

ARTICLES OF ASSOCIATION OF GUANGSHEN RAILWAY COMPANY LIMITED

- (Approved by Special Resolution passed by the Shareholders' General Meeting
Held on March 14, 1996)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on June 24, 1997)
- (Amended by Special Resolution Adopted at the Extraordinary Shareholders' General Meeting
Held on February 8, 2001)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on June 28, 2002)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on June 10, 2004)
- (Amended by Special Resolution Adopted at the Extraordinary Shareholders' General
Meeting Held on December 30, 2004)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on May 12, 2005)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on May 11, 2006)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on June 28, 2007)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on June 26, 2008)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on June 25, 2009)
- (Amended by Special Resolution Adopted at the Extraordinary Shareholders' General
Meeting Held on September 27, 2012)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on May 28, 2015)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on May 26, 2016)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on June 15, 2017)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on June 13, 2019)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on June 16, 2020)
- (Amended by Special Resolution Adopted at the Shareholders' General Meeting
Held on June 18, 2024)

June 2024

(Note: This English translation is provided for reference only. In the event of any conflict or discrepancy between the Chinese and English versions, the Chinese version shall prevail).

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CHAPTER 1: GENERAL PROVISIONS

ARTICLE 1 The Company is a joint stock limited company established in accordance with the Company Law of the People's Republic of China (the “Company Law”), Securities Law of the People's Republic of China (the “Securities Law”) and other relevant laws and administrative regulations of the State.

The Company was established by way of promotion with the approval under the document “Ti Gai Sheng” [1995] No.151 of the Peoples' Republic of China's State Commission for Restructuring the Economic System. The Company is registered with and has obtained a business licence from the Administration Bureau of Industry and Commerce of Shenzhen, Guangdong Province, the PRC on the sixth (6) day of March 1996. The number of the Company's Unified Social Credit Identifier is 91440300192411663K. The promoter of the Company is Guangzhou Railway (Group) Company (now renamed as China Railway Guangzhou Group Co., Ltd., hereinafter referred to as the “Promoter”).

ARTICLE 2 The Company's registered name in Chinese is: “廣深鐵路股份有限公司” and in English is: GUANGSHEN RAILWAY COMPANY LIMITED.

ARTICLE 3 The Company's domicile: No. 1052, Heping Road, Luohu District, Shenzhen, Guangdong, China.

Zip Code: 518010.

ARTICLE 4 The Chairman of the board of directors shall be the legal representative of the Company.

ARTICLE 5 The Company is a joint stock limited company in perpetual existence.

ARTICLE 6 In accordance with the Company Law, the Securities Law, the Constitution of Communist Party of China, , the Guidelines for Articles of Association of Listed Companies (the “Guidelines on Articles of Association”), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on Hong Kong Stock Exchange (HKSE)(the "Hong Kong Listing Rules"), and other relevant laws, administrative regulations and regulatory documents of the State, the Company amends the original articles of association (the "Original Articles of Association") and formulates these articles of association of the Company (hereinafter referred to as these “Articles of Association of the Company” or “Articles of Association”) for the purpose of safeguarding the legitimate interests of the Company, its shareholders and creditors, standardizing the organization and behaviour of the Company, and enhancing the Communist Party's comprehensive guidance on the Company.

ARTICLE 7 All assets of the Company are divided into shares of equal value. The shareholders shall shoulder their responsibilities to the Company to the extent of their subscribed shares respectively, and the Company shall shoulder its responsibilities to the debts of the Company to the extent of its total assets.

ARTICLE 8 Since the effective date, the Articles of Association constitutes a legally binding document regulating the organization and activities of the Company, and the rights and obligations between the Company and each shareholder and among the shareholders, and binding on the Company and its shareholders, directors, supervisors, general manager, deputy general manager and other senior managers.

According to these Articles of Association of the Company, a shareholder may sue another shareholder, a director, a supervisor, the general manager, deputy general manager or any other senior managers of the Company.

Other senior administrative officers referred to in the first paragraph of this Article include the chief accountant and the secretary to the board of directors.

ARTICLE 9 The Company can invest in other enterprises, but it shall not be the investor bearing joint liability for the debts of invested enterprise, unless otherwise specified by laws.

ARTICLE 10 The Company adheres to the leadership of the Communist Party of China, and establishes an organization of the Communist Party of China and carries out various activities in accordance with the Constitution of the Communist Party of China. The Company shall guarantee the working funds of the Party organization and provide necessary support for activities of the Party organization.

CHAPTER 2: PURPOSES AND SCOPE OF BUSINESS

ARTICLE 11 The business purposes of the Company are: to utilise local and overseas social funding to improve the Company's standard of technology, the standard of the equipment, the quality of the service, and to improve the Company's market competitiveness, to ensure the safety of railway transportation, to accelerate the development of the railway transportation business, to become a first class international railway transportation enterprise so that all the shareholders may receive reasonable economic benefits as well as a satisfactory capital return.

ARTICLE 12 Scope of business of the Company shall be subject to the items approved by the company registration authority.

The scope of business of the Company covers: the provision of passenger and cargo railway transport services, the technology services of railway facilities, the agency for domestic cargo transport, the agency for railway cargo transport, leasing of railway equipment, locomotive maintenance (including repair and additional modification of wagon factory and division), the processing and repairing of mechanical equipment, the inspection, testing, repairing, refitting, leasing and installation of instruments and equipment specially used in railway, the construction management services in relation to railway projects, survey, design, construction and

maintenance of construction on railways or surrounding areas, the leasing of properties owned by the Company, accommodation services, catering services, motor vehicle parking services, the utility maintenance and installation services, property management, the provision of warehousing, storage and cargo handling services, the agency for passenger railway tickets and advertisement business, the domestic supply and marketing entities for trade materials and resources (except for franchise, centralized control or exclusive agency), import and export of goods and technology and the reorganization and operation of various enterprises (separate declaration required for individual projects).

ARTICLE 13 The business scope of the Company should be stipulated in the Articles of Association. After amending the Articles of Association according to law and handling change of registration, the Company may change its business scope.

CHAPTER 3: SHARES

Section 1 Share Issuance

ARTICLE 14 The Company shall have ordinary shares at all times, which include Domestic-Invested and Foreign-Invested Shares. The Company may, according to its requirements, create other classes of shares in accordance with relevant laws and administrative regulations.

ARTICLE 15 The shares of the Company shall take the form of share certificates. The shares issued by the Company shall have par value and of Renminbi one yuan per share.

The Renminbi referred to in the preceding paragraph is the legal currency of the People's Republic of China.

ARTICLE 16 Shares of the Company shall be issued in a public, fair and just manner. Shares of the same class shall rank *pari passu* with each other.

Share certificates issued at the same time should be equal in price and each share should have the same issue terms. The price of each share purchased by any organization or individual must be the same.

ARTICLE 17 Subject to registration or filing with the China Securities Regulatory Commission (the "CSRC") or other relevant securities regulatory authorities, the Company may issue shares to domestic investors and overseas investors for subscription.

Overseas investors referred to in the preceding paragraph shall mean those investors of foreign countries, Hong Kong Special Administrative Region (Hong Kong), People's Republic of China, Macau Special Administrative Region, People's

Republic of China and Taiwan, China who subscribe for shares issued by the Company. Domestic investors shall mean investors within the territory of the PRC (excluding investors of the regions referred to in the preceding sentence) who subscribe for shares issued by the Company.

ARTICLE 18 The shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as “Domestic-Invested Shares”. Domestic-Invested Shares include shares issued to the promoter by the Company upon its establishment and shares issued to the investors in the PRC after its establishment. The shares issued by the Company to overseas investors for subscription in foreign currencies shall be referred to as “Foreign-Invested Shares”. Foreign-Invested Shares, which are listed overseas, are called “Overseas Listed Foreign-Invested Shares”.

Foreign currencies referred to in the preceding paragraph shall mean the lawful currencies of other countries or regions, other than Renminbi, which are recognized by the foreign exchange regulatory authority of the State and which can be used for payment of share subscription to the Company.

ARTICLE 19 The Domestic-Invested Shares issued by the Company and listed on Shanghai Stock Exchange shall be called "A Shares". Overseas Listed Foreign-Invested Shares issued by the Company and listed on The Stock Exchange of Hong Kong Limited (the “HKSE”) shall be called “H Shares”.

The A Shares are under centralized trusteeship at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (CSDC). The H Shares are under trusteeship at the Hong Kong Securities Clearing Company Limited (HKSCC), and can also be held by shareholders in their own names.

ARTICLE 20 With the approval of the government approval department of the Company authorized by the State Council, the Company issued 2,904,250,000 shares to the Promoter at the time of its establishment.

ARTICLE 21 The Company made its first increase of capital after its incorporation by issuing ordinary shares, namely a total of 1,431,300,000 H shares (including those by the exercise of over-allotment options).

Subsequent to the increase of capital by issuing shares as referred to in the preceding paragraph, the share capital structure of the Company is: 4,335,550,000 ordinary shares, of which 2,904,250,000 shares are held by the Promoter, representing 66.99 percent of the total number of ordinary shares, and 1,431,300,000 shares are held by holders of H Shares, representing 33.01 percent of the total number of ordinary shares.

As approved by the by China Securities Regulatory Commission on 6 December 2006, the Company made its initial public offering of 2,747,987,000 Renminbi-denominated ordinary shares in the PRC on 13 December 2006 and such shares were listed on the Shanghai Stock Exchange on 22 December 2006.

Subsequent to the increase of capital by issuing shares to the public in the PRC as referred to in the preceding paragraph, the share capital structure of the Company is: 7,083,537,000 ordinary shares, of which 2,904,250,000 shares are held by the Promoter, 2,747,987,000 shares are held by public shareholders in the PRC and 1,431,300,000 shares are held by holders of H Shares, representing 41.0 percent, 38.8 percent and 20.2 percent of the total number of ordinary shares, respectively.

After the implementation of transfer of state-owned shares in the domestic securities market in accordance with the decision of the State Council in June 2009, the share capital structure of the company is: 7,083,537,000 ordinary shares, among which, the Promoter holds 2,629,451,300 shares, accounting for 37.1% of the total ordinary shares, the domestic public shareholders hold 3,022,785,700 shares, accounting for 42.7% of the total ordinary shares, and H-share shareholders hold 1,431,300,000 shares, accounting for 20.2% of the total ordinary shares.

ARTICLE 22 The Company's registered capital is Renminbi 7,083,537,000.

ARTICLE 23 The Company and its subsidiaries (including any affiliated companies of the Company) shall not provide any assistance, by way of donation, advanced payment, guarantee, compensation or loan, to a person who is acquiring or is proposing to acquire the shares of the Company.

Section 2 Increase/Decrease and Repurchase of Shares

ARTICLE 24 The Company may, based on its requirements for operation and development and in accordance with the relevant provisions of laws and regulations , approve an increase in capital in the following manners upon respective resolutions at the General Meeting of Shareholders:

- (1) By public issuance of shares;
- (2) offer of shares other than a public offering;
- (3) Allot bonus shares to its existing shareholders;
- (4) conversion of common reserve funds to increase share capital;
- (5) other methods as permitted by laws, administrative regulations and as approved by the China Securities Regulatory Commission.

The Company shall not issue Preferred Shares that can be converted into Ordinary

Shares.

ARTICLE 25 The Company may reduce ITS registered capital, in which the Company shall comply with the Company Law, other relevant regulations and procedures specified in Articles of Association of the Company.

ARTICLE 26 When the Company reduces its registered capital, it shall draw up a balance sheet and a list of assets.

The Company shall notify its creditors within ten (10) days of the date on which the resolution for reduction of its registered capital is passed and shall publish a notice in a newspaper within thirty (30) days of the date of such resolution. A creditor within thirty (30) days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five (45) days of the date of the public notice, is entitled to demand the Company to repay its debts or provide a corresponding guarantee for such debt.

The Company's registered capital after reduction of the capital shall not be less than the statutory minimum amount.

ARTICLE 27 The Company shall not acquire its own shares. However, the following circumstances are excluded:

- (1) Registered capital reduction of the Company;
- (2) merger with another company that holds shares of the Company;
- (3) issue of shares to its employees for the employee stock ownership plan or equity incentive;
- (4) repurchasing of any shares held by any shareholder who is opposed to the Company's resolution for merger or division at a shareholders' general meeting upon request;
- (5) Use the shares for the conversion of corporation bonds that are issued by the Company and can be converted into shares;
- (6) Other circumstances necessary for the Company to safeguard the value of the Company and the shareholders' equity.

ARTICLE 28 The Company can buy shares issued by itself through public centralized trading, or through other means recognized by laws, administrative regulations, and CSRC.

The Company shall purchase its shares under Items (3), (5) and (6) of Paragraph 1, Article 27 of Articles of Association of the Company by means of the public centralized trading.

ARTICLE 29 The acquisition of the Company's shares by the Company due to the circumstances specified in items (1) and (2) of Paragraph 1 of Article 27 of the Articles of Association shall be subject to a resolution of the General Meeting of Shareholders. The acquisition of Company's shares due to the circumstances specified in items (3), (5) and (6) of Paragraph 1 of Article 27 of the Articles of Association should be subject to a resolution of the Board of Directors attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the authorization of the General Meeting of Shareholders.

If any acquisition of the Company's shares by the Company according to Paragraph 1, Article 27 belongs to the circumstance in Item (1), such shares shall be canceled within 10 days from the acquisition date; in case of belonging to the circumstances of Items (2) and (4), they shall be transferred or canceled within six months; and in case of belonging to the circumstances of Items (3), (5) and (6), the number of the Company's shares held by the Company shall not exceed 10% of total shares issued by the Company, and these shares shall be transferred or canceled within three years.

Section 3 Transfer of Shares

ARTICLE 30 The shares of the Company shall be transferable by operation of law.

ARTICLE 31 The Company shall not accept those shares of the Company as the subject of a pledge.

ARTICLE 32 Shares of the Company held by the Promoter shall not be transferred within one year of the date of establishment of the Company. Shares of the Company held by the Promoter before the public offering of the Company shall not be transferred within one year of the date of trading of shares of the Company at a domestic stock exchange.

The directors, supervisors, general manager, deputy general managers and other senior administrative officers shall report to the Company as to the Company's shares held by them and any change thereof and no one shall transfer more than 25% of the total same shares that he or she holds each year during his or her term of office; the shares held by such person shall not be transferred within one year of the date on which the Company's shares are listed and commence trading; no one shall transfer the shares of the Company that he or she holds within six months after leaving his or her respective offices.

ARTICLE 33 Where a shareholder of the Company holding more than 5 percent of the shares carrying the right to vote pledges the shares held, he/she shall report to the Company in writing at the date of the occurrence of the event.

ARTICLE 34 Shareholders, directors, supervisors, general manager, deputy general

manager and other senior managers of the Company holding 5 percent or more of the Company's shares are subject to the following provision: If they sell the shares or other securities with equity nature held within six months from the date of acquisition of the shares or reacquires shares of the Company within six months from the date of sale of the shares, the profits deriving therefrom shall belong to the Company, the board of directors of the Company shall reclaim said profits. However, this provision shall not apply to securities companies holding 5 percent or more of the shares due to the purchase of remaining shares after underwriting, nor to other situations as prescribed by the CSRC.

The shares or other securities with equity nature held by the directors, supervisors, general manager, deputy general manager, other senior managers, and natural person shareholders mentioned in the preceding paragraph include those held by their spouses, parents and children and held by using someone else's account.

If the board of directors fails to implement the provisions of the first paragraph of this Article, the shareholders shall have the right to require the board of directors to implement the provisions within 30 days. If the board of directors fails to implement the provisions within the prescribed period, the shareholders shall, in the interests of the Company and in his/their own name(s), have the right to initiate legal proceedings directly at a People's Court.

Where the board of directors fails to implement the provisions of the first paragraphs, the directors who are liable for such default shall assume joint liability in accordance with law.

CHAPTER 4 SHAREHOLDERS AND THE GENERAL MEETING OF SHAREHOLDERS

Section 1 Stocks and Shareholders

ARTICLE 35 Share certificates of the Company shall be in registered form. The following items shall be expressly stated on the share certificate of the Company:

- (1) the Company's name;
- (2) the date of registration of the Company;
- (3) the class of the share certificate, the par value and the number of shares represented by the share certificate;
- (4) the serial number of the share certificate;
- (5) other items required to be stated by the stock exchange on which the Company's shares are listed.

ARTICLE 36 Share certificates of the Company shall be signed by the Chairman of the Company's board of directors. Where the stock exchange on which the Company's shares are listed requires other senior administrative officer(s) of the Company to sign thereon, the share certificates shall also be signed by such senior administrative officer(s). The share certificates shall take effect after the designated securities seal of the Company have been affixed thereto or the designated securities seal has been affixed thereto in a printed form. The affixing of the Company's designated securities seal shall be authorized by the board of directors. The signatures of the Chairman of the board of directors or other senior administrative officer(s) of the Company on the share certificates may also be made in a printed form.

If the Company's shares are issued and traded paperlessly, apply to the relevant regulations of regulatory authority for securities trading in the place where the shares are listed.

ARTICLE 37 The Company shall establish a register of its shareholders according to the certificates provided by the securities registration authority to the following particulars:

- (1) the name and address (residence) of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the serial numbers of the shares held by each shareholder;
- (4) the date when each shareholder obtains the shares;

Unless contrary evidence is shown, the register of shareholders shall be conclusive evidence of the shareholders' shareholdings in the Company.

The Company's shareholder is the person held shares in the Company as per laws and whose name is registered in the Register of Shareholders. Shareholders enjoy rights and bear responsibility as per the type and amount of the held shares; shareholders holding the same type of shares enjoy the same rights and undertake the same obligations.

ARTICLE 38 No entry made to the shareholders' register due to the transfer of shares may be made within 20 days before the date of a shareholder' general meeting or within five (5) days before the record date for the Company's distribution of dividends. However, if there are other provisions in laws and regulations, the securities regulatory authority of the place where the shares are listed or the stock exchange during the suspension of share transfer registration procedures before the convening of the General Meeting of Shareholders or the base date when the Company decides to distribute dividends, apply to such provisions.

ARTICLE 39 Where the Company decides to convene a shareholders' general meeting, distribute dividends, enter into liquidation or carry out other activities for which it is necessary to ascertain the shareholder's identity, the convener of the Board of Directors or the General Meeting of Shareholders shall decide the date of record. Shareholders whose names appear in the register of shareholders at the end of the date of record are considered shareholders of the Company who are entitled to relevant rights.

ARTICLE 40 Any person who is a registered shareholder on the register of shareholders or who claims to be entitled to have his name (or its name) entered into 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 for new share certificate in respect of such shares (the "Relevant Shares").

If a shareholder of domestic shares loses his share certificate and applies for a replacement for new certificate, the Company shall process the application in accordance with the Company Law.

If a shareholder of overseas listed foreign-invested shares loses his share certificate and applies for a replacement for new certificate, the Company shall process the application in accordance with the laws, rules of stock exchange, or other relevant regulations of the country/region where the original copy of the register of shareholders of such shareholder of overseas listed foreign-invested shares is maintained.

ARTICLE 41 The shareholders of the Company shall enjoy the following rights:

(1) to receive dividends and other forms of profit distributions in proportion to the number of shares he holds;

(2) Request, convene, preside over, participate in or appoint a shareholder's proxy to attend the General Meeting of Shareholders according to law and exercise corresponding speaking rights and voting rights (unless individual shareholders are required to waive their voting rights on individual matters by the listing rules of the place where GSRC shares are listed);

(3) to supervise the operation of the Company, and to make proposals or inquiries in relation thereto;

(4) to transfer, confer or pledge shares in accordance with laws, administrative regulations and the provisions of these Articles of Association;

(5) Check the Articles of Association, register of shareholders, stub of corporate

bonds, minutes of the General Meeting of Shareholders, resolutions made at the meetings of the Board of Directors and the Board of Supervisors, and financial accounting reports;

While the H-share register of members is available for inspection by shareholders, GSRC may suspend registration as a shareholder on terms equivalent to section 632 of the GSRC Ordinance (Chapter 622, Laws of Hong Kong).

(6) in the event of the dissolution or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in accordance with his shareholding;

(7) Shareholders who disagree with the resolution on the merger or division of the Company made by the General Meeting require the Company to purchase their shares; and

(8) other rights conferred by laws, administrative regulations, department rules and these Articles of Association.

ARTICLE 42 Where any shareholder asks to look up the information or asks for the materials mentioned in the article above, he shall provide the Company with a written document indicating the types and number of the shares held by him, and the Company shall, after verifying the identity of the shareholder, provide such information and materials as per the requirements of the shareholder. If a shareholder needs to consult the relevant materials, he/she shall comply with the Securities Law and other laws and administrative regulations.

ARTICLE 43 Where a resolution at a General Meeting of Shareholders or the Board of Directors of the Company violates any laws or administrative regulations, the shareholders shall have the right to request the people's court to render the resolution invalid.

If the procedures for convening, or the method of voting at, the General Meeting of Shareholders or Board Meeting violate the laws, administrative regulations or Articles of Association of the Company, or the contents of a resolution violate Articles of Association of the Company, shareholders shall be entitled to initiate proceeding to the People's Court to rescind such resolutions within sixty days from the date on which such resolution is adopted.

ARTICLE 44 Where the Company incurs losses as a result of directors' and senior managers' violation of the laws, administrative regulations or Articles of Association of the Company in the course of performing their duties with the Company, shareholders individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days shall be entitled to request in writing the BOS to initiate proceedings in the People's Court. Where the Company incurs losses as a

result of the BOS' violation of any provision of laws, administrative regulations or Articles of Association of the Company in the course of performing his duties with the Company, the shareholders shall be entitled to make a request in writing to the BOD to initiate proceedings in the People's Court.

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

If others infringe upon the legitimate rights and interests of the Company and cause losses to the Company, the shareholders specified in Paragraph 1 of this article may file a lawsuit with the people's court in accordance with the provisions of the preceding two paragraphs.

ARTICLE 45 Where a director or top management causes damage to the shareholder's interests in violation of laws, administrative regulations or the Articles of Association, the shareholder may raise litigation to the people's court.

ARTICLE 46 The shareholders of the Company shall assume the following obligations:

- (1) to observe laws, regulations and Articles of Association;
- (2) to pay the subscription price in accordance with the number of shares subscribed for and in the manner of subscription;
- (3) save as stipulated under laws and regulations, no withdrawal shall be allowed;
- (4) Do not abuse their shareholders' rights to harm the interests of the Company or other shareholders; and do not abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditors of the Company;
- (5) other obligations imposed by the relevant laws, administrative regulations and these Articles of Association.

Shareholders of the Company who abuse their rights and cause losses to the Company or other shareholders shall be liable for compensation according to law. If a shareholder of the Company abuses the independent status of the Company as a legal person and the limited liability of shareholders to evade debts and seriously

harms the interests of the creditors of the Company, he/she shall undertake the joint and several liabilities for the debts of the Company.

ARTICLE 47 The controlling shareholder or the actual controller of the Company shall not use his association relationship to harm the interests of the Company. If they have violated the provision and caused damage to the Company, they shall be liable for such damages.

The controlling shareholders and actual controllers of the Company shall be obliged in good faith to the Company and the public shareholders of the Company. The controlling shareholders shall exercise the rights of the contributors in strict accordance with law. They shall not harm the legitimate rights and interests of the Company and the public shareholders by means of profit distribution, asset restructuring, outbound investment, capital occupation, loan guarantee, etc., and shall not use their controlling position to harm the interests of the Company and the public shareholders.

Section2 General Provisions of General Meeting of Shareholders

ARTICLE 48 The shareholders' general meeting is an organ of authority of the Company and exercise the following functions and powers according to law:

- (1) to decide on the Company's operational policies and investment plans;
- (2) to elect and replace directors and supervisors, and decide on matters relating to the remuneration of the relevant directors and supervisors;
- (3) to examine and approve reports of the board of directors;
- (4) to examine and approve reports of the supervisory committee;
- (5) to examine and approve the Company's proposed annual preliminary and final financial budgets;
- (6) to examine and approve the Company's profit distribution plans and plans for making up losses;
- (7) to resolve on increases or reductions in the Company's registered capital;
- (8) to resolve on the issuance of corporation bonds;
- (9) to resolve on matters such as merger, division, dissolution, liquidation and voluntary winding-up or change in the form of the Company;
- (10) to amend these Articles of Association;

(11) to resolve on the appointment, or dismissal t of the accounting firm of the Company;

(12) Deliberate and approve the guarantee issues specified in Article 49;

(13) Examine such issues that the amount of major assets bought and sold by the Company within one year exceeds 30% of total assets audited at the last term;

(14) Deliberate and approve the issues regarding change of purpose of raised funds;

(15) Review the equity incentive plan and employee stock ownership plan;

(16) to review on other matters which require resolutions of the shareholders' general meetings according to relevant laws, administrative regulations, department rules and provisions of these Articles of Association;

(17) in order to improve work efficiency, resolutions may be passed at the shareholders' general meeting to authorize the board of directors, and the scope of authorization shall be specific and clear. However, the functions and powers that are stipulated by law to be exercised at shareholders' general meetings shall not be delegated to the board of directors or other organizations or individuals.

ARTICLE 49 The following external guarantees of the Company shall be subject to deliberation and approval by the General Meeting of Shareholders.

(1) Any guarantee provided after the Company's and its Subsidiary's total amount of external guarantee exceeds over 50% of net assets audited at the last term;

(2) Any guarantee provided by the Company after the total amount of external guarantee of the Company exceeds 30% of the total assets audited in the last period;

(3) Guarantee provided by the Company within one year exceeds 30% of the total assets audited by the Company in the latest period;

(4) Any guarantee provided by the Company for guarantee object with an asset-liability ratio of over 70%;

(5) Any guarantee that the amount of a single guarantee exceeds 10% of the Company's net assets audited at the last term;

(6) Any guarantee provided for the shareholders, actual controller and their affiliates.

The accountability mechanism for violating the approval authority and review procedures of external guarantees shall be implemented in accordance with relevant

regulations of the Company on external guarantees.

ARTICLE 50 Except where the Company is in a crisis or any extraordinary circumstance, the Company shall not, without approval by special resolution of shareholders' general meeting, enter into any contract with any person other than a director, supervisor, general manager, deputy general manager or other senior administrative officer whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person.

ARTICLE 51 Shareholders' general meetings shall be divided into annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once every year and shall be held within six (6) months after the end of the preceding accounting year.

Upon the occurrence of any of the following circumstances, the Company shall convene an extraordinary general meeting within two (2) months upon occurrence:

- (1) when the number of directors is less than the number of directors required by the Company Law or two-thirds of the number of directors specified in these Articles of Association;
- (2) when the unrecovered losses of the Company amount to one-third of the total paid-up share capital of the Company;
- (3) when the shareholder(s) individually or collectively holding 10 percent or more of the Company's outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;
- (4) whenever the board of directors considers necessary;
- (5) whenever the supervisory committee proposes to convene the same;
- (6) Other circumstances specified in laws, administrative regulations, department rules, and the Articles of Association of the Company.

ARTICLE 52 If the Company intends to convene the annual General Meeting of Shareholders, it should notify all shareholders in writing 21 days before the date of the meeting. If the Company intends to convene an interim General Meeting of Shareholders, it should notify all shareholders in writing 15 days before the date of the meeting.

When the Company calculates the period of the meeting, the date on which the meeting is convened shall be excluded.

The place at which the Company holds the general meeting of shareholders shall be the domicile of the Company or other specific place notified by the Company's general meeting of shareholders. A meeting place shall be set up for the shareholders' general meeting, which shall be held by way of a combination of on-site meeting voting. The Company shall offer the network services for voting to facilitate the shareholders to attend the meetings of the General Meeting of Shareholders. Shareholders participating in the General Meeting of Shareholders through the above means shall be deemed to be present.

The time and place of on-site meeting shall be convenient for shareholders to attend. After the notice of General Meeting of Shareholders is issued, the venue of the on-site meeting shall not be changed without justifiable reasons. Otherwise, the convener shall make an announcement and explain the reasons at least two working days before the on-site meeting.

ARTICLE 53 When a General Meeting of Shareholders is held, the Company will employ a lawyer to provide legal opinions on the following issues and make an announcement:

- (1) Whether the convening and holding of the meeting meets the provisions of laws, administrative regulations and the Articles of Association of the Company;
- (2) Whether the qualifications of attendees and conveners are lawful and effective;
- (3) Whether the voting procedures and results of the meeting are lawful and effective;
- (4) Provide legal opinions on other relevant issues as requested by the Company.

Section 3 Convening of the Meetings of the General Meeting of Shareholders

ARTICLE 54 The Board of Directors shall convene the class meeting on time within the time limit prescribed in Article 51 of the Articles of Association.

ARTICLE 55 The independent director shall be entitled to propose to the Board of Directors to convene an extraordinary General Meeting of Shareholders. For such a proposal, the Board of Directors shall, according to the provisions of laws, administrative regulations and the Articles of Association of the Company, give a written feedback on agreement or disagreement to convene the Extraordinary General Meeting of Shareholders within ten days after receiving the proposal. Where the Board of Directors agrees to hold such an Extraordinary General Meeting of Shareholders, it shall issue a notice on holding such an Extraordinary General Meeting of Shareholders within 5 days after the resolution is made by the Board of Directors; where the Board of Directors disagrees, it shall explain the reason and make an announcement.

ARTICLE 56 The Board of Supervisors shall be entitled to propose in writing to the Board of Directors to convene an extraordinary General Meeting of Shareholders. According to the provisions of laws, administrative regulations, and the Articles of Association of the Company, the Board of Directors shall give written feedback on agreeing or disagreeing to convene extraordinary general meeting of shareholders within 10 days after receiving such proposal.

Where the Board of Directors agrees to convene such an Extraordinary General Meeting of Shareholders, it shall send out a notice on convening such an Extraordinary General Meeting of Shareholders within five days after a resolution is made by the Board of Directors. Where the original proposal is changed in the notice, such change shall be approved by the Board of Supervisors.

Where the Board of Directors disagrees to convene such an Extraordinary General Meeting of Shareholders or fails to give any feedback within ten days after receiving the proposal, it shall be deemed that the Board of Directors is unable to perform or does not perform the duty of convening such Extraordinary General Meeting of Shareholders and that the Board of Supervisors may convene and preside over such a meeting on its own.

ARTICLE 57 The shareholder who holds over 10% of the Company's share individually or in total is entitled to request the Board of Directors to convene the extraordinary general meeting of shareholders in written form. According to the provisions of laws, administrative regulations, and the Articles of Association of the Company, the Board of Directors shall give written feedback on agreeing or disagreeing to convene extraordinary general meeting of shareholders within 10 days after receiving such request.

Where the Board of Directors agrees to convene such a meeting, it shall issue a notice on convening the Extraordinary General Meeting of Shareholders within five days after the resolution is made by the Board of Directors; where the original request is changed in the notice, such change shall be approved by relevant shareholders.

If the Board of Directors disagrees to convene such meeting or gives no feedback within 10 days after receiving the request, the shareholder who holds over 10% of the Company's share individually or in total is entitled to request the Board of Supervisors to convene such meeting in written form.

Where the Board of Supervisors agrees to convene such an extraordinary General Meeting of Shareholders, it shall send out a notice on convening such an Extraordinary General Meeting of Shareholders within 5 days after receiving such a request; where the original request is changed in the notice, such change shall be approved by relevant shareholders.

If the Board of Supervisors does not send out the notice of general meeting of shareholders within specified period, it is deemed that the Board of Supervisors will not convene and hold such meeting; after more than 90 consecutive days, the shareholder who holds over 10% of the Company's share individually or in total can convene and preside over such meeting by itself.

ARTICLE 58 If the Board of Supervisors or shareholders decide to convene the General Meeting of Shareholders on their own, they must notify the Board of Directors in writing and at the same time file with the Stock Exchange.

Before the resolution of the General Meeting of Shareholders is announced, the shares held by the shareholders convening the meeting shall not be less than 10% of the Company's shares.

The Board of Supervisors or the convening shareholder shall submit relevant supporting materials to the Stock Exchange at the time of issuing the notice of the General Meeting of Shareholders and the announcement of the resolution of the General Meeting of Shareholders.

ARTICLE 59 For a General Meeting of Shareholders convened by the Board of Supervisors or the shareholders, the Board of Directors and the Secretary of the Board of Directors shall cooperate accordingly. The Board of Directors shall provide the register of shareholders on the date of record.

ARTICLE 60 The expenses of a General Meeting of Shareholders convened by the Board of Supervisors or the shareholders shall be borne by the Company.

Section 4 Proposal and Notice of the Meeting of General Meeting of Shareholders

ARTICLE 61 When the Company convenes the General Meeting of Shareholders, the Board of Directors, Board of Supervisors, and the shareholder who holds over 3% of the Company's share individually or in total are entitled to put forward a proposal to the Company.

Shareholders who individually or collectively hold more than 3% of the Company's shares may make provisional proposals and submit them in writing to the convener ten days before the General Meeting of Shareholders. The convener shall issue a supplementary notice of the General Meeting of Shareholders within 2 days after receiving the proposal to announce the content of the provisional proposal.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the General Meeting of Shareholders or add new proposals after the notice is issued.

The resolutions put forward at the General Meeting of Shareholders should comply with relevant provisions of laws, administrative regulations and Articles of Association, fall within the scope of responsibilities of General Meeting of Shareholders, and there should be clear subjects for discussion and specific matters to decide on.

The general meeting shall not vote and adopt a resolution on any proposal that is not listed in the notice of the shareholders' general meeting or that is inconsistent with the regulations specified in the preceding Paragraph.

ARTICLE 62 The notices of the General Meeting of Shareholders shall include the following content:

- (1) Time, place and duration of the meeting;
- (2) Issues and proposals submitted for deliberation at the meeting;
- (3) Clear explanatory notes: all ordinary shareholders (including preferred shareholders with restored voting rights) shall have the rights to attend the General Meeting and entrust proxies in writing to attend the meeting and make the voting; such proxies of the shareholders may not necessarily be the shareholders of the Company;
- (4) Date of shares record for the shareholders having the right to attend the General Meeting of Shareholders;
- (5) Name and telephone number of the permanent contacts designated for the meeting;
- (6) the voting time and voting procedures for online voting or other methods of voting.

ARTICLE 63 Where it is proposed to discuss the election of directors and supervisors at the General Meeting of Shareholders, the notice of the General Meeting of Shareholders shall fully disclose the details of the candidates for directors and supervisors. The following information, as a minimum, shall be included:

- (1) Personal information such as education background, work experience, and part-time job experience;
- (2) Whether such candidates have association relationship with the Company or the controlling shareholder or actual controller of the Company;
- (3) Disclosure of the number of shares of the Company held by such candidates;

(4) Whether such candidates are punished by the China Securities Regulatory Commission, other relevant departments and the stock exchanges.

In addition to the election of directors and supervisors by cumulative voting, each director and supervisor candidate shall be proposed in a single proposal.

ARTICLE 64 After the notice of the meeting of General Meeting of Shareholders is sent out, the General Meeting of Shareholders shall not be delayed or canceled and the proposals specified in the notice shall not be canceled without justified reasons. In case a delay or cancellation occurs, the convener shall make an announcement to explain the reason at least 2 working days before the original meeting date.

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 the notice shall not invalidate the meeting and the resolutions made at such meeting.

Section 5 Convening of the General Meeting of Shareholders

ARTICLE 66 The Board of Directors of the Company and other conveners shall take necessary measures to ensure the normal order of the General Meeting of Shareholders. Measures will be taken to stop acts that interfere with the General Meeting of Shareholders, provoke trouble and infringe on the legitimate rights and interests of shareholders and report to the authority for investigation and punishment in a timely manner.

ARTICLE 67 All ordinary shareholders (including preferred shareholders whose voting rights are restored) or their agents registered on the equity registration date have the right to attend the General Meeting of Shareholders and exercise their voting rights in accordance with relevant laws, regulations and Articles of Association.

Shareholders may attend the General Meeting of Shareholders in person or by proxy (who need not be a shareholder of the Company).

The clearing company has the right to appoint representatives or company representatives to attend the shareholder and creditor meetings of the issuer, and these representatives or company representatives must have the same legal rights as other shareholders, including the right to speak and vote.

ARTICLE 68 The power of attorney issued by a shareholder to appoint another person to attend a General Meeting of Shareholders shall specify the following particulars:

(1) Name of the proxy;

- (2) Whether the proxy has the right to vote;
- (3) Instructions on giving affirmative vote, dissenting vote or abstention vote on each deliberation items included in the agenda of the General Meeting;
- (4) Date of issue and term of validity of the power of attorney; and
- (5) Signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be stamped.

ARTICLE 69 If the instrument of proxy appointing a proxy is signed by a person authorized by the appointer, the power of attorney or other instruments of authorization shall be notarized and deposited, together with the proxy form, at the address of the Company or such other place as the notice of meeting may specify at the same time as the instrument appointing the proxy is so deposited.

If the appointer is a legal person, such shareholder shall be represented at the shareholders' general meeting of the Company by its legal representative or the person authorized by its board of directors or other decision-making body of such appointer. If the corporate shareholder has appointed a representative to attend any meeting, it shall be deemed to have attended personally. A corporate shareholder may sign a form appointing representatives by their authorized personnel.

ARTICLE 70 Such instrument of proxy shall contain a statement that in the absence of instructions given by the shareholder, whether the proxy may vote in the way as he thinks fit.

ARTICLE 71 An individual shareholder who attends the meeting in person shall present his own identity card or other valid documents or certificates and the share account card that can show his identity. A proxy entrusted to attend a shareholders' general meeting on behalf of a shareholder shall present his own identification document, and the power of attorney from the shareholder.

The legal person shareholder shall be represented by the legal representative or a proxy entrusted by the legal representative. Where the legal representative attends the meeting, he/she shall present his/her ID card and a valid certificate proving that he/she has the legal representative qualification; if the proxy is present at the meeting, the proxy shall present his/her ID card and the legal representative of the legal person shareholder shall issue a written power of attorney.

ARTICLE 72 The Company shall be responsible for preparing the attendance register of the meeting attendees. The attendance register shall specify such particulars as an attendee's name (or the name of working unit), identity card number, home address, number of voting shares held or represented, and the name of the principal (or the name of working unit).

ARTICLE 73 The convener and the lawyer employed by the Company shall, based on the register of shareholders provided by the securities registration and clearing institutions, jointly verify the legality of shareholder's qualifications, and securities registration and clearing institutions, and register the names (or titles) of shareholders and the number of voting shares held by them respectively. The meeting registration shall be terminated before the presider of the meeting declares the number of shareholders and proxies attending the meeting and the total number of voting shares held by them.

ARTICLE 74 When the General Meeting of Shareholders is convened, all directors, supervisors and the Secretary to the Board of Directors of the Company shall attend the meeting; the general manager, deputy general manager and other senior managers also shall attend the meeting as non-voting attendees.

ARTICLE 75 The Company shall prepare the rules of procedure of the meetings of the General Meeting of Shareholders to specify the convening and voting procedures of the meetings of the General Meeting of Shareholders in detail such as notices, registration, proposal examination, voting, counting of votes, declaration of voting results, generation of meeting resolution, minutes of meeting and signing thereof and announcements, and also specify the principles for the General Meeting of Shareholders to authorize the Board of Directors and the content of authorization. The rules of procedure of the General Meeting of Shareholders included in or attached to the Articles of Association, shall be prepared by the Board of Directors and approved at the General Meeting of Shareholders.

ARTICLE 76 The Board of Directors and the Board of Supervisors shall make a report on all the work of last year at the annual General Meeting of Shareholders. Each independent director shall also make a debriefing report.

ARTICLE 77 Directors, supervisors and senior management shall make interpretation and explanation on the shareholders' inquiries and suggestions at the General Meeting of Shareholders.

ARTICLE 78 Before the voting, the presider of the meeting shall declare the number of shareholders and proxies attending to the meeting and the total number of voting shares held by them, which shall be subject to the data registered in the attendance register.

ARTICLE 79 The convener shall guarantee that the General Meeting of Shareholders continuously proceeds until a final resolution is achieved. Where the General Meeting of Shareholders is suspended or a resolution cannot be made due to special reasons such as force majeure, necessary measures shall be taken to resume the General Meeting of Shareholders as soon as possible or directly terminate the General Meeting of Shareholders and make an announcement in a timely manner.

Meanwhile, the convener shall report such event to the local office of CSRC and the stock exchanges at the place where the Company is located.

Section 6 Voting and Resolution at the General Meeting of Shareholders

ARTICLE 80 Resolutions of shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

Shareholders (including shareholders' proxies) present at the General Meeting of Shareholders shall express one of the following opinions on the proposal submitted for voting: consent, objection, or waiver. Except for the securities registration and settlement institutions, as nominal holders of stocks traded through the interconnection mechanism between the mainland and Hong Kong stock markets, shall make declaration according to the intentions of actual holders. Any vote which is not completed, erroneously completed or illegible or uncast votes shall be counted as an abstention of voting rights by the voters and the voting results of the number of shares they hold shall be counted as "abstain" .

Where any shareholder is required to abstain from voting on a particular resolution or restricted to vote only in favor of or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

ARTICLE 81 When shareholders (including their proxies) vote at the shareholders' general meeting, they shall exercise their voting rights according to the number of voting shares that they represent, except for the provisions in Article 85 of the Articles of Association that the cumulative voting system is adopted for the election of directors and supervisors. Each share shall carry one voting right. Any share of the Company held by the Company shall not carry any voting right, and such shares are not included in the total number of shares with voting rights present at the General Meeting of Shareholders.

When substantial matters that affect small and medium investors' interests are reviewed in the general meeting, the votes of small and medium investors shall be counted separately. Results from the separate counting shall be disclosed to the public in due course.

Where a shareholder buys the voting shares in violation of paragraphs 1 and 2 of

Article 63 of the Securities Law of the People's Republic of China, the voting rights of the shares exceeding the specified proportion shall not be exercised within 36 months after such shares are bought and such shares shall not be included in the total number of the voting shares held by the shareholders attending the General Meeting of Shareholders.

The Board of Directors, independent directors, shareholders holding more than one percent of the voting shares of the Company, or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit the voting rights of shareholders. The specific voting intention and other related information shall be disclosed to the shareholders whose voting rights are solicited. It is forbidden to solicit the voting rights of shareholders by providing compensation or compensation in a disguised form. Except for the statutory conditions, the Company shall not set the minimum shareholding proportion limit for the solicitation of voting rights.

ARTICLE 82 The vote by open ballot shall be adopted at the General Meeting of Shareholders.

ARTICLE 83 Before a resolution is put to vote at a shareholders' general meeting, two (2) representatives of the shareholders shall be elected to participate in counting the votes as well as to act as scrutineer. If a shareholder has relationship in the matter to be considered, such shareholder and its proxy shall not participate in the counting of the votes nor act as scrutineer.

When proposals are being voted at a shareholders' general meeting, lawyers, representatives of the shareholders and representatives of the supervisors shall be jointly responsible for the counting of votes and scrutinizing of the votes. The results of the voting shall be announced at the meeting and shall be recorded in the minutes of meeting.

Shareholders or their proxies who vote via internet or in other methods are entitled to check their own voting results through the relevant voting system.

ARTICLE 84 On a poll taken at a meeting, only one of the voting methods, namely voting on-site, voting online or other voting methods, can be selected for the same voting right.

ARTICLE 85 The list of candidate directors and supervisors shall be proposed to the General Meeting of Shareholders for voting.

When voting on the election of directors or supervisors at the shareholders' general meeting, the cumulative voting method shall be implemented where more than one director or supervisor is to be elected.

The terms of the cumulative voting system mentioned above refers to the following: when voting to elect directors or supervisors at the shareholders' general meeting, each share has the same number of voting rights equal to the number of directors or supervisors to be elected. The shareholder's voting rights may be used in a cumulative way. The Board of Directors shall announce to the shareholders the resumes and basic information of the candidate directors and supervisors.

For details of the rules for implementing the cumulative voting method in the shareholders' general meeting, please refer to the Rules for the Implementation of Cumulative Voting of Guangshen Railway Company Limited.

ARTICLE 86 Except for the cumulative voting system, all proposals proposed at the General Meeting of Shareholders shall be voted one by one; for different proposals on the same matter, voting will be conducted according to the time sequence by which these proposals are put forward. Unless the General Meeting of Shareholders is suspended or unable to make a resolution due to force majeure or other special reasons, the General Meeting of Shareholders will not put the proposal on hold or refuse to vote.

ARTICLE 87 When being deliberated at the meeting, the proposals shall not be modified; otherwise, relevant changes shall be regarded as a new proposal which shall not be voted at this General Meeting of Shareholders.

ARTICLE 88 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (1) work reports of the board of directors and the supervisory committee;
- (2) plans formulated by the board of directors in respect of distribution of profits and making up losses;
- (3) removal of the members of the board of directors and members of the supervisory committee, their remuneration and method of payment;
- (4) annual preliminary and final budgets, balance sheets and profit and loss statements and other financial statements of the Company;
- (5) Annual reports of the Company;
- (6) matters other than those required by laws and administrative regulations or by these Articles of Association to be adopted by special resolution at a shareholders' general meeting.

ARTICLE 89 The following matters shall be resolved by a special resolution at a shareholders' general meeting:

- (1) increase or reduction in registered capital of the Company, and the issue of shares of any class, warrants and other similar securities by the Company;
- (2) issue of debentures by the Company;
- (3) division, spin-off, merger, dissolution, liquidation and voluntary winding-up of the Company;
- (4) amendments to these Articles of Association;
- (5) change in the form of the Company;
- (6) any matter with respect to purchase or sale of any significant asset or guarantees within one year exceeding 30 percent of the latest audited asset value of the Company;
- (7) Equity incentive plan;
- (8) other matters which are required by laws, administrative regulations, department rules, and the Articles of Association of the Company and resolved by ordinary resolutions at the shareholders' general meeting to be of material effect to the Company, or which are to be passed by special resolutions.

ARTICLE 90 Where the shareholders' general meeting is considering matters related to a connection transaction, connected shareholders shall not participate in voting and the shares with voting rights which they represent shall not be counted in the total number of valid votes. Announcement on the resolutions passed at the shareholders' general meeting shall fully disclose the details of voting by the non-connected shareholders.

A connected shareholder shall voluntarily abstain from voting and surrender his voting rights in the shareholders' general meeting. In the event that a connected shareholder does not voluntarily abstain from voting, the chairman of the meeting shall request the connected shareholder to abstain from voting. In case where the chairman needs to abstain from voting, other directors shall request the chairman and other connected shareholders to abstain from voting. Any shareholder who does not need to abstain from voting may request connected shareholders to abstain from voting.

Should a shareholder being requested to abstain from voting or other shareholders object to the nature of the connected transaction and the disclosure of interest, abstention from voting and surrender of voting rights in the meeting arising therefrom, an extraordinary board meeting of the directors who do not need to be abstained from voting may be sought to resolve on the matter. Such resolution shall be final. Should the dissenter still have an objection, he may file a complaint to the

agency of the Securities Regulatory Commission or seek to solve the case in other ways after the shareholders' general meeting.

ARTICLE 91 The General Meeting of Shareholders shall be convened by the Chairman. If the Chairman is unable to or does not perform his duties, then a director as recommended by more than half of the members of the board shall convene the meeting.

The General Meeting of Shareholders convened by the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors. If the Chairman of the Board of Supervisors is unable to perform his duty or does not perform his duty, a supervisor elected by more than half of the supervisors shall preside over the meeting.

The General Meeting of Shareholders convened by shareholders themselves shall be presided over by the representative elected by the convener.

Where the presider of the General Meeting of Shareholders violates the rules of procedure, making it impossible to proceed the General Meeting of Shareholders, with the consent of more than half of the shareholders with voting rights attending the General Meeting of Shareholders, the General Meeting of Shareholders may elect a person to act as the presider of the meeting to continue the meeting.

ARTICLE 92 The conclusion of the on-site meeting shall not be earlier than the closing time of online voting or other methods. The presider shall announce the voting conditions and results for each proposal and, according to the voting results, announce whether the proposal is approved.

Before the formal announcement of the voting result, the related parties including companies, vote counters, scrutineers, major shareholders and network service providers at the meeting or participating in online voting or other methods of voting, shall bear the duty of confidentiality of the voting.

ARTICLE 93 The presider of the meeting may have the votes counted if he has any doubt as to the result of a resolution. If the presider of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the presider of the meeting may demand that the votes be counted immediately after the announcement of the result and the presider must do so immediately.

ARTICLE 94 The General Meeting of Shareholders shall have minutes, which shall be recorded by the Secretary of the Board of Directors. The minutes shall record the following matters:

(1) the number shareholders and proxies attending the general meeting of

shareholders, and the number of shares carrying the right to vote attending the shareholders' general meeting and its ratio to the total number of shares of the Company;

(2) the date, venue agenda of the meeting and convener name or title;

(3) Names of the presider, as well as directors, supervisors, the General Manager, Deputy General Manager and other senior managers attending or attending the meeting as non-voting attendees;

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

(5) Names of lawyers, tellers and scrutineer;

(6) The inquiry opinions and suggestions of shareholders and corresponding replies or explanations;

(7) Other content that shall be recorded in the minutes as specified in the Articles of Association of the Company.

The convener shall ensure the authenticity, accuracy and completeness of the minutes. The directors, supervisors, the Secretary of the Board of Directors, the convener or its representative and the presider attending the meeting shall sign the minutes of the meeting. The minutes, the signature book of shareholders attending the meeting, the proxy forms and valid information of voting through online and other methods shall be kept at the address of the Company for no less than 10 years.

The announcement on the resolutions of a shareholders' general meetings shall be timely announced by the Company. The announcement shall list the number of shareholders and proxies attending the meeting, the total number of voting shares held and the proportion in the total number of shares the Company, way of voting, voting results for each proposal and detailed content of each approved resolution.

ARTICLE 95 Where any proposal is not adopted, or the resolution of the last General Meeting of Shareholders is changed at the current General Meeting of Shareholders, special indication thereof shall be given in the announcement of the resolutions of the General Meeting of Shareholders.

ARTICLE 96 Where a proposal on the election of directors and supervisors is passed at the General Meeting of Shareholders, the new directors and supervisors shall take office from the date when the resolution is adopted.

ARTICLE 97 Where the proposals on cash dividend, stock dividend or transfer from capital reserve to share capital are passed at the General Meeting of Shareholders, the Company will implement the specific plans within 2 months after

the meeting.

Section 7: Special Procedures For Voting By A Class Of Shareholders

ARTICLE 98 Shareholders who hold different classes of shares shall be classified as shareholders of different classes.

Apart from the holders of other classes of shares, the holders of the Domestic-Invested Shares and holders of Overseas Listed Foreign-Invested Shares shall be deemed to be shareholders of different classes.

A class of shareholders shall enjoy rights and bear obligations in accordance with laws, administrative regulations and these Articles of Association.

ARTICLE 99 Rights conferred on any class of shareholders in the capacity of shareholders (“class rights”) may not be varied or abrogated unless approved by a special resolution of shareholders' general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Article 101 to 105.

ARTICLE 100 The following circumstances shall be deemed as a variation or abrogation of rights of a certain class of shareholders:

(1) increase or reduction of the number of shares of that class, or the increase or reduction of the number of shares in another class which carry the same or more voting right , right of distribution or other privileges;

(2) conversion of all or part of the shares of that class into shares of another class, or conversion of all or part of the shares of another class into the shares of that class or granting of such right of conversion;

(3) cancellation or reduction of the rights of shares of that class to receive accrued dividends or accumulated dividends declared;

(4) reduction or cancellation of the preferential rights of shares of that class to receive dividends or to receive distribution of assets upon the liquidation of the Company;

(5) increase, cancellation or reduction of the share conversion rights, options rights, voting rights, rights of transfer, pre-emptive rights and rights to acquire the securities of the Company attached to the shares of that class;

(6) cancellation or reduction of the rights of shares of that class to receive payment payable by the Company in particular currency;

(7) creation of a new class of shares which enjoys the same or more voting rights,

distribution rights or other privileges than those enjoyed by the shares of that class;

(8) restriction or increase the restriction on the transfer or the ownership of shares of that class;

(9) the granting of subscription rights or conversion rights in respect of the shares of that class or another class;

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

(11) reorganization of the Company that would cause different classes of shareholders to bear obligations disproportionately;

(12) amendment or abrogation of the provisions in this Chapter.

ARTICLE 101 Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' general meetings, shall nevertheless have the right to vote at class meetings in respect of matters mentioned in (2) to (8) and (11) and (12) of Article 100 of these Articles of Association provided that interested shareholder(s) shall not be entitled to vote at class meetings.

An interested shareholder mentioned in the preceding paragraph refers to:

(1) in the case of a repurchase of shares by offers to all shareholders in a proportionate manner in accordance with the provisions of Article 28 of these Articles of Association or repurchases of shares on a stock exchange, the controlling shareholder as defined in Article 202 of these Articles of Association;

(2) in the case of a repurchase of share by an off-market contract in accordance with the provisions of Article 28 of these Articles of Association, the shareholder having relations with such contract;

(3) in the case of a restructuring of the Company, the shareholder who assumes proportionally less obligations than other shareholders of the same class or who has an interest different from the interest of shareholders of that class.

ARTICLE 102 Resolutions of a class meeting of shareholders shall be passed in accordance with Article 101 only by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting.

Where any class shareholder is, under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, required to abstain from voting on a particular resolution of a class meeting or restricted to vote only in favor of or against any particular resolution of a class meeting, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be

counted.

ARTICLE 103 A written notice of a class meeting shall be given according to the time limit prescribed in Article 52 of the Articles of Association to notify all shareholders whose names are shown in the register of the class of the matters to be considered, the date and venue of the class meeting.

ARTICLE 104 Notice of class meetings need only be served on shareholders entitled to vote thereat.

Meetings of any class of shareholders shall be conducted in a manner as similar as possible to that of shareholders' general meetings. The provisions of these Articles of Association relating to the manner to conduct any shareholders' general meeting shall apply to any meeting of a class of shareholders.

ARTICLE 105 The special procedures for voting at a class of shareholders shall not apply to the following circumstances:

(1) where the Company issues, upon the approval by a special resolution of its shareholders at the general meeting, either separately or concurrently, once every twelve months, not more than 20 percent of each of its outstanding Domestic-Invested Shares and Overseas Listed Foreign-Invested Shares;

(2) where the Company's plan to issue Domestic-Invested Shares and Overseas Listed Foreign-Invested Shares at the time of its incorporation is implemented within fifteen (15) months from the date of approval of the Securities Committee of the State Council.

CHAPTER 5: THE PARTY COMMITTEE

According to the provisions of Constitution of The Communist Party of China, the Committee of the Communist Party of China of Guangshen Railway Company Limited (hereinafter referred to as the "Party Committee") shall be established. The number of positions of the Secretary of the Party Committee, the Deputy Secretary of the Party Committee and the committee members shall be determined by approval of the higher Party organizations. The Secretary of the Party Committee, the Deputy Secretary of the Party Committee and the committee members shall be elected in accordance with relevant provisions, such as the provisions of Constitution of The Communist Party of China, or appointed by higher Party organizations.

Based on the subordination relationship between Party organizations, the Party Committee shall be led by the Party Committee of China Railway Guangzhou Group Co., Ltd.

ARTICLE 106 The Secretary of the Party Committee and the general manager who

shall be a Party member shall be the same person.

ARTICLE 107 The leadership system of “Dual Entry and Cross Appointment” shall prevail. Eligible members of the Party Committee shall be appointed to the board of directors, the supervisory committee and the management through legal procedures; eligible Party members of the board of directors, the supervisory committee and the management shall be appointed to the Party Committee based on relevant regulations and procedures.

ARTICLE 108 The Party Committee shall establish the Party-civil relations department (belonging to the same institution with Comprehensive Management Department of the Company), under which is the primary organization of the Party.

ARTICLE 109 The Party Committee shall execute comprehensive leadership, lead the general direction, take control of the overall situation, ensure proper implementation, and discuss and decide on the major issues of the Company in accordance with relevant regulations. The main duties of the Party Committee are:

(1) Supervise that the Party’s and national policies are implemented thoroughly, discuss and decide on the Company’s major issues in accordance with the relevant provisions, the implementation of placing human resources and talents under Party supervision, the enhancement of the supervision on the Company’s management personnel, the enhancement of the construction of the Party organization, and the leadership of the Company’s ideological and political work and the construction of spiritual civilization, as well as construction of the labour union, the communist youth league and other group organizations.

(2) The meeting of the Party Committee shall study and decide any important matters relating to the Party’s construction and ideological and political work, major appointment and removal and Party-civil work and any proposed important item planned to be deliberated or approved by the congress of employee representatives. The Party Committee shall study and discuss major issues in operation and management.

(3) The general procedures for the Party Committee to participate in the Company’s decision-making process are: the Party Committee meeting is convened to discuss major issues put forward by the board of directors and the management and make opinions and suggestions; the Party Committee can put forward additional proposals for the decision of the board of directors and the management when necessary; the members of the Party Committee holding the office of directors and the management, in particular serving as of Chairman and General Manager of the Company, shall communicate with the board of directors, the management and other members about the relevant opinions put forward by the Party Committee before such proposal is formally submitted; the members of the Party Committee holding the office of directors or management of the Company shall express relevant opinions and

suggestions on behalf of the Party Committee during the decision-making process of the board of directors and the management, and report the decision to the Party Committee in a timely manner.

(4) The Party Committee shall take the lead to comply with the regulations and rules established by the Company, and mobilize Party members and masses to implement the Company's major decisions.

(5) The Party Committee shall carry out the Internal Supervision Provisions of the Communist Party of China and relevant regulations; for any violation against the Party and the national polices and laws/ regulations, shall form clear opinions and feedback at the Party Committee meetings and provide to the board of directors and the management of the Company. If the situation is not corrected, the Party Committee shall report to the higher Party organization in a timely manner.

ARTICLE 110 The Party Committee shall organize corresponding Party organization and Party members to carry out relevant works, and play the primary party organization's fundamental role and the Party member's exemplary and vanguard role.

ARTICLE 111 The Discipline Inspection Committee of The Communist Party of China of Guangshen Railway Company Limited, as the specialized organization for internal supervision, shall fulfill its responsibilities of supervision, discipline execution and accountability.

ARTICLE 112 The Party-civil department and organization shall be incorporated into the Company's management department and organization. Full-time political staffs shall be assigned based on requirements. Fulltime political staffs shall be entitled to the same compensation as the operation and management personnel at the same level.

ARTICLE 113 The Company shall provide funding in stipulated proportion to Party organization works. Such expenditure shall be included in the Company's budget management and disbursed from the Company's management costs. The Party Committee shall be responsible for overall planning.

CHAPTER 6: BOARD OF DIRECTORS

Section 1 Directors

ARTICLE 114 The directors shall be elected or replaced at the Shareholders' Meeting, and may be relieved of their duties by the Shareholders' Meeting before the expiration of their term of office. The Director shall serve for a three-year term of office, and can be reelected and reappointed consecutively upon expiration of the term of office.

The term of office of the directors shall be calculated from the date of employment until the expiration of the term of office of the current Board of Directors. If the term of office of a director expires and a new director is not elected in a timely manner, the original director shall still perform his duties in accordance with the provisions of laws, administrative regulations, departmental rules, and Articles of Association before the newly elected director takes office, except in the case of compliance with Article 119 and Article 120 of the Articles of Association, where the director submits a written resignation report to the Board of Directors and serves it effective from the date of delivery.

The Company has no employee director. The general manager, deputy general manager or other senior managers may hold a concurrent post of director. However, the number of directors who may also be general manager, deputy general manager or other senior managers shall be no more than 1/2 of the total number of the Company's directors.

The list of director candidates shall be submitted to the General Meeting of Shareholders for resolution by proposal. Candidates for directors other than independent directors shall be nominated by the Board of Directors, the Board of Supervisors, and shareholders who individually or jointly hold more than 3% of the total voting rights of the Company, and shall be elected by the General Meeting of Shareholders of the Company.

The Company shall disclose the detailed information of the director candidates before the shareholders' general meeting for shareholders' sufficient understanding of the candidates. The director candidate shall before the announcement of the shareholders' general meeting make a written undertaking to accept the nomination, undertake for the truthfulness, accuracy and completeness of his information publicly disclosed and ensure the performance of the director's duties after being elected.

Subject to compliance with relevant laws and regulations, any director may be removed by ordinary resolution before the expiration of his term of office (but without prejudice to any claim for damages under any contract) at the shareholders' general meeting.

ARTICLE 115 The directors of the Company are natural persons. Anyone who has any of the following circumstances shall not be a director:

- (1) Has no civil capacity or has only limited civil capacity of conduct;
- (2) The person who has been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property or disrupting the social economic order, and five years have not passed since the completion date of the execution of the penalty; or the person who has ever been

deprived of his political rights due to any crime and five years have not passed since the completion date of the execution of the penalty;

(3) The person who was a former factory director or manager of a company or enterprise which was bankrupt and liquidated and was personally liable for the bankruptcy of such company or enterprise, and three years have not passed since the date of completion of the bankruptcy and liquidation of the company or enterprise;

(4) The person who was the legal representative of a company or enterprise whose business license was revoked and which was ordered to shut down due to violation of laws; the person who was personally liable for the shutdown and revocation, and three years have not passed since the date of the revocation of the business license;

(5) The person who has a relatively large amount of debt that has been due but not been paid off;

(6) Any person is subject to banning from accessing the securities market by CSRC, and the banning period does not expire;

(7) Other circumstances as specified in laws, administrative regulations or department rules.

Where the election or appointment of a director violates the provisions of this article, such election, appointment or engagement shall be deemed invalid.

Where any case stipulated in this article occurs during the term of office of a director, the Company shall remove him/her from office.

ARTICLE 116 A director shall comply with laws, administrative regulations and these Articles of Association, and assume the following duties of loyalty to the Company:

(1) The directors shall neither take any bribe or any other illegal proceeds by taking advantage of their functions and powers, nor embezzle any of the properties of the Company;

(2) The directors shall not appropriate the funds of the Company;

(3) The directors shall not open an account in their own names or in the name of another person to deposit the assets and funds of the Company;

(4) The directors shall not lend funds of the Company to others or use the Company's assets to provide guarantee for others in violation of the Articles of Association without the consent of General Meeting of Shareholders or the Board of Directors;

(5) The directors shall not enter into a contract or trade with the Company against the Articles of Association of the Company or without the consent of the General Meeting;

(6) Without the consent of the General Meeting, the directors shall neither take advantage of his/her position to seek commercial opportunities that belong to the Company for himself or any other persons, nor operate the business similar to that of the Company where he holds a position for himself/herself or for any other persons;

(7) The directors shall not accept the commissions of a transaction with the Company;

(8) The directors shall not disclose secrets of the Company without authorization;

(9) The directors shall not take advantage of their association relationship to prejudice the interests of the Company; and

(10) Other duties of loyalty specified in laws, administrative regulations, department rules and the Articles of Association.

The income obtained by a director in violation of the provisions of this article shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.

ARTICLE 117 A director shall observe laws, administrative regulations and these Articles of Association, and assume the following duties of diligence to the Company:

(1) He/she shall exercise the rights conferred by the Company carefully, earnestly and diligently to ensure that commercial activities of the Company conform to the requirements of laws, administrative regulations and various national economic policies, and that the commercial activities are within the scope specified in the business license;

(2) He/she shall treat all the shareholders fairly;

(3) He/she shall timely understand the operation and management conditions of the Company;

(4) He shall sign the written confirmation comments for regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;

(5) He shall provide relevant information and materials honestly to the Board of

Supervisors and shall not hinder the Board of Supervisors or the supervisors from exercising their functions and powers; and

(6) Other duties of diligence specified by laws, administrative regulations, department rules and the Articles of Association.

ARTICLE 118 If a director neither attends the meetings of the Board of Directors in person nor entrusts another director to attend the meetings of the Board of Directors for successive two times, it shall be deemed that such director cannot perform his duties, and that the Board of Directors shall advice to replace such director at the General Meeting of Shareholders.

ARTICLE 119 A director may resign before the expiration of the term of office. A director shall submit a written resignation report to the Board of Directors if he/she resigns. The Board of Directors shall disclose relevant information within two days.

Where the number of directors of the Board of Directors of the Company is lower than the minimum quorum due to the resignation of the director, the original director shall continue to perform the functions of the director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association before the newly elected director takes office.

Except for the circumstances listed in the preceding paragraph, the resignation of a director shall take effect when the resignation report is delivered to the Board of Directors.

ARTICLE 120 When the resignation of a director takes effect or the term of office expires, the director shall go through all handover procedures with the Board of Directors. His/her duty of loyalty to the Company and shareholders shall not be relieved after the end of his/her term of office. His/her confidential obligations for business secrets of the Company shall be still effective after the term of office, till the secrets become public information. Duration of observing other obligations shall be determined according to the principles of fairness, depending on the period between the occurrence of event and the departure and the circumstances and conditions under which the relation to the Company is ended.

ARTICLE 121 Any director shall not act by representing the Company or the Board of Directors in his own name by violating the provisions of these Articles of Association or without the legal authorization of the Board of Directors. When a director acts in his/her own name, he/she shall state his/her position and identity in advance to the extent that third parties would reasonably believe that he/she is acting on behalf of the Company or the Board of Directors.

ARTICLE 122 If a director violates the provisions of laws, administrative regulations, department rules or these Articles of Association during the performance

of his duties and causes loss to the Company, he shall bear the responsibility of compensation.

ARTICLE 123 With the approval of General Meeting of Shareholders, the Company may purchase liability insurance for directors, supervisors and senior managers. The scope of liability insurance shall be agreed in the contract, except for the liabilities of directors, supervisors and senior managers due to violation of laws and regulations and provisions of the Articles of Association.

ARTICLE 124 The Company shall set up independent directors, who shall account for not less than one third of the members of the Board of Directors and the number shall not be less than 3, including at least one accounting or financial management professional, with at least one independent director residing in Hong Kong.

Each independent director's term of office should be same as that of any other director of the Company. Independent directors can be reelected upon expiry of the term, provided that the consecutive terms of office should not exceed 6 years.

The provisions on the qualifications and appointment, responsibilities and performance methods, and performance guarantees of independent directors shall be implemented in accordance with laws, administrative regulations, relevant provisions of the China Securities Regulatory Commission and the stock exchange where the company's shares are listed.

Section 2 Board of Directors

ARTICLE 125 The Company shall establish the Board of Directors that is responsible to the General Meeting of Shareholders. The Board of Directors consists of 9 directors, including 1 Chairman. The Chairman shall be elected and dismissed by the Board of Directors with more than half of all directors for a three-year term of office and can be reelected consecutively.

The board of directors is the decision-making body of the operation and management of the Company. The board of directors shall make the discussions of the Party Committee as preliminary procedure for making decisions on major issues relating to the operation and management of the Company. The Party Committee shall discuss the major issues relating to operation and management before a decision is made by the board of directors.

ARTICLE 126 The board of directors shall exercise the following duties and powers:

(1) to convene shareholders' general meeting and to report on its work to the shareholders' general meeting;

- (2) to implement the resolutions passed at the shareholders' general meetings;
- (3) to determine the business plans and investment proposals of the Company;
- (4) to prepare the Company's annual preliminary and final financial budgets;
- (5) to formulate the Company's profit distribution plans and plans for making up losses;
- (6) to formulate increases or reductions in the Company's registered capital and the issue of debentures of the Company or other proposals for securities and listing;
- (7) to draw up plans for significant purchase or purchase of the shares of the Company, or merger, division, dissolution or change of company form of the Company;
- (8) to formulate proposals for the establishment of strategy, review, nomination, remuneration, appraisal and other special committees of the board of directors;
- (9) to decide on the establishment of the Company's internal management structure;
- (10) to decide to appoint or dismiss the Company's general manager, Secretary of the Board of Directors, and decide on their remuneration, rewards and punishments; and pursuant to the general manager's nomination, to decide to appoint or dismiss the deputy general manager, the financial controller and other members of the senior administrative officers of the Company and to determine matters relating to their remuneration, rewards and punishments;
- (11) to establish the Company's basic management system;
- (12) to draw up proposals for any amendments to the Articles of Association of the Company;
- (13) Determine the Company's foreign investment, acquire and sales of assets, pledge of assets, foreign guarantee matters, entrusted asset management, related transactions, external donations within the scope of authority of the General Meeting of Shareholders;
- (14) Manage the information disclosure of the Company;
- (15) To propose to the general meeting of shareholders for the employment or change of the accounting firm of the Company;
- (16) Listen to the work report by General Manager and check his or her work as well;

(17) to exercise any other powers conferred by laws, regulations, rules and these Articles of Association or as authorized at the general meetings.

The issues beyond the scope of authority of the General Meeting shall be submitted to the General Meeting for examination.

The directors connected with the subject of matters to be resolved at the meeting of the board of directors shall not vote on such resolution either in person or on behalf of any other director. The meeting of the board of directors may be held if more than half of the unconnected directors attend the meeting. The resolutions reached at such meeting of the board of directors must be approved by more than half of the unconnected directors . Where the number of unconnected directors attending the meeting of the board of directors is less than three, the board shall submit the matter to the shareholders' general meeting for consideration.

ARTICLE 127 The Board of Directors of the Company shall explain the non-standard audit opinions issued by the certified public accountants for the financial reports of the Company to the General Meeting of Shareholders.

ARTICLE 128 The Board of Directors shall prepare the rules of procedure for the Board of Directors to ensure the implementation of the resolution made at the General Meeting of Shareholders, improve the work efficiency and guarantee the scientific decision-making.

The rules of procedure of the Board of Directors stipulating the convening and voting procedures of the Board of Directors shall be included in or attached to the Articles of Association of the Company, and these rules shall be drafted by the Board of Directors and approved by the General Meeting of Shareholders.

ARTICLE 129 The Board of Directors shall determine the external investments, acquire or sale of assets, assets pledge, external guarantee, entrusted banking and connected transactions and external donations of the Company, establish strict examination and decision-making procedures, organize related experts and professionals to make the assessment in case of the significant investment project and report the result thereof to the General Meeting for approval.

ARTICLE 130 The Chairman of the board of directors shall exercise the following powers:

(1) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors;

(2) to supervise and review the implementation of the resolutions of the board of directors;

(3) to exercise other powers conferred by the board of directors.

Should the chairman be unable to perform or fail to perform the duty, one Director shall be jointly recommended by more than half of the Directors to perform the duty.

ARTICLE 131 Meetings of the board of directors shall be held at least four (4) times every year and shall be convened by the Chairman of the board of directors. Notice of the meeting shall be served to all directors and supervisors no less than fourteen (14) days before the date of the meeting.

An extraordinary meeting of the board of directors may be convened if shareholders representing more than one-tenth of the shares carrying the right to vote or one-third or more of the directors, the Chairman, the supervisory committee or the general manager of the Company so request. The Chairman shall convene and preside at the extraordinary meeting of the board of directors within ten (10) days from the receipt of such request.

ARTICLE 132 Meetings of the board of directors shall be notified in the following ways:

(1) The Chairman of the Board of Directors shall notify all directors and supervisors of the time and venue of the meeting by telex, telegram, fax, express post, registered mail, personal delivery or e-mail at least fourteen (14) days prior to the meeting. In case of special or urgent circumstances, the interim meeting of the Board of Directors may not be limited by the notified time, but reasonable notice shall be given.

(2) Notice shall be written in Chinese and, where necessary, have attached an English version thereof and shall include the agenda of the relevant meeting of the board of directors. Any director may waive his right to receive notice of the meeting of the board of directors.

(3) In the event that a director has attended the meeting, and did not raise an objection for not having received the notice of the meeting before or on the convening date of the meeting, then the notice of the meeting shall be deemed to have been issued to him/her.

ARTICLE 133 The notice for convening the meeting of the Board of Directors shall indicate the following information:

(1) Date and place of the meeting;

(2) Duration of the meeting;

(3) Issues and topics for discussion; and

(4) Date on which the notice is sent.

ARTICLE 134 Any regular or extraordinary meeting of the board of directors may be held by means of telephone or similar communication equipment. So long as all the directors participating in such meeting can clearly hear and communicate with each other, all such directors shall be deemed to be present in person at such meeting.

ARTICLE 135 A meeting of the board of directors shall be held only if more than half of the directors (including any director present by proxy as stipulated in Article 136 thereafter) are present at the meeting.

Each director shall have one vote. Resolutions of the board of directors shall be passed by a simple majority of the directors.

Where a director is interested in any resolution proposed at a board meeting, such director shall not be present at such meeting and shall not have the right to vote. Such director shall not be counted in the quorum of such meeting.

ARTICLE 136 Directors shall attend the meetings of the Board of Directors in person. If the director cannot present due to any reason, it shall entrust the other director in writing to attend the meeting. The Letter of Attorney shall specify the name of the proxy, agent matters, the scope of authority and term of validity and shall be signed or sealed by the principal.

A director appointed to attend the meeting on behalf of another director shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend a meeting of the board of directors 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 Board of Directors shall make resolutions through voting by raising hands.

In respect of any matter requiring the resolution of any extraordinary meeting of the board of directors, a resolution approved in writing by at least such number of directors as may be required pursuant to Article 105 of these Articles of Association after the proposed resolution has been produced in writing and delivered to all directors, shall be deemed to be a valid resolution and a board meeting shall be dispensed with.

ARTICLE 137 The board of directors shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the directors present at the meeting and the person who recorded the minutes. Directors shall be liable for the resolutions passed at the meeting of the board of directors. If a resolution of the board of directors violates laws, administrative regulations or these Articles of

Association, as a result of which the Company sustains substantial losses, the directors participating in the adoption of such resolution shall be liable for compensating the Company. However, if it can be proven that a director expressly objected to the resolution that was put to vote and that such objection was recorded in the minutes of the meeting, such director may be released from such liability.

The minutes of the meeting of the Board of Directors shall be kept as company files for at least 10 years.

ARTICLE 138 The minutes of meeting of the Board of Directors shall include the following information:

- (1) Date, place and name of convener of the meeting;
- (2) Names of the Directors and authorized directors (proxies) attending the meeting of the Board of Directors;
- (3) Agenda of the meeting;
- (4) Essentials of the speeches delivered by the Directors; and
- (5) Voting means and results for each resolution (the voting results shall clearly indicate the number of affirmative votes, dissenting notes and abstention votes).

Section 3 Special Committee of the Board of Directors

ARTICLE 139 The Board of Directors shall establish special committees such as Audit Committee, Nomination Committee and Remuneration and Assessment Committee. The special committees are responsible to the board of directors and to carry out duties in accordance with the Articles of Association and authorization by the board of directors. The proposals of the special committees shall be delivered to the board of directors for approval.

The special committees shall entirely consist of directors, with the Audit Committee, Nomination Committee and Remuneration and Assessment Committee consisting a majority of independent directors who shall also take the role of convener. Among them, the members of the Audit Committee shall be directors who do not serve as senior manager of the Company, and accounting professionals among independent directors shall act as conveners.

The Board of Directors is responsible for formulating work regulations for specialized committees, clarifying the personnel composition, term of office, scope of responsibilities, rules of procedure, archive preservation, and other related matters of the specialized committees, in order to standardize their operation.

The special committees may hire agents to provide professional advice. The fees incurred by the special committees for carrying out its duties shall be borne by the Company.

ARTICLE 140 The Audit Committee is responsible for reviewing the Company's financial information, disclosure, supervision, and evaluation of internal and external audit work and internal control. The following matters shall be submitted to the Board of Directors for review after being approved by more than half of all members of the Audit Committee:

- (1) Disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports;
- (2) Determine the employment or dismissal of the accounting firm that undertakes the auditing services for the Company;
- (3) Appointment or dismissal of the Company's financial director;
- (4) Modification of accounting policy and accounting estimation or correction of material accounting errors due to reasons outside of modification of accounting standard;
- (5) Other matters stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission, and the Articles of Association.

The Audit Committee shall hold at least one meeting every quarter, and an interim meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary. A meeting of the Audit Committee may be held only if more than two thirds of its members are present.

ARTICLE 141 The Nomination Committee of the Board of Directors is responsible for drafting the selection criteria and procedures for directors and senior managers, selecting and reviewing candidates and their qualifications, and making recommendations to the Board of Directors on the following matters:

- (1) Nomination or appointment and dismissal of directors;
- (2) Recruitment or dismissal of senior managers;
- (3) Other matters stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission, and the Articles of Association.

If the Board of Directors has not adopted or fully adopted the recommendations of the Nomination Committee, the opinions of the Nomination Committee and the specific reasons for not adopting them shall be recorded and disclosed in the

resolution.

ARTICLE 142 The Remuneration and Assessment Committee of the Board of Directors is responsible for formulating assessment standards for directors and senior managers, conducting assessments, formulating and reviewing compensation policies and plans for directors and senior managers, and making recommendations to the Board of Directors on the following matters:

- (1) Remuneration of the directors and senior managers;
- (2) Formulate or modify equity incentive plan and plan of employee stock ownership, and achieve the conditions for granting rights and exercising rights to incentivized targets;
- (3) Directors and senior managers arrange shareholding plan in the subsidiary they plan to spin off;
- (4) Other matters stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission, and the Articles of Association.

If the Board of Directors has not adopted or fully adopted the recommendations of the Committee, the opinions of the Committee and the specific reasons for not adopting them shall be recorded and disclosed in the resolution.

Section 4 Secretary of the Board of Directors

ARTICLE 143 The Company shall be staffed with the Secretary of the Board of Directors who will be responsible for preparation for the meetings of the General Meeting of Shareholders and the meetings of the Board of Directors of the Company, document keeping, management of shareholders' data of the Company, information disclosure and other issues. The Board Secretary shall be the senior manager of the Company.

The Secretary of the Board of Directors shall abide by the relevant provisions of laws, administrative regulations, departmental rules, and the Articles of Association of the Company.

ARTICLE 144 The secretary to the board of directors of the Company shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. The primary responsibilities of the secretary of the board of directors are:

- (1) to organize shareholders' general meetings and meetings of the board of directors of the Company;

(2) to keep documents and minutes of shareholders' general meetings and meetings of the board of directors; to ensure that the Company prepares and submits the required reports and documents to relevant authorities in accordance with laws, and that the persons entitled to obtain the Company's relevant records and documents may receive such records and documents without delay;

(3) to maintain information of the shareholders of the Company and to ensure that the Company's register of members is properly maintained;

(4) to handle information disclosure issues.

(5) deal with investor relationship matters.

ARTICLE 145 Directors or other senior administrative officers of the Company may hold the office of the secretary of the board of directors concurrently. The accountant(s) of the accounting firm retained by the Company shall not act as the secretary of the board of directors.

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

As a senior administrative officer of a listed company, the secretary of the board has the right to take part in related meetings, inspect related files and understand the financial and operational situation of the Company in order to carry out his duties. The board of directors and other senior administrative officers shall support the work of the secretary of the board. No other institute or individual shall interfere with the secretary of the board to duly carry out his duties.

CHAPTER 7 COMPANY'S GENERAL MANAGER AND OTHER SENIOR MANAGERS

ARTICLE 146 The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have several deputy general managers, one chief accountant to assist the work of the general manager. The deputy general manager and the chief accountant shall be nominated by the general manager and appointed or dismissed by the Board of Directors.

The senior managers of the Company include the General Manager, Deputy General Manager, Chief Accountant and Secretary of the Board of Directors.

The term of office of the general manager, deputy general manager and other senior managers shall be three (3) years and renewable upon reappointment.

ARTICLE 147 The provisions on the circumstances under which a person shall not be a director in Article 115 of these Articles of Association shall also be applicable to the senior managers.

The provisions on the duties of loyalty of directors in Article 116 and those on duties of diligence of directors in items (4),(5),(6) of Article 117 of these Articles of Association shall also be applicable to senior managers.

ARTICLE 148 The personnel holding administrative positions other than directors and supervisors in the controlling shareholder unit of the Company shall not serve as the senior manager of the Company.

Senior managers of the Company shall receive salaries only from the Company, and are not paid by the controlling shareholders.

ARTICLE 149 The general manager shall be accountable to the board of directors and shall exercise the following duties and powers:

(1) to be in charge of the Company's production, operation and management, to organize the implementation of the resolutions of the board of directors and to report to the Board of Directors;

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

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

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

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

(6) to propose the appointment or dismissal of the Company's deputy general manager(s), financial controller(s) and other senior administrative officers to the Board of Directors;

(7) to decide to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors based on the opinion put forward by the Party Committee;

(8) to determine rewards and punishments, promotion and demotion, increase and decrease of salaries, recruitment, appointment, termination of employment and dismissal of the staff and workers of the Company;

(9) other powers conferred by these Articles of Association and the board of

directors.

ARTICLE 150 The general manager and deputy general managers shall be present at meetings of the board of directors. The general manager and the deputy general managers who are not directors shall have no voting rights at the meetings.

ARTICLE 151 The Company establishes the General Manager office meeting regulation, which is convened and presided over by the General Manager, and takes the research and discussion of the Party Committee as the pre-procedure for the decision-making of major operation and management matters.

The General Manager shall prepare working rules for the General Manager, report them to the Board of Directors and implement them after they are approved.

ARTICLE 152 The working rules for the General Manager shall include the following information:

- (1) Conditions, procedures and participants of the meeting of the General Manager;
- (2) Specific duties and divisions for General Manager, Deputy Manager and other senior managers;
- (3) Application of funds and assets of the Company, authority to sign major contracts and system for reporting to the Board of Directors and the Board of Supervisors; and
- (4) Other issues that are deemed necessary by the Board of Directors.

ARTICLE 153 The general manager, deputy general manager and other senior managers may resign before the expiration of their terms of office. The specific procedures and methods for resignation shall be stipulated in the labor contract between general manager, deputy general manager and other senior managers and the Company.

ARTICLE 154 Where the general manager, deputy general manager and other Senior Managers violate the provisions in laws, administrative regulations, department rules or these Articles of Association when performing their duties in the Company and cause the losses to the Company, they shall bear the responsibility of compensation accordingly.

ARTICLE 155 The general manager, deputy general manager and other senior managers shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. The general manager, deputy general manager and any senior manager, who causes damages to the interests of the Company and public

shareholders due to his/her failure to faithfully perform duties or due to his/her dishonest conduct, shall bear the compensation liability in accordance with law.

CHAPTER 8: SUPERVISORY COMMITTEE

Section 1 Supervisors

ARTICLE 156 The provisions on the circumstances under which a person shall not be a director in Article 115 of the Articles of Association of the Company shall also be applicable to the Board of Supervisors.

The directors, the general manager, the deputy general manager and other senior managers shall not hold the post of supervisor concurrently.

ARTICLE 157 The supervisor shall obey the laws, the administrative regulations and the Articles of Association of the Company and shall be responsible for the duty of loyalty and diligence to the Company. Meanwhile, the supervisor shall not take any bribe or other illegal incomes by taking the advantage of their powers or misappropriate the property of the Company.

ARTICLE 158 Where the re-election is not timely conducted upon the expiration of the term of office, or the number of members of the Board of Supervisors is less than the quorum because a supervisor resigns during the term of office, before the re-elected supervisor takes office, the original supervisor shall continue to perform his duties of supervisor according to the provisions in laws, administrative regulations and these Articles of Association.

ARTICLE 159 Supervisors shall ensure that the information disclosed by the Company is authentic, accurate and complete, and sign on the regular reports the written confirmation.

ARTICLE 160 The supervisors shall not take advantage of their association relationship to damage the interests of the Company. Otherwise, where the losses are caused to the Company, the supervisors shall bear the responsibility of compensation.

ARTICLE 161 If a supervisor violates the provisions of laws, administrative regulations, department rules or the Articles of Association of the Company during the performance of his duties and causes loss to the Company, he shall bear the responsibility of compensation.

Section 2 Board of Supervisors

ARTICLE 162 The Company shall establish a supervisory committee. The supervisory committee is a permanent supervisory body of the Company, which is

responsible for supervising the Board of Directors and its members as well as the general manager, deputy general manager and other senior managers to prevent them from abuse their powers and infringe upon the legitimate rights and interests of shareholders, the Company and its employees.

ARTICLE 163 The supervisory committee shall be composed of 5 to 7 supervisors. The term of office of supervisors shall be three (3) years renewable upon re-election and re-appointment.

The supervisory committee shall have one chairman who is subject to election or removal with the consent of one half of the members of the supervisory committee. The term of office of the chairman shall be three (3) years renewable upon re-election and re-appointment. Eligible members of the Party Committee and the Discipline Committee may be nominated as supervisors.

ARTICLE 164 The supervisory committee shall comprise of representatives of shareholders and representatives of employees of the Company. The proportion of the latter shall not be less than one-third of the supervisory committee. Representatives of shareholders shall be elected or removed by the shareholders at a general meeting. Representatives of employees shall be elected democratically by employees at a meeting of the representatives of employees, employees' meeting or through other channels.

ARTICLE 165 Meetings of the supervisory committee shall be held at least once every six months, and shall be convened and presided by the chairman of the supervisory committee. If the chairman is unable or fails to perform his/her duties, the meeting of the supervisory committee shall be convened and presided by one supervisor elected by over half of the supervisors. Supervisor(s) may propose to convene extraordinary meetings of the supervisory committee.

The supervisory committee shall take minutes on the matters discussed which shall be signed by supervisors present at the meeting.

The supervisor shall have the right to require some explanatory notes to his/her speech at the meeting on the minutes. The minutes of meeting of the Board of Supervisors shall be kept as the files of the Company for at least ten years.

ARTICLE 166 The notice of the meeting of the Board of Supervisors shall include the following information:

- (1) Date, place and duration of the meeting;
- (2) Reasons and topics for discussion; and
- (3) Date on which the notice is sent out.

ARTICLE 167 The supervisory committee shall be accountable to the shareholders' general meeting and shall exercise the following duties and powers in accordance with laws:

(1) review the periodic reports of the Company prepared by the Board of Directors and provide the written review comments;

(2) to inspect the Company's financial position;

(3) to monitor the performance of duties of the directors, general manager, deputy general managers and other senior administrative officers and to propose the dismissal of directors, general manager, deputy general managers and other senior administrative officers who contravene any law, administrative regulations, these Articles of Association or the resolution of shareholders' general meetings;

(4) to require the directors, general manager, deputy general managers and other senior administrative officers to rectify such breach when the acts of such persons prejudice the Company's interest;

(5) to propose the convening of an extraordinary general meeting, and to convene and preside the shareholders' general meetings if the board of directors fails to perform such duties as stipulated in the company law;

(6) to propose motions to shareholders' general meetings;

(7) to lodge a complaint against the directors, general manager, deputy general manager and other senior administrative officers in accordance with Article 151 of the Company Law;

(8) Conduct an investigation when it is discovered that the Company is running abnormally and, if necessary, employ an accounting firm, law firm or any other professional organizations to assist in the investigation, the related expenses for which shall be borne by the Company.

Supervisors may attend meetings of the board of directors and raise queries or give advice on the resolutions of the board of directors.

ARTICLE 168 The resolutions of the Board of Supervisors shall be approved by more than half of the supervisors.

ARTICLE 169 The Board of Supervisors shall prepare its rules of procedure to define the discussion manner and voting procedure of the Board of Supervisors, thus ensuring its work efficiency and scientific decision-making.

The rules of procedure of the Board of Supervisors stipulating the convening and voting procedures of the Board of Supervisors shall be included in or attached to the Articles of Association of the Company, and these rules shall be drafted by the Board of Supervisors and approved by the General Meeting of Shareholders.

CHAPTER 9 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Section 1 Financial and Accounting System

ARTICLE 170 The Company shall establish its financial and accounting system and internal audit system in accordance with laws, administrative regulations and relevant ministerial rules.

ARTICLE 171 The financial report of the Company shall be prepared in accordance with China's accounting standards and regulations. The Company shall prepare quarterly financial report within one month from the end of the first three months and the first nine months of each fiscal year. It shall publish the interim financial report within 2 months from the end of the first 6 months of each fiscal year. Moreover, it shall prepare annual financial report within 4 months from the end of each accounting year and have them audited by an accounting firm in accordance with the relevant law.

The financial reports shall be prepared in accordance with laws, administrative regulations and the requirements of the finance department of the State Council.

ARTICLE 172 The financial reports prepared by the Company in accordance with the relevant laws, administrative regulations and regulatory documents issued by competent local government or regulatory authorities shall be submitted by the board of directors to shareholders at every annual meeting.

ARTICLE 173 The Company's financial reports shall be made available at the registered address of the Company for shareholders' inspection within twenty (20) days prior to the holding of shareholders' annual general meeting. Each shareholder of the Company shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

The Company shall deliver or send to each shareholder of Overseas Listed Foreign-Invested Shares by prepaid mail at the address registered in the register of shareholders the said reports not later than twenty-one (21) days before the date of every annual general meeting of shareholders.

ARTICLE 174 The Company shall publish the annual report within 4 months from the end of each fiscal year. It shall publish the interim report within 2 months from the end of the first 6 months of each fiscal year. Moreover, it shall publish the quarterly report within 1 month from the end of the first 3 months and the first 9

months of each fiscal year.

The above annual, interim and quarterly reports are prepared in accordance with relevant laws, administrative regulations, and provisions of the China Securities Regulatory Commission and stock exchanges.

ARTICLE 175 The Company shall not keep account books other than the statutory account books. The assets of the Company shall not be deposited in any account opened in the name of any individual.

ARTICLE 176 When distributing the after-tax profit of the current year, the Company shall appropriate 10% from the profit of the current year as legal public loan fund. It may not set aside statutory reserve funds if the aggregate balance of the funds has already accounted for over 50 percent of the Company's registered capital.

If the legal accumulation fund of the Company is not sufficient to cover the Company's losses from the previous year, the profits of the current year shall be used to cover such losses before allocation is made to the legal accumulation fund in accordance with the provisions of the preceding paragraph.

After the allocation to the legal accumulation fund is made from the after-tax profits of the Company, according to a resolution made at the General Meeting of Shareholders, the optional accumulation fund may be allocated from the after-tax profits.

After the Company has covered its losses and made the allocation to the accumulation fund, the remainder of the profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise specified in these Articles of Association.

If the General Meeting, in violation of the previous paragraph, distributes profits to shareholders before covering losses of the Company and making an allocation to the Company's statutory surplus reserves, the profits so distributed must be returned to the Company.

The shares of the Company held by the Company shall not be included in the distribution of profits.

ARTICLE 177 Capital common reserve fund shall include the following items:

- (1) premium on shares issued at a premium price;
- (2) any other income required by the competent financial department of the State Council to be so included into capital common reserve fund.

ARTICLE 178 The accumulation fund of the Company shall be used to cover the losses of the Company, expand the production and operation of the Company, or increase the capital of the Company. However, the capital accumulation fund shall not be used to cover the losses of the Company.

When the legal reserve fund is converted to capital, the remaining reserve fund shall be not less than 25% of the Company's registered capital not increased by such conversion.

ARTICLE 179 The policy of profit distribution in the Company shall be as follows:

(1) Principle of profit distribution

Based on the principles of offering reasonable investment return to shareholders and meeting the long-term interests of the Company, the overall interests of all shareholders, and the principle of sustainable development of the Company, the dividends distribution policy of the Company shall be continuous and stable.

(2) Form of profit distribution

Dividends can be paid by way of cash, shares, a combination of cash and stock or other ways permitted by law and regulations. If there are no significant investment plans or significant expenses in cash, the Company shall distribute dividends by way of cash.

When the Company meets the conditions for cash dividends, it shall give priority to cash dividends for profit distribution. If the Company plans to perform the profit distribution by stock dividends, there shall be actual and reasonable factors such as growth of the Company and the dilution of net assets per share.

When a combination of cash and stock is used for profit distribution, the proportion of cash dividends in the current year's profit distribution (cash dividends divided by the sum of cash dividends and stock dividends) should reach a minimum of 40%. The Board of Directors shall comprehensively consider factors such as the characteristics of the industry, development stage, its own business model, profitability, and whether there are significant capital expenditure arrangements, and reasonably propose the proportion of cash dividends in the current year's profit distribution. The proportion should comply with laws, regulations, normative documents, and relevant provisions of the stock exchange.

(3) Conditions, proportion and time interval of cash dividends

The Company's policy targets of cash dividends are residual dividends. Relevant factors shall be comprehensively considered when distributing dividends in cash, including but not limited to:

- ① Loss for the year;
- ② The Company's profit for the year and the cumulative undistributed profit is negative;
- ③ The audit report issued by the auditing agency on the Company's financial report for that year is a non-standard unqualified opinion or an unqualified opinion with significantly uncertain paragraphs related to going concern;
- ④ The asset-liability ratio of the Company is higher than 70%;
- ⑤ The Company needs to raise all cash dividends through financing due to insufficient operating cash flow;
- ⑥ There are significant unrealized amounts due to asset revaluation in the non operating profit and loss of the Company for the current year;
- ⑦ Major plans on investment or major cash expenditures occur in the next twelve months.

The Company may not make profit distribution if it falls into the circumstances specified in items ①, ②, ③, ④ and ⑤ according to this paragraph. In case of no occurrence of the above items ① to ⑤, the Company shall distribute dividends in cash, and according to the provisions of this paragraph, the net profit attributable to the shareholders of the listed company for the current year can be reasonably adjusted to determine the distributable profit for the current year, which falls under the circumstances of items ⑥ and ⑦.

The profits distributed by the Company in cash shall not be less than 30% of the distributable profits realized in the current year, and the cumulative profits distributed by the Company in cash in any three consecutive years shall not be less than 30% of the annual distributable profits realized in that three years.

Under the aforesaid condition of dividends distribution in cash, the Company principally shall distribute dividends in cash once each year. The company can conduct mid-term cash dividends. When the annual General Meeting of Shareholders is held to review the annual profit distribution plan, the conditions, proportion limits, and amount limits for the next year's mid-term cash dividends can be reviewed and approved. The upper limit of the next year's mid-term dividends reviewed by the meeting should not exceed the net profit attributable to the shareholders of the listed company during the corresponding period. The Board of Directors shall formulate specific mid-term dividend plans based on the resolutions of the General Meeting of Shareholders subject to conditions consistent with profit distribution.

(4) Issuance condition of stock dividend

When the Company is operating well and the Board of Directors believes that the stock price does not match the size of the Company's equity scale, and that distributing stock dividends is beneficial to the overall interests of all shareholders, a stock dividend distribution plan can be proposed, taking into account factors such as the Company's growth potential and diluted net assets per share, while meeting the above cash dividend conditions.

(5) Upon occurrence of any illegal appropriation of the Company's funds by shareholders, the Company shall deduct the cash dividend payable to such shareholders to make up for the funds appropriated by such shareholders.

ARTICLE 180 The profit distribution policy decision-making procedure and mechanism shall be as follows:

(1) The Company's profit distribution policy is formulated by the Board of Directors. In the event of force majeure such as war or natural disasters, changes in the external business environment that have a significant impact on the Company's production and operation, or significant changes in the Company's own business situation, the Company may adjust the profit distribution policy. However, the adjusted profit distribution policy shall not violate laws and regulations, relevant provisions of the China Securities Regulatory Commission and the stock exchange.

(2) Formulation and adjustment of, and amendment to the profit distribution policy shall be proposed to the shareholders' general meeting by the board of directors. In the process of formulating the profit distribution policy and profit distribution plan, the board of directors shall discuss with independent directors, taking full account of a continuous, stable and scientific return to all shareholders of the Company and a sustainable development of the Company. Upon reviewing at the shareholders' general meeting, the Company shall communicate and exchange opinions with shareholders, especially minority shareholders in a proactive manner and through various channels, fully consider the advices and appeals from minority shareholders and respond timely to the issues concerned by them.

(3) The formulation and adjustment of the Company's profit distribution policy shall be submitted to the General Meeting of Shareholders for review by a special resolution after being approved by more than half of the Board of Directors and shall be approved by more than two-thirds of the voting rights held by the attending shareholders.

(4) The Company shall disclose in detail the formulation and implementation of the cash dividend policies in the annual report, and make special explanations on the following matters:

- ① Whether it complies with the provisions of the Articles of Association or the requirements of resolutions of the general meeting of shareholders;
- ② Whether the dividend standards and proportions are definite and clear;
- ③ Whether the relevant decision-making processes and mechanisms are complete;
- ④ If the Company does not distribute cash dividends, specific reasons should be disclosed, as well as the measures to be taken in the next step to enhance the level of investor returns;
- ⑤ Whether the minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests have been fully protected.

In case of adjustment or changes in the cash dividend policy, the conditions and procedures for the adjustment or changes shall also be detailed with respect to the compliance and transparency.

(5) The Board of Supervisors shall supervise the implementation of cash dividend policy by the Board of Directors and whether it performs corresponding decision-making procedures and information disclosure. If the Board of Supervisors discovers that the Board of Directors has not strictly implemented the cash dividend policy, has not strictly followed the corresponding decision-making procedures, or has not disclosed the corresponding information truthfully, accurately, and completely, it shall express a clear opinion and urge it to correct in a timely manner.

ARTICLE 181 The decision-making procedures and mechanisms for the profit distribution plan of the Company are as follows:

(1) The profit distribution plan of the Company is formulated by the Board of Directors based on the profit distribution policy and taking into account the Company's operating conditions, development needs, and other factors. After being approved by more than half of the Board of Directors, it is submitted to the General Meeting of Shareholders for review as an ordinary resolution, and can only be implemented after being approved by more than half of the voting rights held by the shareholders attending the meeting.

(2) When formulating a profit distribution plan, the Board of Directors of the Company should carefully study and demonstrate the timing, conditions, minimum ratio, adjustment conditions, and decision-making process requirements for cash dividends.

If the independent directors believe that the specific cash dividend scheme may

damage the rights and interests of the Company or minority shareholders, they shall have the right to express independent opinions. Where the Board of Directors fails to adopt or fully adopt the opinions of independent directors, it shall record the opinions of independent directors and the specific reasons for not adopting them in the resolution of the Board of Directors, and disclose relevant information.

The Company shall, prior to the deliberation on the concrete profit distribution plan by Shareholders' Meeting, actively communicate and exchange with shareholders, especially small and medium-sized shareholders through various channels, fully listen to the opinions and demands of small and medium-sized shareholders, and make a timely response to what the small and medium-sized shareholders are concerned.

(3) Where the Company is profitable during the annual report period and the undistributed profits in the statements of the parent company are positive, and no cash dividends are distributed or the ratio of the total cash dividends to be distributed to the net profits of the current year is less than 30%, the Company shall disclose the following matters in detail in the relevant announcements on profit distribution:

- ① Explanation of the reasons for not distributing cash dividends or the low level of cash dividends in combination with the characteristics of the industry, development stage, its own business model, profitability, solvency, capital demand and other factors;
- ② Estimated use and income of retained undistributed profits;
- ③ Whether the Company has provided convenience for minority shareholders to participate in cash dividend decision-making in accordance with the relevant provisions of the CSRC during the corresponding period;
- ④ Measures to be taken by the Company to enhance the return level of investors.

Where the undistributed profits in the statements of the parent company are negative but the undistributed profits are positive in the consolidated statements, the Company shall disclose the profit distribution implemented by the holding subsidiaries of the listed company to the parent company and the measures to be taken by the Company to enhance the return level of investors in the relevant annual announcement of profit distribution.

ARTICLE 182 After the General Meeting of Shareholders makes a resolution on the profit distribution plan, or the Board of Directors formulates a specific plan based on the mid-term dividend conditions and upper limit approved by the annual General Meeting of Shareholders for the following year, the distribution of dividends (or shares) must be completed within two months.

ARTICLE 183 Dividends or other payments declared by the Company to be payable to holders of Domestic-Invested Shares shall be declared, calculated and paid in Renminbi; and those payable to holders of Overseas Listed Foreign-Invested Shares shall be declared and calculated in Renminbi, but paid in the local currency or Renminbi where such Foreign-Invested Shares are listed (if there is more than one place of listing, then the local currency aforesaid will be the currency of the principal place of listing of which shall be determined by the board of directors).

Foreign currency required by the Company for payment of dividends or other payments to holders of Foreign-Invested Shares shall be dealt with in accordance with the relevant foreign exchange control regulations of the State. If there is no applicable regulation, the applicable exchange rate shall be the average of the closing rate for the relevant foreign currency announced by the Peoples' Bank of China for the week prior to the announcement of the payment of dividend or other sums.

ARTICLE 184 The Company shall, in accordance with PRC tax law, withhold and make payments on behalf of shareholders in respect of their tax payable on their dividends income.

ARTICLE 185 The Company shall appoint receiving agents on behalf of the holders of the Overseas Listed Foreign-Invested Shares. Receiving agents shall receive on behalf of the relevant shareholders dividends distributed and other monies payable by the Company in respect of the Overseas Listed Foreign-Invested Shares.

The receiving agents appointed by the Company shall comply with the relevant requirements of the law of the place and the relevant regulations of the stock exchange where the Company's shares are listed. The receiving agents appointed by the Company on behalf of holders with overseas-listed foreign shares listed in Hong Kong shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Section 2 Internal Audit

ARTICLE 186 The Company shall implement an internal auditing system and establish an internal auditing organization or engage internal auditing personnel to undertake the internal auditing and supervision over the Company's income and expenses and other economic activities under the supervision of the board of directors.

ARTICLE 187 The internal audit system of the Company and the responsibilities of auditors shall be subject to the approval of the Board of Directors before implementation. The person in charge of audit shall be responsible to and report to the Board of Directors.

Section 3 Appointment Of Accounting Firm

ARTICLE 188 The Company shall hire an accounting firm that complies with the provisions of the Securities Law to conduct accounting statement auditing, net asset verification, and other related consulting services. The Company shall hire or dismiss an accounting firm that undertakes the audit of the company's annual financial report in accordance with the relevant provisions of the Articles of Association.

ARTICLE 189 The accounting firm engaged by the Company shall hold office for one year from the conclusion of the last annual General Meeting of Shareholders until the conclusion of the next annual General Meeting of Shareholders. Upon expiration of the term of office, the accounting firm may be re-employed.

ARTICLE 190 The accounting firm employed by the Company must be approved by the general meeting of shareholders, and before that the board of directors shall not appoint any accounting firm.

ARTICLE 191 The Company shall promise to provide the employed accounting firm with true and complete accounting documents, accounting books, financial and accounting reports and other accounting materials, and shall not refuse to provide the information, conceal the information or give false information.

ARTICLE 192 The shareholders at general meeting may by ordinary resolution remove an accounting firm before the expiration of its term of office, notwithstanding anything contained in the contract entered into between the Company and the firm, but without prejudice to the accounting firm's right to claim, if any, for damages in respect of such removal.

ARTICLE 193 The audit expenses to be paid to the accounting firm shall be decided at the General Meeting of Shareholders.

ARTICLE 194 30 days in advance 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 representations at the shareholders' general meeting. Where the accounting firm proposes resigning its post, it shall make clear to the shareholders' general meeting whether or not there are any situations in the Company.

CHAPTER 10: INSURANCE

ARTICLE 195 The effecting, types of coverage, the insured amounts and periods of the Company's insurance shall be decided at a meeting of the board of directors based on the circumstances of the Company and the practices of similar industries in other countries and the practices and legal requirements in China.

CHAPTER 11: LABOUR AND PERSONNEL MANAGEMENT SYSTEMS

ARTICLE 196 The Company shall, in accordance with the relevant provisions of the Labour Law of the People's Republic of China and other relevant laws or administration regulations of the State, formulate its labour and personnel management systems which shall be appropriate to its particular circumstances.

CHAPTER 12: TRADE UNION ORGANIZATION OF THE COMMUNIST YOUTH LEAGUE

ARTICLE 197 The Company shall establish the trade union and conduct all relevant works according to the Trade Union Law of the People's Republic of China, and establish the system of the congress of workers and staffs to implement the democratic management. The Company shall provide the trade union with all necessary conditions for its operation and activities and allocate funds to the trade union in accordance with the Trade Union Law of the People's Republic of China. Such fund shall be used by the trade union of the Company in accordance with relevant laws and regulations.

The representatives of the trade union of the Company may, on behalf of the employees of the Company, enter into any collective agreement with the Company in relation to issues including wages, working hours, benefits, insurance, and labor safety and health in accordance with the law. The Company shall seek advice from the trade union before making any material decision on its reform and operation and formulation of regulations and shall convene trade union representatives' meeting or by other means to collect opinions and suggestions of the employees.

ARTICLE 198 The Company shall adhere to the Constitution of The Communist Youth League of China to establish the organization of the Communist Youth League, implement relevant works and give full support to the role played by the youth members. The Company shall hold relevant activities for the Communist Youth League and provide necessary conditions for the youth member's development.

ARTICLE 199 The trade union and the Organization of The Communist Youth League shall actively accept the guidance of the Party Committee at the same level, the higher trade union and the higher Organization of The Communist Youth League.

CHAPTER 13 MERGER, SEPARATION, CAPITAL INCREASE, CAPITAL DECREASE, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Separation, Capital Increase and Capital Decrease

ARTICLE 200 The merger of the Company may be in the form of either merger of absorption or merger by establishment of a new company.

The absorption of another company by one company means a merger by absorption and the absorbed company is dissolved. The merger of more than two companies to

establish a new company means a merger by consolidation and the parties to the merger are dissolved.

In the event of a merger of the Company, the parties involved in the merger shall enter into a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify its creditors within ten (10) days from the date of the Company's resolution in respect of the merge and shall make announcement in newspapers within thirty (30) days therefrom.

A creditor shall within thirty (30) days of the date of receipt of such notice , and that who has not received the notice shall within forty-five (45) days from the date of the first public notice, be entitled to demand the Company to settle the debts owed to it or to provide a guarantee accordingly.

After the completion of the merger, the creditor's right and indebtedness in the original parties shall be inherited by the new company.

ARTICLE 201 In the event of a division of the Company, its assets shall be split accordingly.

In the event of a division of the Company, parties to such division shall enter into a division agreement and prepare a balance sheet and a list of assets. The Company shall notify its creditors within ten (10) days from the date of the Company's resolution in respect of such division and shall publish a public notice in a newspaper within thirty (30) days from the date of such resolution.

Unless a written agreement has been entered into by the Company and its creditors in relation to the repayment of debts before the division, companies surviving such division shall jointly assume the indebtedness of the Company which has been incurred before such division.

ARTICLE 202 Where there is a change in any of the registered items of the Company as a result of its merger or division, the Company shall carry out procedures necessary for changing its registered items with the companies registration authority in accordance with the law. In case of dissolution, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

Where the Company increases or decreases its registered capital, the change of registration shall be handled at the company registration authority according to law.

Section 2: Dissolution And Liquidation

ARTICLE 203 The Company shall be dissolved in any of the following

circumstances:

- (1) operation period hereunder expires or other causes of dissolution hereunder occur;
- (2) a resolution is passed by the shareholders at a general meeting to dissolve the Company;
- (3) dissolution of the Company is necessary due to a merger or division of the Company;
- (4) revocation of business licence of the Company or the Company being ordered to close or being dissolved in accordance with the law;
- (5) Where the Company runs deep into difficulties in operation and management, its continuous existence may cause heavy losses to shareholders' interests, and such difficulties cannot be dealt with in other ways, the shareholders holding over 10% votes of all shareholders of the Company may apply to the people's court to dissolve the Company.

ARTICLE 204 In the circumstance described in (1) of Article 203 of the Articles of Association of the Company, the Company may continue to exist by amending these Articles of Association.

Where the Articles of Association of the Company are amended according to the preceding clause, the amendment shall be approved more than two thirds of the voting rights of the shareholders attending the General Meeting of Shareholders.

ARTICLE 205 Where the Company is dissolved under sub-paragraphs (1), (2) (4) and (5) of the Article 203 of these Articles of Association, a liquidation committee shall be set up within fifteen (15) days from the event of dissolution of the Company to proceed with the liquidation. The composition of the liquidation committee of the Company shall be determined by the directors or an ordinary resolution of shareholders' general meeting. If no liquidation committee is set up within the prescribed period to commence the liquidation, creditors may apply to the People's Court to designate relevant persons to form a liquidation committee in order to carry out the liquidation.

ARTICLE 206 The liquidation committee shall notify the creditors within ten (10) days from its establishment and announce the same in the newspapers within sixty (60) days from its establishment. A creditor shall make any claims with the liquidation committee within thirty (30) days upon receipt of the notification, or within forty-five (45) days of the announcement in case of not receiving the notification..

When creditors make claims, they shall describe the relevant matters in respect of their claim and provide evidence thereof. The liquidation committee shall register

creditors' claims and no settlement can be made to the creditors by the liquidation committee during the period for declaration of creditors' claims.

ARTICLE 207 During the liquidation period, the liquidation committee shall exercise the following duties and powers:

- (1) to dispose of the Company's properties, to prepare a balance sheet and a list of assets respectively;
- (2) to serve notices, make announcements to creditors;
- (3) to handle and solve any relevant uncompleted business of the Company;
- (4) to effect payment of all outstanding taxes and taxes arising from the liquidation;
- (5) to settle claims and debts;
- (6) to dispose of the assets remaining after settlement of debts by the Company;
- (7) to represent the Company in any civil proceedings.

ARTICLE 208 After the Company's assets have been disposed of and the balance sheet and an inventory of assets have been completed, the liquidation committee shall formulate a liquidation plan and present the same to a shareholders' general meeting or the people's court for confirmation.

Any residual properties of the Company after paying the liquidation expenses, employees' salaries, social insurances, and statutory compensation, outstanding taxes and debts of the Company shall be distributed by the Company to its shareholders according to the proportion of shares held by them.

During the liquidation period, the Company shall continue to exist, but shall not conduct any business activities irrelevant to liquidation.

The assets of the Company shall not be distributed to the shareholders before paying off the debts according to the foregoing clause.

ARTICLE 209 If the liquidation committee, after the disposal of the assets of the Company and preparation of the balance sheet and a list of assets, discovers that the Company's assets are insufficient to repay the Company's debts in full, it shall apply with the People's Court for a declaration of insolvency according to law.

After the declaration of insolvency by the People's Court, the liquidation committee shall transfer the liquidation matters to the People's Court.

ARTICLE 210 Following the completion of liquidation of the Company, the liquidation committee shall prepare a report on liquidation submit to the shareholders' general meeting or the people's court for confirmation, and submit such report to the registration authority of the Company to apply for canceling the registration of the Company and announcing the termination of the Company.

ARTICLE 211 Members of the liquidation group shall faithfully perform their duties and carry out their liquidation obligations in accordance with the law.

All members of the liquidation team shall neither abuse their authority to take bribes or other illegal income nor embezzle the Company's property.

Where any of the members of the liquidation team causes any loss to the Company or any creditor by intention or due to gross negligence, he/she shall make respective compensations.

ARTICLE 212 Where the Company is declared bankrupt according to law, the bankruptcy liquidation shall be carried out according to laws concerning enterprise bankruptcy.

CHAPTER 14 AMENDMENT TO THE ARTICLES OF ASSOCIATION

ARTICLE 213 If any one of following conditions occurs, the Company shall modify the Articles of Association:

(1) After the amendments to the Company Law or relevant laws or administrative regulations, the provisions in these Articles of Association become contradictory to the provisions in the amended laws or administrative regulations;

(2) The conditions of the Company change and become inconsistent with the information recorded in these Articles of Association; and

(3) A resolution is made at the General Meeting for the amendments to these Articles of Association.

ARTICLE 214 Where it is necessary for a competent authority to review and approve a resolution on the amendments to these Articles of Association at the General Meeting of Shareholders, such resolution shall be submitted to the competent authority for approval. If the amendments involve the registered items of the Company, the Company shall apply for registration of changes to the registered items in accordance with law.

ARTICLE 215 The Board of Directors shall modify the Articles of Association according to the resolution of General Meeting of Shareholders about the modifications and the approval views of authorities in charge.

ARTICLE 216 Where amendments to the Articles of Association need to be disclosed pursuant to laws and regulations, they shall be disclosed accordingly.

CHAPTER 15 NOTICES AND ANNOUNCEMENTS

ARTICLE 217 Notice of the Company (including notice of meetings, corporate communication or other written materials given to shareholders) may be served in the following manners:

- (1) by way of announcement;
- (2) personal delivery;
- (3) post;
- (4) other means required under laws and regulations or listing rules of the place of listing or otherwise permitted by a supervisory authority.

The notice issued by the Company, in the form of a public announcement, shall be published in the securities regulatory authority of the place where the company's stocks are listed and the designated newspapers (if any) and/or other designated media (including websites) designated by the stock exchange.

In respect of the way by which corporate communication is required to be provided or given to holders of Overseas Listed Foreign-Invested Shares under the Listing Rules of Hong Kong, such corporate communication may be provided or given to holders of Overseas Listed Foreign-Invested Shares through the website of the Company (www.gsrc.com) or other electronic means subject to the laws and regulations and listing rules of the place of listing and these Articles of Association, to send communications by hand or postage prepaid to foreign shareholders listed overseas.

The corporate communication refers to any document provided or to be provided to any holder of securities of the Company for reference or further action, including but not limited to :

- (1) reports of the board of directors, annual accounts, auditors reports and summary of financial reports (if applicable) of the Company;
- (2) interim reports and summary of interim reports (if applicable);
- (3) notice of the meetings;

(4) listing documents;

(5) circulars;

(6) proxy forms (as defined in the listing rules of the stock exchange located in the place where shares of the Company are listed).

ARTICLE 218 If a notice of the Company is sent out by announcement, it shall be deemed that all relevant personnel have received such notice once such announcement is made.

ARTICLE 219 Unless otherwise specified in the Articles of Association, the forms of giving notice provided for in the preceding article are applicable to the notice of Shareholders' Meeting, Board of Directors Meeting and Board of Supervisors Meeting held by the Company.

ARTICLE 220 A notice of the Company sent out by hand shall be deemed as effectively served on the day when the addressee signs (or seals) the receipt; a notice of the Company sent out by mail shall be deemed as effectively served on the fifth (5) working days after the notice is delivered to the post office; a notice of the Company sent out by announcement shall be deemed as effectively served on the day when the first announcement is published. If the company notice is sent by email, the date of delivery shall be the date when the email is sent.

ARTICLE 221 The Company designates the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), the website of Hong Kong Stock Exchange (<http://www.hkex.com.hk>) and media that meet the requirements of the China Securities Regulatory Commission are the media that publish company announcements and other information that needs to be disclosed.

CHAPTER 16: SUPPLEMENTARY

ARTICLE 222 Definition:

(1) A controlling shareholder means a shareholder who holds more than 50% of the Company's ordinary shares (including preferred shares with restored voting rights), or a shareholder though whose proportion of shares is less than 50%, the voting right vested in the shares who holds is enough to have great influence on a resolution of a general meeting of shareholders.

(2) "Actual controller" refers to a person who is not a shareholder of the Company but actually controls the corporate behaviors through investment relationship, agreements or any other arrangements.

(3) "Association relationship" refers to the relationship between the controlling

shareholder, actual controller, directors, supervisors and senior managers of the Company and the enterprises under their control direct or indirect control, and other relationship that may cause the transfer of the interests of the Company. However, the association relationship does not exist among state-controlled companies although their shares are held by the State.

ARTICLE 223 The Articles of Association of the Company shall be written in Chinese. If there is any discrepancy between these Articles of Association and other versions of Articles of Association or other Articles of Association in other language, the Chinese version of the Articles of Association last approved and registered at the company registration authority shall prevail.

ARTICLE 224 The phrases "more than", "within" and "below" in these Articles of Association related to any numbers shall include the numbers themselves, while the phrases "beyond", "lower than" and "over" related to any numbers shall exclude the numbers themselves.

ARTICLE 225 The "accounting firm," "affiliated," and "affiliates" in these Articles of Association shall have the same meanings as the terms "auditor," "associated," and "associates" in the Hong Kong Listing Rules.

ARTICLE 226 The board of directors of the Company shall be responsible to interpret these Articles of Association.

ARTICLE 227 Attachments to these Articles of Association shall include the rules of procedure for the meetings of the General Meeting of Shareholders, the rules of procedure for the meetings of the Board of Directors, and the rules of procedure for the meetings of the Board of Supervisors.