary of the board of directors to the board;
- (5) to sign the important documents of the board and other documents which should be signed by the Company's legal representative;
- (6) to exercise the rights of the legal representative;
- (7) other functions and powers conferred by the board of directors.

Where the chairman of the board is unable to perform or fails to perform his duties, a vice-chairman shall be jointly elected by the majority of the directors to perform the duties on his behalf.

Article 101 Meetings of the board of directors shall be held at least twice every year and shall be convened by the chairman of the board. All of the directors should be notified of the meeting 10 days beforehand. Where there is an urgent matter, an extraordinary meeting of the board of directors may be held if it is so requested by more than one-third of the directors, the chairman of the board or the Company's president, without being subject to the provisions of Article 102 on notice of the meetings. Article 91, Mandatory Provisions

Meeting of the board of directors shall in principle be held at the residence of the Company.

The language used at the meeting of the Board shall be Chinese. Where necessary, interpreters may also attend the meeting to provide simultaneous interpretation service between Chinese and English languages.

Article 102 Notice of the meeting of the Board shall be served in the following manner: Article 92, Mandatory Provisions

(1) Where the time and place of regular meeting of the board of directors have been fixed by the board of directors in advance, no notice shall be served.

(2) Subject to Article 101, where the time and place of the meeting of the board of directors have not been fixed by the board of directors in advance, notice of the meeting of the board of directors specifying the time and place of the meeting shall be given by the chairman to the directors by telex, cable, facsimile, express courier service, registered mail or by hand at least 10 days before the meeting.

(3) The notice shall be in Chinese and, if necessary, an English version of the same shall be enclosed therein and the notice shall include agenda of the meeting. Any director may waive the right to receive notice of the meeting of the board of directors.

Article 103 All major and important matters which require the approval of the board of directors shall be notified to all executive directors and external directors within the prescribed time limit under Article 100, sufficient information shall be supplied and the stipulated requirements in relation to the conduct of such procedures shall be strictly adhered to. Directors may request the provision of supplement materials. When more than one-fourth of directors or more than two external directors are of the view that the materials are not sufficient or the submission is inaccurate, they may propose to postpone the meeting of the board of directors or to postpone the discussion of certain matters in the meeting of the board of directors, and the board of directors shall so agree. Article 3, Opinions

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

Any meeting, regular or extraordinary, of the board, may be held by conference telephone or similar communication equipment so long as all directors participating in the meeting can hear and communicate with one another, and all such directors shall be deemed to be present in person at the meeting.

Article 104 The quorum of the meeting of the board of directors shall be more than one-half of the directors (including those directors who have been appointed in writing by other directors to attend the meeting on their behalf under Article 105 of the Articles of Association). Each director shall have one vote. Resolutions of the meeting of the board of directors shall be passed by a simple majority of all the directors. In case of an equality of votes, the chairman shall have a second vote. Article 93, Mandatory Provisions

Article 105 Directors shall attend the meeting of the board of directors in person. Where any director is unable to attend the meeting, he may in writing appoint another director to attend the meeting on his behalf. The appointing instrument shall specify the scope of the authorisation. Article 94, Mandatory Provisions

The director attending a meeting on other's behalf shall exercise the rights within the scope of the authorisation. If a director is unable to attend a meeting of the Board and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at such meeting. The expenses incurred by the directors in attending a meeting of the board of directors shall be borne by the Company.

These expenses include transportation fees between the location of the director and the place of meeting and charges for accommodation and meals during the period of the meeting of the board of directors. Miscellaneous expenses such as rental of the venue of the meeting and local transportation fees shall also be borne by the Company.

Article 106 Meetings of the board of directors may be conducted by circulation of documents in the form of written resolution. The resolution shall be delivered to each director by hand or by post or facsimile. Where such resolution has been delivered to all directors and the number of directors endorsing by signature, either on the same copy or different copies of the same resolution delivered to the secretary to the board of directors in the aforesaid manner, reaches the quorum for deciding on the resolution, the resolution shall constitute a resolution of the board of directors without further need to convene another meeting of the board of directors on the same.

Article 107 The board of directors meeting shall be recorded in Chinese and minutes shall be kept of all resolutions passed at the meetings and at non-convened board meetings. The independent (non-executive) Directors' opinions shall be clearly stated in the resolution of the relevant board meeting. The minutes of each board meeting shall be given to all Directors as soon as possible for their review. The Directors who want to make adjustments or supplements to the minutes shall submit their written reports concerning their revision opinions to the chairman of the Board within one week of their receipt of the minutes. After the minutes are finalized, each Director present at the board meeting and the recorder of the minutes shall sign the minutes. The minutes of the board meetings shall be kept at the place of residence of the Article 95, Mandatory Provisions Article 6, Opinions

Company in the PRC, and a copy of shall be delivered as soon as possible to each Director.

Directors shall bear responsibility in connection with the resolutions of the board meeting. In the event the resolutions of the board meeting are in breach of the provisions of the laws, administrative regulations and the Articles of Association, and as a result of which the Company suffers substantial losses, the directors taking part in the resolutions shall indemnify the Company. However, the directors may be exempted from any liability if it can be proven that those directors have expressly objected to the resolution at the time of voting and such vote has been recorded in the minutes of the meeting.

Article 108 Where any Director or his any associates (as defined as in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange) has conflict of interest in any resolutions of board of the directors, such director shall abstain from and shall not be counted in the quorum of such meeting. App3-4(1), Listing Rules

Chapter 11 Secretary of the board of directors of the Company

Article 109 The Company shall have one secretary to the board of directors. The secretary shall be nominated by the chairman and shall be appointed and removed by the board of directors. Secretaries are senior management officers of the Company and shall be responsible to the board of directors. The term of office of the secretary shall be three years and shall be extended if re-appointed. Article 96, Mandatory Provisions

Having regard to its requirements, the board of directors establishes the functions under the secretary of the board of directors.

Article 110 The Secretary shall be natural persons who have the requisite professional knowledge and experience and shall be appointed by the board of directors. Article 97, Mandatory Provisions

The primary tasks of the secretary of the Company's board of directors are to

- (1) Assist the directors to handle the daily work of the board of directors, and constantly provide the directors with the laws, regulations and requirements of the domestic or overseas regulatory organs, remind them of and ensure their knowledge of such laws, regulations and requirements; to assist the directors and managers to act in accordance with the domestic and overseas laws, regulations, the Company's Articles of Association and other rules; Article 2, Chapter 1, Practice Guidelines for Secretary
- (2) Take charge of the organisation and preparation of the documents for the meetings of the board of directors, shareholders' general meetings, and keep minutes for such meetings; to ensure that the resolutions of such meetings comply with the legal procedure, staying aware of the implement situation of the resolutions of the board of directors.;
- (3) Take charge of the organisation and coordination of the information disclosure, coordinate the relationship with the investors, and increase the transparency of the Company;
- (4) Participate and organise the financing in the capital market;
- (5) Handle the relationship with the intermediary agencies, the supervisory authorities and the media; improve the public relationship.

The responsibilities of the secretary of the Company's board of directors are to

- (1) Organise and prepare the meetings of the board of directors and the shareholders' general meetings, prepare the documents for such meetings, arrange relevant affairs for such meetings, and take charge of the minutes of such meetings and ensure the veracity of such minutes; keep the documents and record of such meetings, stay aware of the enforcement situation of the resolutions of such meetings; report and give advice to the board of directors. Chapter 2, Practice Guidelines for Company Secretary
- (2) Ensure that the important resolutions of the Company would be made strictly in accordance with the stipulated procedure, participate in the consultation and analysis of the relevant affairs of the resolution by the board of directors, and give opinion and advice; be entrusted to handle the daily work of the board of directors of Director and its commissions.
- (3) As the coordinator between the company and the securities regulatory authorities, take charge of the preparation and submission without any delay of the documents required by the regulatory authorities; accept and organise the completion of the work assigned by the regulatory authorities.
- (4) Coordinate and organise the information disclosure of the company, establish and improve the system as to the information disclosure, attend the meetings related to the information disclosure, and be aware of the information concerning the important business plan and relevant documents.
- (5) Take charge of the confidentiality of the price-sensitive documents, establish the effective confidential system related to the information disclosure, take necessary remedy in any case the price-sensitive information was given away, and give explanation and declaration without any delay, and inform the supervisory authorities for the Overseas-Listed and the China Securities Regulatory Commission.
- (6) Coordinate and organise the marketing, coordinate the reception of the visitors, handle the relationship with the investors, maintain in touch with the investors, the intermediary agencies and the media, coordinate answering the questions of the public, ensure that the investors get the information disclosed by the company without any delay. Organise the preparation of the domestic and overseas advertisement of the Company, make reports on the marketing, visitor-reception and other activities, and organise the relevant report to the China Securities Regulatory Commission.
- (7) Manage and keep the register documents of the shareholders, the register of the directors, the record of the shareholding of the majority shareholders and the directors, and the name list of the right owners of the Company bonds issued outside.
- (8) Assist the directors and managers to comply with the domestic and overseas laws and regulations, the Company's Articles of Association and other relevant rules. When being informed of the illegal resolution having been made or to be made by the company, are obliged to warn immediately, and to report honestly to the China Securities Regulatory Commission and other securities administrative authorities.
- (9) Coordinate providing the Supervision board of directors and other auditor organs with the information and documents for their supervision duty, assist the financial management, and the investigation for the bona fide of the chief financial officer, the directors and the managers.
- (10) Other duties and powers empowered by the board of directors.

Article 111 A director or other senior management officer of the Company may also act as the secretary of the board of directors. An accountant of the accounting firm retained by the Company shall not act as the secretary of the board of directors. The manager (excluding deputy positions) and financial controllers of the Company shall not act as the secretary of the board of directors. Article 98, Mandatory Provisions

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

Article 112 The Secretary shall perform his duties diligently in accordance with the provisions of the Articles of Association.

The Secretary shall assist to ensure that the Company complies with the relevant laws of the PRC and the regulations of the stock exchange on which the shares of the Company are listed.

Chapter 12 Manager of the Company

Article 113 The Company shall have one manager who shall be nominated by the chairman, and appointed and dismissed by the board of directors. Article 99, Mandatory Provisions

The Company shall have certain deputy managers and a financial controller who shall assist the manager to perform his duties. The deputy managers and financial officer shall be nominated by the manager and shall be appointed and dismissed by the board of directors.

Article 114 The manager shall be responsible to the board of directors and shall have the following powers and duties: Article 100, Mandatory Provisions

- (1) to take charge of the production and management of the Company and to organise the implementation of the resolutions of the board of directors;
- (2) to organise the implementation of the annual business plans and investment proposals of the Company;
- (3) to prepare proposals for the internal management structure of the Company;
- (4) to prepare proposals for the sub-organisation of the Company;
- (5) to prepare the management systems of the Company;
- (6) to formulate the regulations of the Company;
- (7) to propose the appointment and dismissal of deputy managers and financial controllers;
- (8) to employ and dismiss management staff other than those who shall be employed and dismissed by the board of directors;
- (9) other powers conferred by the Articles of Association and the board of directors.

Article 115 The manager who is not a director may attend any meeting of the board of directors and shall be entitled to receive notice of the meeting and relevant documents. The manager who is not a director shall not be entitled to vote at any meeting of the board of directors. Article 101, Mandatory Provisions

Article 116 The manager, the deputy managers and financial controllers shall not, in exercising their

powers, violate the resolutions of the board of the directors and the shareholders' general meetings nor to exceed the scope of their authority.

Article 117 The manager, the deputy managers and financial controllers shall discharge their duties honestly and diligently in accordance with the laws, administrative regulations and the Articles of Association. Article 102, Mandatory Provisions

Article 118 The manager, the deputy managers, financial controllers and other senior management officers shall give three months prior written notice of resignation to the board of directors; departmental managers shall give two months prior written notice of resignation to the manager.

Chapter 13 Supervisory Committee

Article 119 The Company shall have a supervisory committee. The supervisory committee is the Company's standing internal supervisory organ. Its responsibilities are to exercise supervision over the board of directors and its members and the senior management officers, including the manager, deputy managers and financial officers, to prevent any abuse of powers, infringement of the legitimate rights of the Company, its shareholders and staff. Article 103, Mandatory Provisions

Article 120 The supervisory committee shall be composed of three supervisors. The committee shall include representative(s) of the shareholders and representative(s) of the staff and workers of the Company in appropriate proportion. The proportion of the representatives of the staff and workers shall not be less than one-third of the total number of supervisors. Article 104, Mandatory Provisions Article 7, Opinions
The Supervisory Committee shall have a chairman. Each supervisor shall serve for a term of 3 years, which term is renewable upon re-election and re-appointment. Article 5, Zheng Jian Hai Han

The election or removal of the chairman of the Supervisory Committee shall be determined by two-thirds or more of the members of the Supervisory Committee. App11c-1d(i), Listing Rules

The chairman of the Supervisory Committee shall organise and perform the duties of the Committee.

Article 121 The member of the Supervisory Committee shall comprise two representatives of the shareholders and a representative of the staff and workers of the Company. The representative of the shareholders shall be elected and removed by the general meeting whilst the employee representatives be elected and removed by all employees. Article 105, Mandatory Provisions Article 7, Opinions

Having regard to its requirements, the Supervisory Committee establish the functions to handle daily businesses of the Committee.

Article 122 The directors, manager, deputy managers, financial controllers and other senior management officers shall not act as the supervisors. Article 106, Mandatory Provisions

Article 123 Meeting of the supervisory committee shall be convened by the chairman of the supervisory Article 107,

	committee at least twice every year.	Mandatory Provisions
Article 124	The supervisory committee shall be responsible to the shareholders' general meeting and shall have the following powers and duties in accordance with the laws:	Article 108, Mandatory Provisions
	(1) to examine the financial conditions of the Company;	
	(2) to supervise the conduct of the directors, manager and other senior management officers of the Company to monitor whether they contravene the laws, administrative regulations or the Articles of Association in performing their duties;	
	(3) to request the directors, managers and other senior management officers of the Company to rectify their acts which are prejudicial to the interests of the Company;	
	(4) to verify the financial information such as financial statements, operation reports and profits distribution proposals submitted by the board of directors to the shareholders' general meeting; where any query arises, the financial information shall be referred to a registered accountant or certified auditor appointed in the name of the Company to re-examine the same;	
	(5) to propose the convening of extraordinary general meetings;	
	(6) to represent the Company in negotiating with the directors or taking legal proceedings against the directors;	
	(7) other powers and duties provided in the Articles of Association.	
	The supervisory committee may give recommendation on the appointment of the accounting firm of the Company, and where necessary, may separately appoint an accountant firm in the name of the Company to audit the accounts of the Company and may directly report to the securities supervisory and regulatory body of the State Council and to other relevant departments.	Article 7, Opinions
	Supervisors may attend meetings of the board of directors.	
Article 125	The meeting of the Supervisory Committee shall be conducted by way of conference. The resolutions of the supervisory committee shall be passed by two-thirds or more of supervisors.	Article 109, Mandatory Provisions
Article 126	The reasonable costs and expenses incurred in engaging professionals such as lawyers, registered accountants and certified auditors as are required by the supervisory committee in discharging its duties shall be borne by the Company.	Article 6, Zheng Jian Hai Han App. 11c-1d(ii), Listing Rules
Article 127	Supervisors shall honestly discharge their duties in accordance with the laws, administrative regulations and the Articles of Association of the Company.	Article 110, Mandatory Provisions
		Article 111, Mandatory Provisions
Chapter 14 Qualifications and Obligations of the Directors, Supervisors, Managers and Other Senior Management Officers of the Company		
Article 128	A person shall be disqualified from being a director, supervisor, manager or other senior management officer of the Company in any one of the following circumstances:	Article 112, Mandatory

- (1) the individual has no capacity to undertake civil liabilities or restricted capacity to undertake civil liabilities;
- (2) a period of 5 years has not yet elapsed since the penalisation on conviction of corruption, bribery, unauthorised taking of properties, misappropriation of properties or disrupting social and economic order; or a period of 5 years has not yet elapsed since being deprived of political rights for commission of offences;
- (3) a period of 3 years has not yet elapsed since the completion of the liquidation of any company or enterprise which was insolvent due to unsound business operation and management and where the person acted as a director, factory manager or manager of such company or enterprise and was personally liable for such insolvency;
- (4) a period of 3 years has not yet elapsed since revocation of the business licence of a company or enterprise due to illegal business operations where the person was the legal representative of such company or enterprise and for which he was personally liable;
- (5) the person is personally liable for a substantial loan which was due for payment but remains unpaid;
- (6) the person has been involved in criminal offences subject to investigation by judicial authorities and the case has yet been settled;
- (7) the person is not eligible for acting in the leadership of a company or enterprise according to the laws or administrative regulations;
- (8) the person is not a natural person;
- (9) a period of 5 years has not yet elapsed since the person was adjudged by the relevant governing authority to be guilty of contravention of provisions of securities regulations involving fraud or dishonesty.

Article 129	The validity of an act of a director, manager or other senior management officer of the Company acting on behalf of the Company against any bona fide third party shall not be affected by any irregularity in his appointment, election or any defects in his qualification.	Article 113, Mandatory Provisions
Article 130	In addition to the obligations imposed by the laws and administrative regulations or required by the listing rules of the stock exchange on which the shares of the Company are listed, a director, supervisor, manager or other senior management officer owes a duty to each shareholder for the following in the exercise of the powers entrusted to him: <ol style="list-style-type: none"> (1) not to cause the company to exceed the scope of business stipulated in its business licence; (2) to act honestly in what he considers to be in the best interests of the Company; (3) not to expropriate in any manner the properties of the Company, including but not limited to usurp the opportunities beneficial to the Company; (4) not to expropriate the individual rights of shareholders including but not limited to rights of distribution and voting rights save and except pursuant to a restructuring of the Company submitted for approval of the shareholders in general meeting in accordance with these Articles of Association. 	Article 114, Mandatory Provisions
Article 131	A director, supervisor, manager or other senior management officer of the Company owes a	Article 115,

duty in the exercise of his powers and discharge of its duties to exercise the care, diligence and skill that a reasonable prudent person would exercise in comparable circumstances. Mandatory Provisions

Article 132 Each director, supervisor, manager or senior management officer shall in the discharge of his duties observe obligations of a fiduciary not to place himself in a position where his interest and the obligations undertaken may conflict. This principle shall include but not be limited to the following obligations: Article 116, Mandatory Provisions

(1) to act honestly in what he considers to be in the best interests of the Company;

(2) to exercise the powers vested in him and not to exceed the scope thereof;

(3) to exercise the discretionary power granted to him personally and not allow himself to act under the direction of another and unless and to the extent permitted by the laws and administrative regulations or informed consent of shareholders in general meeting, not to delegate the exercise of his discretion;

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

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

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

(7) not to use his authority for obtaining bribes or other illegal income and not to expropriate in any manner the property of the Company including but without limitation, not to usurp opportunities beneficial to the Company;

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

(9) to observe the Articles of Association; to perform his duties faithfully; to protect the interests of the Company; not to use his position and authority in the Company to make his own benefit;

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

(11) not to misappropriate the funds of the Company or make loans to the others out of the funds of the company; not to deposit the assets of the Company into accounts under his name or any other name; not to use the assets of the Company as security for loans to shareholders of the Company or any other persons;

(12) not to disclose confidential information of the Company acquired by him during the term of office without the informed consent of shareholders in general meeting; not to use the information other than in furtherance of the interests of the Company, save and except that disclosure of such information to the court of law or other government authorities is permitted if:

1. disclosure is required by the laws;

2. there is a duty to disclose in the interests of the public;

3. it is in the personal interests of such director, supervisor, manager or other senior management officer to require disclosure.

Article 133 A director, supervisor, manager and other senior management officer of the Company shall not cause any of the following person or association (the “associates”) to do such things as such director, supervisor, manager or other senior management officer is prohibited from doing so: Article 117, Mandatory Provisions

(1) the spouse or minor child of that director, supervisor, manager or other senior management officer of the Company;

(2) the trustee of that director, supervisor, manager or other senior management officer of the Company or any person referred to in paragraph (1) of this Article;

(3) the partner of that director, supervisor, manager or other senior management officer of the Company or any person referred to in paragraphs (1) and (2) of this Article;

(4) a company in which that director, supervisor, manager or other senior management officer of the Company alone or jointly with one or more of the persons referred to in paragraphs (1), (2) and (3) of this Article or other directors, supervisors, managers or other senior management officers of the Company, has a de facto controlling interest;

(5) a director, supervisor, manager or other senior management officer of a company being controlled as referred to in paragraph (4) of this Article.

Article 134 The fiduciary duty of a director, supervisor, manager or other senior management officer of the Company does not necessarily cease upon the termination of his tenure of office. The obligation of confidence in relation to the trade secrets of the Company shall survive after the termination of his tenure. Other obligations may continue for such period as to be determined under the principle of fairness, depending on the time lapse between the acts concerned and the termination and the circumstances and the conditions under which the relationship with the Company terminated. Article 118, Mandatory Provisions

Article 135 The shareholders with full knowledge of the relevant circumstances may at the general meeting relieve a director, supervisors, manager, deputy managers and any other senior management officers of the Company of his liability as a result of his violation of any specific duty, save as by Article 53 of the Articles of Association. Article 119, Mandatory Provisions

Article 136 A director, supervisor, manager and other senior management officer of the Company (or any of their respective associates) who directly or indirectly has material interests in any contract, transaction or arrangement that has been executed or is being planned by the Company (save and except the contracts of employment between the directors, supervisors, manager or senior management officers and the Company), shall, as soon as possible, disclose to the board of directors the nature and extent of his interests, regardless of whether or not the matters at hand require the approval of the board of directors. Article 120, Mandatory Provisions

A director shall not vote on any board resolution approving any contract, transaction or arrangement in which he (or his associate) has a material interest nor shall he be counted in the quorum present at the same board meeting.

App. 3-4(1),
Listing Rules

Unless the interested director, supervisor, manager or other senior management officer of the Company have made such disclosure to the board of directors as required by the preceding paragraph of this Article, and the relevant matter has been approved by the board of directors at the board's meeting where such director, supervisor, manager or other senior management officer has not been counted as part of the quorum and voted thereat, the Company shall be entitled to revoke such contract, transaction or arrangement, except as to any other party which is a bona fide party without knowledge of the violation of duties on the part of such director, supervisor, manager, or other senior management officer.

Where the associates of any director, supervisor, manager or other senior management officer of the Company have interests in such contract, transaction or arrangement, such director, supervisor, manager and other senior management officer shall also be deemed to be interested.

- | | | |
|-------------|---|---|
| Article 137 | Where a director, supervisor, manager or senior management officer of the Company gives a notice in writing to the board of directors before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company, stating that, by reason of facts specified in the notice, he is interested in any contract, transaction or arrangement of any description which may subsequently be made by the Company, that notice shall be deemed for the purpose of the preceding Article to be a sufficient declaration of interests of such director, supervisor, manager or senior management officer, so far as attributable to those facts in relation to any contract, transaction or arrangement of that description which may subsequently be made by the Company. | Article 121,
Mandatory
Provisions |
| Article 138 | The Company shall not in any manner pay tax for or on behalf of its directors, supervisors, managers or senior management officers. | Article 122,
Mandatory
Provisions |
| Article 139 | The Company is prohibited from directly or indirectly providing any loan or guarantee for any loan to the director, supervisor, manager or other senior management officer of the Company or its parent company. The Company is also prohibited from providing any loan or guarantee for any loan to a connected person of such director, supervisor, manager or other senior management officer. | Article 123,
Mandatory
Provisions |

The following transactions are not subject to the foregoing prohibition:

- (1) the provision of a loan or a guarantee for a loan by the Company to a subsidiary of the Company;
- (2) the provision of a loan or a guarantee for a loan or any other funds by the Company to any of its Director, Supervisor, manager or other senior management officer, in accordance with the terms of an employment contract approved by the shareholders' general meeting, to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform properly his duties;
- (3) the Company may make a loan to or provide a guarantee for a loan to its Director, Supervisor, manager or other senior management officer or other their connected persons provided that the ordinary scope of its business includes the making of loans or the giving of

guarantees and that the making of such loans or the giving of such guarantees is on normal commercial terms.

Article 140 A loan made by the Company in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan. Article 124, Mandatory Provisions

Article 141 A guarantee provided by the Company in connection with the making of a loan in breach of Article 139 (1) shall be unenforceable against the Company, unless: Article 125, Mandatory Provisions

(1) the guarantee was provided in connection with a loan to a connected person of any of the director, supervisor, manager or other senior management officer of the Company or its parent company, and at the time the loan was advanced, the lender was not aware of the relevant circumstances;

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

Article 142 For the purposes of the foregoing provision, a “guarantee” includes an undertaking or property provided by the guarantor to secure the performance of obligations by the obligor. Article 126, Mandatory Provisions

Article 143 In addition to any rights and remedies provided by laws and administrative regulations, where our Director, Supervisor, manager or other senior management officer is in breach of his duties to the Company, the Company has a right to: Article 127, Mandatory Provisions

(1) claim damages from the director, supervisor, manager or other senior management officer as compensation for losses sustained by the Company as a result of such breach;

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

(3) demand an account of the profits made by the Director, Supervisor, manager or other senior management officer in breach of his duties;

(4) recover from the Director, Supervisor, manager or other senior management officer any monies which should have been received by the Company, including (without limitation) commissions;

(5) demand repayment of the interest earned or which may have been earned by the Director, Supervisor, manager or other senior management officer on the monies that should have been paid to the Company.

Article 144 The Company shall, with the prior approval of shareholders in general meeting, enter into a contract in writing with each Director or Supervisor for emoluments. The said emoluments include: Article 128, Mandatory Provisions

(1) emoluments in respect of their services as director, supervisor or senior management officer of the Company;

(2) emoluments in respect of their services as director, supervisor or senior management

- officer of any subsidiary of the Company;
- (3) emoluments otherwise in connection with services for the management of the Company or any subsidiary thereof;
- (4) payments to director or supervisor by way of compensation for loss of office, or in connection with their retirement from office.

Except under the contracts above, no proceedings shall be brought by a Director or Supervisor against the Company for anything due to him in respect of the matters specified above.

Article 145 In the contract for emoluments entered into by the Company with a Director or Supervisor: provisions shall be made for the right of the Director or Supervisor when the Company is acquired, to receive, after obtaining the prior consent of shareholders in general meeting, compensation or other payment for his loss of office or retirement from office. Such takeover of the Company means: Article 129, Mandatory Provisions

- (1) an offer made to all shareholders;
- (2) an offer is made such that the offeror will become the controlling shareholder (has the same definition as in Article 55 of the Articles of Association) of the Company.

If the relevant Director or Supervisor does not comply with above provisions, any sum received by the Director or Supervisor on account of the payment shall belong to those persons who have sold their shares as a result of the offer, and the expenses incurred by the Director or Supervisor in distributing that sum pro rata amongst those persons shall be borne by him and not deducted from the sum distributed.

Chapter 15 Financial Accounting System and Profit Distribution

Article 146 The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council. Article 130, Mandatory Provisions

Article 147 The fiscal year of the Company shall coincide with the calendar year, i.e., every fiscal year shall start from the Jan. 1 and ends on Dec. 31. Article 131, Mandatory Provisions

The accounting currency of the Company is Renmibi, and the accounts are written in Chinese.

A financial report shall be made at the end of each fiscal year, which shall be examined and verified according to the law.

Article 148 The board of directors shall place before the shareholders at every shareholders' annual general meeting such financial reports as are required to be prepared by the Company pursuant to any laws, administrative regulations or directives promulgated by local government and competent regulatory authorities. Such financial reports shall have been Article 132 Mandatory Provisions App. 3-5,

	verified.	Listing Rules
Article 149	Our Company's financial reports shall be made available for shareholders' inspection at the Company at least 20 days before the date of every shareholders' annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports.	Article 133, Mandatory Provisions
	The Company shall deliver to each shareholder of overseas-listed shares by prepaid mail at the address registered in the register of shareholders the above reports not later than 21 days before the date of every annual general meeting of the shareholders. The addresses shall be consistent with those registered in the register of the shareholders.	Article 7, Zheng Jian Hai Han App. 3-5, Listing Rules
Article 150	The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards, or the accounting standards of the overseas place where our Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in an appendix to the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.	Article 134, Mandatory Provisions
Article 151	Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or the accounting standards of the overseas place where our Company's shares are listed.	Article 135, Mandatory Provisions
Article 152	The Company shall publish its financial reports twice every fiscal year. The interim financial report shall be published within 60 days after the expiration of the first 6 months of each fiscal year and the annual financial report shall be published within 120 days after the expiration of each fiscal year.	Article 136, Mandatory Provisions
Article 153	The Company shall not keep financial accounts other than those required by law.	Article 137, Mandatory Provisions
Article 154	When making distribution out of the after-tax profits for the current year, the Company shall allocate 10% of the profit to the statutory common reserve. No further allocation to the statutory common reserve will be required when the accumulated fund in statutory common reserve exceeds 50% of the Company's registered capital.	
	If the fund in the Company's statutory common reserve is insufficient to make up for losses from the previous year, the profits in the current year must be applied to make up for such losses before making any allocation to the statutory common reserve as mentioned above.	
	Subject to shareholders' approval in a general meeting and after proper allocation to the statutory common reserve, a discretionary amount from the Company's after-tax profits may be transferred to the discretionary common reserve.	

Any remaining balance of the after-tax profits after making-up for losses and transfer to the common reserve and common welfare fund may be distributed to the shareholders in proportion to their respective shareholdings.

Article 155 The Company shall not distribute dividend or carry out other distributions in the form of bonuses, before the Company has compensated for its losses and made allocations to the statutory common reserve and the statutory common welfare fund.

Article 156 The capital reserve fund includes the following items:

Article 138,
Mandatory
Provisions

- (1) any premium above the proceeds from share issuances at face value;
- (2) any other income designated for the capital reserve fund by regulation of the finance regulatory department of the State Council.

Article 157 The common reserve fund of the Company shall be applied for the following purposes only: to cover losses; to expand the Company's operation; or to convert the common reserve fund into capital in order to increase its capital.

The Company may convert its common reserve fund into capital with the approval of shareholders in a general meeting. When such conversion takes place, the Company shall either distribute new shares in proportion to the existing shareholders' of shares, or increase the par value of each share, provided, however, that when the statutory common reserve fund is converted to capital, the balance of the statutory common reserve fund may not fall below 25% of the registered capital.

Article 158 The Company's statutory common welfare fund shall be used for the collective welfare of the Company's employees.

Article 159 The Company may distribute dividend in the form of:

Article 139,
Mandatory
Provisions

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

Article 160 Cash dividends or other payments payable by our Company to holders of domestic shares shall be paid in Renminbi. Those payable to holders of overseas listed foreign invested shares shall be declared and calculated in Renminbi, and paid in Hong Kong dollars. The Company shall pay cash dividend and other payments to holders of overseas listed foreign shares in accordance with the relevant foreign exchange control regulations of the PRC.

Article 161 Unless otherwise provided by laws or administrative regulations, in respect of cash dividend and other payments payable in Hong Kong dollars, the exchange rate used shall be the average middle rate announced by the Peoples' Bank of China during the calendar week prior to the declaration of dividend and other payments.

Article 162 Subject to Article 57 (2) and Article 98 (1)9, the board of directors may resolve to distribute

an interim dividend or special dividend.

Article 163 The Company shall, in accordance with the PRC tax law, withhold and make payments on behalf of shareholders in respect of their tax payable on their dividends income.

Article 164 The Company shall appoint on behalf of the holders of the overseas listed foreign shares receiving agents to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of their shares. Article 140, Mandatory Provisions

The receiving agents appointed by the Company shall comply with the relevant requirements of the law of the place and relevant regulations of the stock exchange where the Company's shares are listed. App.11c-1(c), Listing Rules

The receiving agents appointed on behalf of holders of overseas listed foreign shares listed in Hong Kong shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong. Article 8, Zheng Jian Hai Han

Subject to relevant PRC laws and administrative regulations, in respect of dividends payable to shareholders of H shares but was unclaimed for six years or more after its declaration, the Company shall exercise its right to forfeit such dividend after expiration of the aforesaid six year period. App.3-2, Listing Rules

Chapter 16 Appointment of Accounting Firm

Article 165 The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the State to audit the Company's annual report and review the Company's other financial reports. Article 141, Mandatory Provisions

The first accounting firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting. The accountant firm so appointed shall hold office until the conclusion of the first annual general meeting.

If the inaugural meeting fails to exercise its powers under the preceding paragraph, those powers shall be exercised by the board of directors.

Article 166 The accounting firm appointed by the Company shall hold office from the conclusion of the annual general meeting until the conclusion of the next annual general meeting. Article 142, Mandatory Provisions

Article 167 The accounting firm appointed by the Company shall have the following rights: Article 143 Mandatory Provisions

(1) A right to inspect the books, records and vouchers of the Company at anytime, the right to require the directors, manager or other senior management officers of the Company to supply relevant information and explanation;

(2) A right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the purpose of discharging its duties;

(3) A right to attend shareholders' general meetings and to receive all notices of, and other communications relating to, any shareholders' general meeting which any shareholder is

entitled to receive, and to speak at any shareholders' general meeting in relation to matters concerning its role as the Company's accounting firm.

Article 168 If there is a vacancy in the position of auditor of the Company, the board of directors may engage an accounting firm to fill such vacancy before the convening of the shareholders' general meeting. Any other accountant firm which has been engaged by the Company may continue to act during the period during such a vacancy exists. Article 144, Mandatory Provisions

Article 169 Notwithstanding the stipulations in the contract between the Company and the accounting firm, the shareholders in shareholders' general meeting may by ordinary resolution remove an accounting firm before the expiration of its term of office, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal. Article 145, Mandatory Provisions

Article 170 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in shareholders' general meeting. The remuneration of an accounting firm appointed by the board of directors shall be determined by the board of directors. Article 146, Mandatory Provisions

Article 171 The Company's appointment, removal and non-reappointment of an accounting firm shall be resolved upon by shareholders in shareholders' general meeting. The resolution of the shareholders' general meeting shall be filed with the securities governing authority of the State Council. Article 147 Mandatory Provisions

Where it is proposed that any resolution be passed at a shareholders' general meeting concerning the appointment of an accounting firm which is not an incumbent firm to fill a casual vacancy in the office of the accounting firm, re-appointment of a retiring accounting firm which was appointed by the board of directors to fill a casual vacancy, or removal of the accounting firm before the expiration of its term of office, the following provisions shall apply: Article 9, "Zheng Jian Hai Han" App. 1-1(e)(i), Listing Rules

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

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

1. in any notice of the resolution given to shareholders, state the fact of the representations having been made;

2. attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.

(3) If the accounting firm's representations are not sent in accordance with paragraph (2) of this Article, the relevant accounting firm may (in addition to its right to be heard) require that the representations be read out at the meeting.

(4) An accounting firm which is leaving its post shall be entitled to attend:

1. the shareholders' general meeting at which its term of office would otherwise have expired;
2. any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;
3. any shareholders' general meeting convened as a result of its resignation.

An accounting firm which is leaving its post shall be entitled to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meetings in relation to matters concerning its role as the former accounting firm of the Company.

Article 172 Prior to the removal or the non-renewal of the appointment of the accounting firm, notice of such removal or non-renewal shall be given to the accounting firm and such firm shall be entitled to make representation at the shareholders' general meeting. Where the accounting firm resigns its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company. Article 148, Mandatory Provisions

An accounting firm may resign its office by depositing at the Company's residence a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following:

Article 10, "Zheng Jian Hai Han" App.11c-1(e)(ii), Listing Rules

1. A statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
2. A statement of any such circumstances.

Where a notice is deposited as mentioned in the preceding paragraph, the Company shall within 14 days send a copy of the notice to the relevant governing authority. If the notice contains a statement under paragraph 2 above, a copy of such statement shall be placed at the Company for the inspection of shareholders. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed foreign shares at the address registered in the register of shareholders.

App.11c-1(e)(iii), Listing Rules

Where the accounting firm's notice of resignation contains a statement of any circumstance which should be brought to the notice of the shareholders or creditors of the Company, it may require the board of directors to convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

App.11c-1(e)(iv), Listing Rules

CHAPTER 17 MERGER AND DIVISION OF THE COMPANY

Article 173 In the event of the merger or division of the Company, a plan shall be presented by the Company's board of directors and shall be approved in accordance with the procedures stipulated in these Articles of Association before processing the relevant examining and approving formalities as required by law. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the Article 149, Mandatory Provisions

plan of merger or division to acquire that dissenting shareholder's shareholding at a fair price.

The contents of the resolution of merger or division of the Company shall be made into special documents for shareholders' inspection. Such special documents shall be sent by mail to holders of overseas listed foreign shares.

Article 174 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. Article 150, Mandatory Provisions

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days of the date of the Company's merger resolution and shall publish a public notice in a newspaper at least three times within 30 days of the date of the Company's merger resolution to merge. App.3- 7(i), Listing Rules

After the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.

Article 175 When the Company is divided, its assets shall be split up accordingly. Article 151, Mandatory Provisions

In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days of the date of the Company's resolution to divide and shall publish a public notice in a newspaper at least three times within 30 days of the date of the Company's resolution to divide. App. 3- 7(i) Listing Rules

Debts of the Company prior to division shall be jointly assumed in accordance with the agreement by the companies which exist after the division.

Article 176 Changes in registration particulars of the companies caused by merger or division must be registered with the companies registration authorities in accordance with law. Dissolution of a company shall be registered in accordance with the law when a company is dissolved. Incorporation of a company shall be registered when a new company is incorporated in accordance with law. Article 152, Mandatory Provisions

Chapter 18 Dissolution and Liquidation of the Company

Article 177 The Company shall be dissolved and liquidated in accordance with law upon the occurrence of any of the following events: Article 153, Mandatory Provisions

- (1) A resolution for dissolution is passed by shareholders at the shareholders' general meeting;
- (2) Dissolution is necessary due to a merger or division of the Company;
- (3) The Company is legally declared insolvent due to its failure to repay debts due;
- (4) The Company is ordered to close down or withdraw because of its violation of laws and

administrative regulations.

Article 178 Where the company is dissolved under paragraph (1) of the preceding Article, liquidation must commence with the establishment of a liquidation committee within 15 days. Members of the liquidation committee shall be appointed by the shareholders in a shareholders' general meeting. If a liquidation committee is not established within the stipulated period, the creditors can apply to the People's Court, requesting the court to appoint relevant personnel to form the liquidation committee. Article 154, Mandatory Provisions

Where the Company is dissolved under paragraph (3) of the preceding Article, the People's Court shall in accordance with provisions of the relevant laws organise the shareholders, the relevant organisations and professional personnel to establish a liquidation committee to carry out liquidation procedures.

Where the Company is dissolved under paragraph (4) of the preceding Article, the relevant governing authorities shall organise the shareholders, the relevant organisations and professional personnel to establish a liquidation committee to carry out liquidation procedures.

Article 179 Where the board of directors proposes to liquidate the Company due to causes other than where the Company has declared that it is insolvent, it shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the board of directors is of the opinion that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation. Article 155, Mandatory Provisions

Upon the passing of the resolution by the shareholders in shareholders' general meeting for the liquidation of the Company, all functions and powers of the board of directors shall cease.

The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once every year to the shareholders' general meeting on the committee's receipts and payments, the business of the Company and the progress of the liquidation, and to present a final report to the shareholders' general meeting on completion of the liquidation.

Article 180 The liquidation committee shall within 10 days of its establishment send notice to creditors, and shall within 60 days of its establishment publish a public notice in a newspaper at least three times. The liquidation committee shall carry out registration of creditors' rights. Article 156, Mandatory Provisions App.3-7(1), Listing Rules

Article 181 During the liquidation period, the liquidation committee shall exercise the following functions and powers: Article 157, Mandatory Provisions

(1) To sort out the Company's assets and prepare a balance sheet and an inventory of assets

respectively;

- (2) To send notices to creditors or notify them by public notice;
- (3) To dispose of and liquidate any relevant unfinished business matters of the Company;
- (4) To pay all outstanding taxes;
- (5) To settle claims and debts;
- (6) To deal with the assets remaining after the Company's debts have been repaid;
- (7) To represent the Company in any civil litigation proceedings.

Article 182 After sorting out the Company's assets and the preparation of the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and represent it to the shareholders' general meeting or the governing authorities for confirmation. Article 158, Mandatory Provisions

After payment of the liquidation costs, the assets of the Company shall be used to make repayments in the following order of priority: (i) accrued wages and labour insurance premiums of employees of the Company; (ii) accrued tax; and (iii) bank loans, bonds and other debts and liabilities.

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

- (1) where there are preference shares, the assets shall be distributed to holders of preference shares in accordance with the par value of preference shares; if the capital of the preference shares cannot be repaid in full, distribution shall be made in proportion to the number of preference shares held by them;
- (2) distribution to holders of ordinary shares in proportion to the number of ordinary shares held by them.

During the liquidation period, the Company shall not commence any new operational activities.

Article 183 If after putting the Company's assets in order and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company resulting from dissolution, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the People's Court for a declaration of insolvency. Article 159, Mandatory Provisions

After a Company is declared insolvent by a ruling of the People's Court, the liquidation committee shall turn over liquidation matters to the People's Court.

Article 184 Following the completion of liquidation, the liquidation committee shall present a report on liquidation and prepare a statement of the receipts and payments during the period of liquidation and financial books and records which shall be audited by Chinese registered accountants and submitted to the shareholders' general meeting or the governing authorities for confirmation. Article 160, Mandatory Provisions

The liquidation committee shall within 30 days after such confirmation, submit the documents referred to in the preceding paragraph to the companies registration authority and apply for cancellation of the Company's registration and publish a public notice of the termination of the Company.

Chapter 19 Procedures for Amendments to the Articles of Association

Article 185 The Company may amend its Articles of Association in accordance with the requirement of laws, administrative regulations and the Articles of Association. Article 161, Mandatory Provisions

Article 186 The Articles of Association may be amended in accordance with the following procedures:

- (1) the board of directors shall pass a resolution pursuant to the Articles of Association proposing amendments to the Articles of Association;
- (2) notice of the proposed amendments shall be given to the shareholders and a shareholders' general meeting shall be convened to vote on such amendments;
- (3) proposed amendments submitted to the shareholders' general meeting for voting shall be passed by a special resolution.

Article 187 Amendments after this Articles of Association is effective shall become effect upon approval by resolutions in shareholders' general meeting.

Article 188 Amendments to the Company's Articles of Association involving the contents of the Mandatory Provisions shall become effective upon approvals by the companies approving department authorised by the State Council and the China Securities Regulatory Commission. Article 162, Mandatory Provisions
If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with law.

Chapter 20 Notices

Article 189 Unless otherwise provided herein, all notices, information or written statements issued by the Company to the holders of the overseas-listed foreign shares must be served on each shareholder by delivery in person or prepaid mail to the registered address of any such shareholder. App.3-7(3), Listing Rules

Article 190 If the notice of the Company is sent by post, the only requirements are to clearly mark the address thereon with postage prepaid and to place the same into an envelope and delivery shall be deemed to have taken place when such envelope is placed in a mailbox while receipt shall be deemed to have taken place upon 48 hours after mailing the same.

Article 191 Any notices, documents, information or written statements issued by shareholders or directors to the Company shall be delivered in person or sent by registered mail to the legal address of the Company.

Article 192 In order to prove that such notices, documents, information or written statements have been already sent to the Company, shareholders or directors shall provide evidence to prove that such notice, document, information or written statement have been sent within the prescribed

time in the way provided in Article 191 herein, and for delivery in person, the acknowledgement of receipt by the Company and for sending by registered mail, that of clearly marked and sent with postage prepaid to the correct address of the Company.

Chapter 21 Settlement of Disputes

Article 193 The Company shall act according to the following principles to settle disputes:

(1) Whenever any disputes or claims arising between holders of overseas listed foreign shares and the Company, between holders of overseas listed foreign shares and the Company's director, supervisor, manager or other senior management officer, or between holders of overseas listed foreign shares and holders of domestic shares based on these Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Article 163, Mandatory Provisions Article 11, "Zheng Jian Hai Han"

Where a dispute or claim of rights just mentioned is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all parties who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim shall abide by the arbitration, provided that such parties shall be the Company or the Company's shareholder, director, supervisor, manager or other senior management officer. Disputes in relation to the definition of shareholders and disputes in relation to the shareholders' register need not be resolved by arbitration.

(2) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its Arbitration Rules or the Hong Kong International Arbitration Center in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects arbitration at Hong Kong International Arbitration Center, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Center.

(3) If any disputes or claims of rights are settled by way of arbitration in accordance with clause (1), the laws of the People's Republic of China shall apply, save as otherwise provided by laws and administrative regulations.

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

Chapter 22 Bye-laws

Article 194 These Articles of Association are prepared in Chinese and English, while the Chinese version shall prevail.

Article 195 In these Articles of Association, the meaning of an accounting firm is the same as that of "auditors".

In these Articles of Association, the following terms have the following meanings, unless the context requires otherwise:

“these Articles of Association” refers to the Articles of Association of the Company

“board of directors” refers to the board of directors of the Company

“chairman of the board” refers to the chairman of the board of directors

“director” refers to any director of the Company

“overseas listed foreign shares” refers to the overseas listed foreign shares of the Company

“Company’s residence” refers to Zhenxing Road, Tongcheng Town, Tianchang, Anhui Province

“RMB” refers to the legal tender of China

“PRC” or “the State” refers to the People’s Republic of China

“Hong Kong Stock Exchange” refers to the Stock Exchange of Hong Kong Limited

“the Company” refers to the Company, Anhui Tianda Oil Pipe Company Limited

“accounting firm” has the same meaning as that of auditor ascribed in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited

Article 196 These Articles of Association shall be interpreted by the board of directors. Amendments to these Articles of Association shall be made by the shareholders’ general meeting.

Article 165,
Mandatory
Provisions

(This is the signature page which has no text.)

Anhui Tianda Enterprise (Group) Company Limited (SEALED)
Shareholders' representative (SIGNED):

Anhui Tianda Investment Company Limited (SEALED)
Shareholders' representative (SIGNED):