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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Lingbao Gold Company Ltd., you should at once hand this circular to the purchaser or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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LINGJIN

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Lingbao Gold Company Ltd.

靈寶黃金股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 3330)

- (1) PROPOSED A SHARE ISSUE;**
- (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (3) PROPOSED AMENDMENTS TO THE INDEPENDENT DIRECTORS RULES AND THE PROCEDURAL RULES;**
- (4) PROPOSED ADOPTION OF THE USE OF PROCEEDS RULES AND THE GUARANTEE RULES; AND**
- (5) NOTICE OF EGM AND CLASS MEETINGS**

The purpose of distributing this circular is to provide the Shareholders with information, among the other things, on the proposed issue of A Shares by the Company, so that the Shareholders may make an informed decision on voting in respect of certain resolution(s) to be tabled at the EGM and the relevant Class Meetings. This circular does not constitute, or form part of, an offer or invitation, or solicitation or inducement of an offer, to subscribe for or purchase any of the A Shares or other securities of the Company, nor is this circular calculated to invite offers for any shares or other securities of the Company.

The notice convening the EGM and the Class Meetings to be held at 2nd floor of the registered office of the Company at Xin Village, Yinzhuang Town, Daonan Industrial Area, Lingbao, Henan, the PRC on Friday, 30 December 2011 was set out on pages N-1 to N-14 of this circular. Whether or not you are able to attend the said meetings in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon. In order to be valid, the proxy form must be deposited by hand or by post, for holders of H shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the meeting or any adjournment thereof. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM or the relevant Class Meetings if you so wish.

14 November 2011

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“A Shares”	new ordinary domestic shares of the Company, with a nominal value of RMB0.20 each which are to be allotted, issued and listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Class Meetings”	the meetings of the Company for each class of holders of H Shares and Domestic Shares to be convened and held on 30 December 2011 to consider and approve the Proposed A Share Issue
“Company”	靈寶黃金股份有限公司 (Lingbao Gold Company Ltd.), a joint stock limited company established in the PRC on 27 September 2002, the H Shares of which are listed on the Main Board of the Stock Exchange
“Connected Person”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Directors”	the directors of the Company
“Domestic Shares”	existing ordinary domestic shares of the Company, with a nominal value of RMB0.20 each
“EGM”	the extraordinary general meeting of the Company to be held on 30 December 2011 to approve to consider and approve (i) the Proposed A Share Issue, (ii) the proposed amendments to the Articles of Association, (iii) the proposed amendments to the Independent Directors Rules and the Procedural Rules, and (iv) the proposed adoption of the Use of Proceeds Rules and the Guarantee Rules
“Group”	the Company and its subsidiaries
“Guarantee Rules”	the rules governing the Company’s external guarantee activities

DEFINITIONS

“H Shares”	the overseas listed foreign shares of the Company, listed in the Stock Exchange subscribed for and traded in HK\$, with a nominee value of RMB0.20 each
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Directors Rules”	the rules governing the appointment, election, power, duties and responsibilities of the independent Directors
“Latest Practicable Date”	9 November 2011, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan
“Procedure Rules”	collectively, (i) the Rules and Procedures for Shareholders General Meetings, (ii) the Rules and Procedures for the Board, and (iii) the Rules and Procedures for the Supervisory Committee
“Proposed A Share Issue”	the proposed share issue of up to 300,000,000 A Shares of RMB0.20 each to qualified price consultation participants, PRC natural person and institutional investors as approved by CSRC, and the proposed listing of the A Shares on the Shanghai Stock Exchange
“Relevant Authorities”	CSRC and such other regulatory authorities in the PRC having power to regulate, among other things, the Proposed A Share Issue, and amendments of the Articles of Association
“RMB”	Renminbi, the lawful currency of the PRC
“Rules and Procedures for the Board”	the rules governing the function, operations and procedures for the meetings of the Board

DEFINITIONS

“Rules and Procedures for Shareholders General Meeting”	the rules governing the function, operations and procedures for the meetings of the Shareholders
“Rules and Procedures for the Supervisory Committee”	the rules governing the function, operations and procedures for the meetings of the Supervisory Committee
“Shanghai Stock Exchange”	Shanghai Stock Exchange, a stock exchange located in Shanghai, the PRC, which is a membership institution directly governed by the CSRC
“Shareholders”	holders of Domestic Shares and H Shares
“Shares”	Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisory Committee”	the supervisory committee of the Company
“Trading Day”	a day on which the Stock Exchange is open for trading
“Use of Proceeds Rules”	the rules governing the use of proceeds under the Proposed A Share Issue
“%”	per cent

LETTER FROM THE BOARD



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Lingbao Gold Company Ltd.

靈寶黃金股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 3330)

Executive Directors:

Mr. Xu Gaoming
Mr. Jin Guangcai
Mr. Liu Pengfei
Mr. Zhang Guo
Mr. He Chengqun

Registered office:

Xin Village
Yinzhuang Town
Daonan Industrial Area
Lingbao
Henan
The PRC

Non-executive Director:

Mr. Wang Yumin

*Principal place of business
in Hong Kong:*

Room 1902
MassMutual Tower
38 Gloucester Road
Wanchai
Hong Kong

Independent non-executive Directors:

Mr. Niu Zhongjie
Mr. Wang Han
Mr. Yan Wanpeng
Ms. Du Liping

14 November 2011

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED A SHARE ISSUE;**
- (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (3) PROPOSED AMENDMENTS TO THE INDEPENDENT DIRECTORS RULES
AND THE PROCEDURAL RULES;**
- (4) PROPOSED ADOPTION OF THE USE OF PROCEEDS RULES AND
THE GUARANTEE RULES; AND**
- (5) NOTICE OF EGM AND CLASS MEETINGS**

1. INTRODUCTION

Reference is made to the Company's announcement dated 30 September 2011 in which the Company announced that, subject to Shareholders' approval, the Company will apply to the Relevant Authorities for the issue of not more than 300,000,000 A Shares with

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a nominal value of RMB0.20 each, representing approximately 38.95% of the total issued share capital of the Company as at the Latest Practicable Date or approximately 28.03% of the enlarged total issue share capital upon issue of the A Shares, to be listed on the Shanghai Stock Exchange. The Proposed A Share Issue is subject to, among others, (i) approval from the Shareholders at the EGM and the Class Meetings; (ii) consent, permission and approval from the Relevant Authorities including but not limited to the approval from the CSRC; and (iii) the approval of the Shanghai Stock Exchange as to the listing of and dealing in the A Shares.

In order to comply with the relevant PRC laws and regulatory requirements, the Board also proposes to make certain amendments to the Articles of Association and to amend or adopt certain rules and procedures.

The purpose of this circular is to give you details of, among other things, (i) the Proposed A Share Issue, (ii) the proposed amendments to the Articles of Association, (iii) the proposed amendments to the Independent Directors Rules and the Procedural Rules, and (iv) the proposed adoption of the Use of Proceeds Rules and the Guarantee Rules together with the notices of the EGM and the Class Meetings.

2. PROPOSED A SHARE ISSUE

(a) General

The Board has resolved on 29 September 2011 that the Company shall, subject to the Shareholders' approval at the EGM and the Class Meetings, apply to the Relevant Authorities for the allotment and issue of not more than 300,000,000 A Shares to qualified price consultation participants, PRC natural person and institutional investors as approved by CSRC, by way of a combination of placement of A Shares to participants through offline price consultation and a public offering of A Shares through online subscriptions or such other methods as approved by CSRC. Such A Shares are proposed to be listed on the Shanghai Stock Exchange. Such investors will not include Connected Persons of the Company.

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(b) Structure of the Proposed A Share Issue

Type of Securities to be issued	A Shares
Place of Listing	Shanghai Stock Exchange
Number of A Shares to be issued	Not more than 300,000,000 A Shares. The final number of A Shares to be issued and the structure of the issue is subject to the approval by the Relevant Authorities and the adjustments (if any) made by the Board as authorized by the Shareholders at the EGM and the Class Meetings.
Nominal value	RMB0.20 per A Share
Target subscribers	Qualified price consultation participants, PRC natural person and institutional investors (including qualified foreign institutional investors recognized in the PRC) having "A" Share accounts with the Shanghai Stock Exchange, except those prohibited under the PRC laws or regulations and other regulatory requirements from participating in the Proposed A Share Issue.
Rights attached to A Shares	The A Shares are listed Domestic Shares and except as otherwise provided for in the applicable laws, rules and regulations and the Articles of Association, will rank pari passu with the existing Domestic Shares and H Shares in all respects. Once the Proposed A Share Issue is completed, both new and existing Shareholders will be entitled to share the accumulated retained earning at the time of the Proposed A Share Issue in accordance to their respective shareholding in the Company.
Method of issue	The issue will be conducted by a combination of placement of A Shares to participants through offline price consultation and a public offering of A Shares through online subscriptions or such other methods as approved by CSRC.

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Basis for determining the issue price

The issue price of the Proposed A Share Issue will be determined on the basis of market condition, the conditions prevailing in the PRC securities market at the time of the Proposed A Share Issue by way of customary market consultation and such other ways as approved by CSRC and in accordance with the relevant requirements issued by the CSRC, relevant PRC regulations and the Listing Rules. Upon publication of the prospectus for initial public offering of A Shares and the relevant announcement, the issue price range will be determined by making preliminary price consultations with qualified price consultation participants, and the issue price will be determined within the issue price range based on the cumulative bidding price consultations (or by other means of determining the issue price recognized by the CSRC). Thus, the amount of funds to be raised from the Proposed A Share Issue cannot be confirmed at the Latest Practicable Date, but the offer price for the Proposed A Share Issue will not be lower than 90% of the average closing price of the Company's H Shares on the Stock Exchange for the 20 Trading Days preceding the date of the prospectus in connection with the Proposed A Share Issue.

Use of Proceeds

The amount of funds to be raised from the Proposed A Share Issue cannot be confirmed as at the Latest Practicable Date. However, subject to the sufficiency of the funds raised, the Company intends to apply the proceeds from the Proposed A Share Issue in the following manners:

- (i) approximately RMB454,732,000 to be used for financing the construction of the facilities for smelting;
- (ii) approximately RMB729,393,000 to be used for financing the development of the gold ores in Kyrgyzstan;
- (iii) approximately RMB221,219,000 to be used for exploration activities in Henan and the Inner Mongolia; and
- (iv) approximately RMB400,000,000 to be used for general working capital and for repayment of the bank borrowings of the Group.

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If the amount of funds raised from the Proposed A Share Issue is insufficient for funding all of the above, such shortfall shall be funded from the Group's internal resources. If there is any surplus of the funds raised from the Proposed A Share Issue, such surplus will be used for general working capital of the Group.

Completion of the Proposed A Share Issue

The Proposed A Share Issue is conditional upon the following:

- (i) the passing of the special resolutions at the EGM and Class Meetings to approve the Proposed A Share Issue;
- (ii) consent, permission and approval from the Relevant Authorities including but not limited to the approval of the Proposed A Share Issue by CSRC; and
- (iii) the approval of the Shanghai Stock Exchange as to the listing and dealing in the A Shares.

Reasons for and the benefits of the Proposed A Share Issue

The Directors believe that the Proposed A Share Issue will further broaden the Company's funding channels, and thereby improve the Company's capital structure and its debt financing capacity. In addition, the Proposed A Share Issue will provide the Company with financial resources for the specific needs as stipulated in the paragraph headed "Use of Proceeds" above and improve the competitiveness of the Group. The Directors believe that the Proposed A Share Issue will enhance the profile and corporate image of the Group, and is beneficial to the long term development of the Group. The Directors consider that the Proposed A Share Issue is in the interests of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD

Effects of the Proposed A Share Issue

Assuming that a total of 300,000,000 A Shares of RMB0.20 each are issued under the Proposed A Share Issue and the Company will not issue any additional Shares prior to the Proposed A Share Issue, the shareholding structure of the Company immediately before and after the Proposed A Share Issue is set out as follows:

	Immediately before the completion of the Proposed A Share Issue		Immediately after the completion of the Proposed A Share Issue	
Domestic Shares				
– Existing Shares	472,975,091	61.41%	472,975,091	44.19%
– A Shares to be issued*	–	–	300,000,000	28.03%
H Shares*	297,274,000	38.59%	297,274,000	27.78%
 Total number of Shares	 770,249,091	 100%	 1,070,249,091	 100%

* *The Company expects that all H Shares and A Shares are held by public Shareholders and therefore they will constitute the public float.*

The Company expects that it will be able to satisfy the public float requirements set out under the Listing Rules after the completion of the Proposed A Share Issue.

Listing of A Shares

As at the Latest Practicable Date, no application has been made by the Company to any Relevant Authorities in relation to the Proposed A Share Issue. The Company will submit an application to the CSRC for the Proposed A Share Issue after Shareholders' approvals have been obtained at the EGM and the Class Meetings.

Upon obtaining the approval of the CSRC, the Company will apply to the Shanghai Stock Exchange for the listing of and permission to deal in both the Domestic Shares and the new A Shares to be issued and placed pursuant to the Proposed A Share Issue.

3. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

To accommodate the Proposed A Share Issue, the Company will, when proceeding with the Proposed A Share Issue, make proposed amendments of the Articles of Association in compliance with all relevant and applicable PRC legal and regulatory requirements.

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The proposed amendments to be made to the Articles of Association primarily aim to enhance the corporate governance of the Company and, in accordance with the relevant PRC laws and regulations, deal with matters relating to different areas such as alteration of the Company's registered capital and shareholding structure and other provisions as required by any applicable laws and regulations for companies with A Shares in issue. Such amendments are made on the basis of the existing Articles of Associations. The amended Articles of Association will comply with the relevant laws and regulations applicable to the companies with listed H Shares and A Shares and will safeguard the interest of both the holders of H Shares and A Shares.

The proposed amendments of the Articles of Association will become effective upon completion of the Proposed A Share Issue, subject to approval by way of special resolution by the Shareholders at the EGM, and conditional upon obtaining any approval, endorsement or registration as may be necessary from the Relevant Authorities.

Further details of proposed amendments to the Articles of Association are set out in Appendix I to this circular.

4. PROPOSED AMENDMENTS TO THE PROCEDURAL RULES AND THE INDEPENDENT DIRECTORS RULES

Pursuant to the relevant laws, rules, regulations and requirements of the CSRC, the Company has proposed to amend the Independent Directors Rules in respect of the appointment, election, power, duties and responsibilities of the independent Directors; and the Procedural Rules in respect of the functions, operations and procedures of Shareholders meetings, Board meetings and the Supervisory Committee. The proposed amendments to the Independent Directors Rules are subject to Shareholders' approval by way of ordinary resolution whereas the proposed amendments to the Procedural Rules are subject to Shareholders' approval by way of special resolution. Both of them also need approval by the Relevant Authorities and will take effect upon listing of the A Shares.

Further details of the proposed amended versions of the Procedural Rules and the Independent Directors Rules are set out in the Appendices II to V to this circular, respectively.

5. PROPOSED ADOPTION OF THE USE OF PROCEEDS RULES AND THE GUARANTEE RULES

Pursuant to the relevant PRC laws and regulatory requirements, the Company has proposed to adopt the Use of Proceeds Rules to govern matters regarding the use of proceeds raised by the Company under the Proposed A Share Issue. The proposed adoption of the Use of Proceeds Rules is subject to Shareholders' approval by way of ordinary resolution at the EGM, and conditional upon obtaining any approval, endorsement or registration as may be necessary from the Relevant Authorities and will take effect upon listing of A Shares.

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Further, pursuant to the relevant PRC laws and regulatory requirements, the Company has proposed to establish the Guarantee Rules to govern the Company's external guarantee activities. The proposed adoption of the Guarantee Rules is subject to Shareholders' approval by way of ordinary resolution at the EGM, and conditional upon obtaining any approval, endorsement or registration as may be necessary from the Relevant Authorities and will take effect after listing of A Shares.

Further details of the proposed Use of Proceeds Rules and the proposed Guarantee Rules are set out in the Appendices VI to VII to this circular, respectively.

6. BOOK CLOSURE PERIOD AND RECORD DATE

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM and the Class Meetings, the register of members of the Company will be closed from 1 December 2011 to 30 December 2011 (both days inclusive) during which period no transfer of Shares will be effected. Holders of H Shares and Domestic Shares whose names appear on the register of members of the Company on 1 December 2011 will be entitled to attend and vote at the EGM and the respective Class Meetings. In order for the H Shareholders to qualify for attending and voting at the EGM and the H Shareholders Class Meeting, all transfers of H Shares must be duly completed, accompanied by the relevant Share certificates, and lodged with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 30 November 2011.

7. EGM AND CLASS MEETINGS

The EGM will be convened on 30 December 2011 to consider and approve (i) the Proposed A Share Issue, (ii) the proposed amendments to the Articles of Association, (iii) the proposed amendments to the Independent Directors Rules and the Procedural Rules, (iv) the proposed adoption of the Use of Proceeds Rules and the Guarantee Rules. The Class Meetings will be convened on 30 December 2011 to approve the Proposed A Share Issue. The notice of the EGM and Class Meetings is set out on pages N-1 to N-14 of this circular. The reply slips and the forms of proxy are also enclosed. No Shareholder is required to abstain from voting for any of the resolutions at the EGM and the Class Meetings.

Whether or not you are able to attend the EGM and the Class Meetings in person, you are requested to complete the accompanying forms of proxy in accordance with the instructions printed thereon. In order to be valid, the proxy form must be deposited by hand or post, for holders of H Shares of the Company, to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of Domestic Shares, to the registered address of the Company not less than 24 hours before the time for holding the EGM and the Class Meetings or any adjournment thereof. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM and the Class Meetings.

LETTER FROM THE BOARD

8. VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to vote at the EGM and the Class Meetings in accordance with the Articles of Association. An announcement on the poll vote results will be made by the Company after the EGM and the Class Meetings in the manner prescribed under Rule 13.39(5) of the Listing Rules.

9. RECOMMENDATION

The Board considers that (i) the Proposed A Share Issue, (ii) the proposed amendments to the Articles of Association, (iii) the proposed amendments to the Independent Directors Rules and the Procedural Rules, (iv) the proposed adoption of the Use of Proceeds Rules and the Guarantee Rules are in the interests of the Company and the Shareholders as a whole and accordingly recommend that all Shareholders should vote in favour of the relevant resolutions to be proposed at the EGM and the Class Meetings.

10. GENERAL

This circular has been prepared in both English and Chinese. Save the appendices where the Chinese text shall prevail, in the case of any discrepancy, the English text prevails.

Yours faithfully
By order of the Board
Lingbao Gold Company Ltd.
Xu Gaoming
Chairman

The English version of this Appendix is an unofficial translation of its Chinese version prepared for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The proposed amendments to the Articles of Association are set out below:

Addition(s):

Article 1 In order to protect the lawful interests of Lingbao Gold Company Ltd. (hereinafter referred to as the “Company” or “we”) its shareholders and creditors, govern the structure and behaviours of the Company, these Articles of Associations are formulated in accordance with the Company Law of the People’s Republic of China (referred to as the “Company Law”), the Securities Law of the People’s Republic of China (referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (referred as the “Special Regulations”), the Mandatory Provisions in the Articles of Association of Companies Listed Overseas (referred to as the “Mandatory Provisions”), Guidelines on the Articles of Association of Listed Companies (referred to as the “Guidelines on the Articles of Association”) and other relevant regulations.

The subsequent Articles will be renumbered accordingly.

Former Article 1 Lingbao Gold Company Ltd. (hereinafter referred to as the “Company” or “we”) is a joint stock limited company incorporated in accordance with the Company Law of the People’s Republic of China (referred to as the “Company Law”), the Securities Law of the People’s Republic of China (referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (referred as the “Special Regulations”) and other relevant laws and administrative regulations of the State.

The Company was established on 27 September 2002 by way of promotion and approved by the People’s Government of Henan Province with Yu Gu Pi Zi [2002] No. 25, and was registered with Administration of Industry and Commerce in Henan Province of the People’s Republic of China and obtained its Business License on 27 September 2002. The number of the Company’s registration No. is 4100001006627.

The promoter shareholders of the Company include: Lingbao State-owned Asset Operation Limited Liability Company, Sanmenxia Jinqu Group Company Limited, Lingbao Electric Company, Henan Xuanrui Assets Company Limited, Lingbao Jinxiang Auto Parts Limited Liability Company and Lingbao Guoshi Mining Limited Liability Company.

To be amended as:

Article 2 The Company is a joint stock limited company incorporated in accordance with the Company Law, the Securities Law, the Special Regulations and other relevant laws and administrative regulations of the State.

The Company was established on 27 September 2002 by way of promotion and approved by the People's Government of Henan Province with Yu Gu Pi Zi [2002] No. 25, and was registered with Administration of Industry and Commerce in Henan Province of the People's Republic of China and obtained its Business License on 27 September 2002. The number of the Company's registration No. is 4100001006627.

The promoter shareholders of the Company include: Lingbao State-owned Asset Operation Limited Liability Company, Sanmenxia Jinqu Group Company Limited, Lingbao Electric Company, Henan Xuanrui Assets Company Limited, Lingbao Jinxiang Auto Parts Limited Liability Company and Lingbao Guoshi Mining Limited Liability Company.

Deletion(s): **Former Article 6**

The subsequent Articles will be renumbered accordingly.

Former Article 9 The Articles of Association has become effective and supersede the Former Articles of Association from the date of passing the Articles of Association at the extraordinary general meeting and approved by competent authorities together with the listing on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange").

From the effective date onwards, the Articles of Association (as amended from time to time) shall be the legally binding document governing the Company's organizational structure and behavior, and the rights and obligations between the Company and shareholders, and among the shareholders.

To be amended as:

Article 9 The Articles of Association has become effective and supersede the Former Articles of Association from the date of passing the Articles of Association at the extraordinary general meeting and approved by competent authorities together with the listing on the Shanghai Stock Exchange (hereinafter referred to as the "SSE").

From the effective date onwards, the Articles of Association (as amended from time to time) shall be the legally binding document governing the Company's organizational structure and behavior, and the rights and obligations between the Company and shareholders, and among the shareholders.

Former Article 10 The Articles of Association are binding on the Company and its shareholders, Directors, supervisors, general managers and other senior management members, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

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

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

To be amended as:

Article 10 The Articles of Association are binding on the Company and its shareholders, Directors, supervisors, general managers and other senior management members, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

Pursuant to the Articles of Association shareholders can take actions against each other, against the Directors, supervisors, general manager and other senior management members of the Company, against the Company, and vice versa, the Company can take actions against the shareholders, Directors, supervisors, general manager and other senior management members of the Company.

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

Former Article 11 References in the Articles of Association to the senior management members of the Company shall include the chairman and the vice chairman of the board of directors, the secretary of the board of directors, the general manager and the deputy general manager, the chief financial officer, the supervisors and the directors of the board of directors.

To be revised as **Article 261** under Chapter 23 Annex and to be amended as follows:

Article 261 References in the Articles of Association to the senior management members of the Company shall include the general manager and the deputy general manager, the chief financial officer, and the secretary of the board of directors.

References in the Articles of Association to the other senior management members of the Company shall include the deputy general manager, the chief financial officer, and the secretary of the board of directors.

Former Article 12 The Company may invest in other limited liability companies and joint stock limited companies, to which the Company shall be liable to the extent of the amount of its capital contribution.

Upon the examination and approval by the regulatory authority for the examination and approval of the Company as authorised by the State Council, the Company may, according to its operating and management needs, operate as a holding company under the provisions of Clause 2 in Article 12 of the Company Law.

To be amended as:

Article 11 The Company may invest in other limited liability companies and joint stock limited companies, to which the Company shall be liable to the extent of the amount of its capital contribution.

However, unless stipulated by laws otherwise, the Company shall not be jointly and severally liable to such enterprise(s) for their liabilities as their investor.

Former Article 14 The business scope of the Company shall be in accordance with the items approved by the registration authority with which the Company is registered.

Company business scope is: gold (including associated elements) mining, smelting, processing and sale (operation permit), exploring, selecting, processing and sale of mining products, sales of mining machinery, electric goods and office equipment, imports and exports of goods and technologies (save as those goods and technologies requiring the approvals by the law and regulations of the State or prohibited by the same for imports and exports).

With the approvals of the general meeting and the relevant government authorities, the Company may change its business scope based on the domestic and international market demand and the Company's own development capability and business needs.

Subject to compliance with laws and administrative regulations of the PRC as well as these Articles of Association, the Company has financing rights, including but not limited to borrowings, issue of debentures, charging or mortgaging in part or the whole of its interest, and provision in various ways of guarantee to the debts of any third party (including but not limited to subsidiaries or associates of the Company) in any circumstances.

To be amended as:

Article 13 The business scope of the Company shall be in accordance with the items approved by the registration authority with which the Company is registered.

Company business scope is: gold (including associated elements) mining, smelting, processing and sale (operation permit), exploring, selecting, processing and sale of mining products, sales of mining machinery, electric goods and office equipment, imports and exports of goods and technologies (save as those goods and technologies requiring the approvals by the law and regulations of the State or prohibited by the same for imports and exports).

With the approvals of the general meeting and the relevant government authorities, the Company may change its business scope based on the domestic and international market demand and the Company's own development capability and business needs.

Subject to compliance with laws and administrative regulations of the PRC as well as these Articles of Association, the Company has financing rights, including but not limited to issue of new shares, borrowings, issue of debentures, charging or mortgaging in part or the whole of its interest, and provision in various ways of guarantee to the debts of any third party (including but not limited to subsidiaries or associates of the Company) in any circumstances, but the Company shall not impair or abrogate the power of any class of shareholders when exercising such rights.

Former Article 16 Upon the establishment of the Company, the shares of the Company are evidenced by share certificates, with a par value of RMB1.

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

On 7 December 2005, upon the approval by the competent authority for securities, each share of the Company was subdivided into five shares, with the par value reducing from RMB1 to RMB0.2.

To be amended as:

Article 15 Upon the establishment of the Company, the shares of the Company are evidenced by share certificates, with a par value of RMB1.

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

On 7 December 2005, upon the approval by the China Securities Regulatory Commission (referred to as "CSRC"), the Company issued overseas listed foreign shares, each share of the Company was subdivided into five shares, with the par value reducing from RMB1 to RMB0.2.

Addition(s):

Article 16 Shares of the Company shall be issued in an open, fair and just manner. Shares of the same class shall rank pari passu with each other.

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

The subsequent Articles will be renumbered accordingly.

Former Article 19 Upon the examination and approval by the regulatory authority for the examination and approval of the Company as authorised by the State Council, the total ordinary shares that the Company may issue at the time of establishment are 100,000,000 shares. On 27 September 2002 when the Company was established, the joint stock company issued a total of 100,000,000 shares with a par value of RMB1.00 each to the promoters, representing 100% of the total ordinary shares that the Company may issue.

Upon the approval by the competent authority for securities, each of the ordinary share issued by the Company the promoters was subdivided, with a par value of RMB0.2 each, there is a total of 500,000,000 shares.

To be amended as:

Article 19 Upon the examination and approval by the regulatory authority for the examination and approval of the Company as authorised by the State Council, the total ordinary shares that the Company may issue at the time of establishment are 100,000,000 shares. On 27 September 2002 when the Company established as the joint stock company, a total of 100,000,000 shares with a par value of RMB1.00 each were issued to the promoters, representing 100% of the total ordinary shares that the Company may issue. Of which:

Lingbao State-owned Asset Operation Limited Liability Company holds 79,500,000 shares, representing 79.5% of the total ordinary shares that the Company may issue at the time of the establishment;

Sanmenxia Jinqu Group Company Limited holds 8,000,000 shares, representing 8% of the total ordinary shares that the Company may issue at the time of the establishment;

Lingbao Electric Company holds 3,700,000 shares, representing 3.7% of the total ordinary shares that the Company may issue at the time of the establishment;

Henan Xuanrui Assets Company Limited holds 3,600,000 shares, representing 3.6% of the total ordinary shares that the Company may issue at the time of the establishment;

Lingbao Jinxiang Auto Parts Limited Liability Company holds 2,750,000 shares, representing 2.75% of the total ordinary shares that the Company may issue at the time of the establishment;

Lingbao Guoshi Mining Limited Liability Company holds 2,450,000 shares, representing 2.45% of the total ordinary shares that the Company may issue at the time of the establishment.

Upon the approval by CSRC, each of the ordinary share issued by the Company the promoters was subdivided, with a par value of RMB0.2 each, there is a total of 500,000,000 shares.

Former Article 20 There are 297,274,000 overseas listed foreign shares after the Company was established, representing 38.59% of the total ordinary shares that the Company may issue.

The Company's capital structure is: 472,975,091 Domestic Shares; 297,274,000 overseas listed foreign shares. Among them, the promoters hold a total of 435,276,307 shares, non-promoters hold 37,698,784 shares; overseas listed foreign shareholders hold 297,274,000 shares.

The Company promoter shareholding and shareholding ratio as following: 373,840,620 shares held by Lingbao State-owned Asset Operation Limited Liability Company, shareholding ratio of 48.54%; 17,435,687 shares held by Lingbao Electric Company, shareholding ratio of 2.26%; 18,000,000 shares held by Henan Xuanrui Assets Company Limited, shareholding ratio of 2.34%; 13,750,000 shares held by Lingbao Jinxiang Auto Parts Limited Liability Company, shareholding ratio of 1.79%; 12,250,000 shares held by Lingbao Guoshi Mining Limited Liability Company, shareholding of 1.59%.

The Company non promoter shareholding and shareholding ratio as following: 37,698,784 shares held by Beijing Wanlaixin Investment Limited Liability Company, shareholding ratio: 4.89%.

Upon the approval by the State Council or the competent securities administration authorities as authorised by the State Council, and with the consent of the Hong Kong Stock Exchange, the Domestic Shares of the Company may be converted into H Shares.

To be amended as:

Article 20 Upon the approval by CSRC on 7 December 2005, the Company first issued 297,274,000 shares of overseas listed foreign shares (H Shares with a par value of RMB0.2 each) to overseas investors, and the H Shares were listed on the Stock Exchange of Hong Kong (hereinafter referred to as the “Hong Kong Stock Exchange”) on 12 January 2006.

Upon the approval by CSRC on [●], the Company further issued [●] ordinary shares (A Shares with a par value of RMB[●] each) to the domestic public, and the A Shares were listed on the Shanghai Stock Exchange on [●].

Upon the completion of the above issues, the share capital of the Company is RMB[●]. The Company’s capital structure is: [●] issued ordinary shares of the Company. Of which, Lingbao State-owned Asset Operation Limited Liability Company holds [●] shares, representing [●]%; Huibang Investment and Development Company Limited holds [●]%, representing [●]%; Beijing Wanlaixin Investment Limited Liability Company holds [●]%, representing [●]%; Henan Xuanrui Assets Company Limited holds [●] shares, representing [●]%, Lingbao Electric Company holds [●] shares, representing [●]%; Lingbao Jinxiang Auto Parts Limited Liability Company holds [●] shares, representing [●]%; Lingbao Guoshi Mining Limited Liability Company holds [●] shares, representing [●]%. There are [●] A Shares, representing [●]%; the shareholders of H Shares are holding 297,274,000 shares, representing [●]%.

Note: the above in [●] will be filled in with the actual numbers upon the A Share Issue.

Addition(s):

Article 21 The Domestic Shares issued by the Company are deposited with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The H Shares of the Company are principally placed in the custody of Hong Kong Securities Clearing Company Limited, which may also be held by the shareholders under their own names.

The subsequent Articles will be renumbered accordingly.

Former Article 23 The registered capital of the Company shall be RMB154,049,818.2.

If new shares are issued, the registered capital of the Company shall be adjusted accordingly, and will be filed with the regulatory authority for the examination and approval of the Company as authorised by the State Council and the competent authorities for securities administration.

To be amended as:

Article 24 The registered capital of the Company shall be RMB[●].

If new shares are issued, the registered capital of the Company shall be adjusted according to the actual number of shares issued, and will be filed with the regulatory authority for the examination and approval of the Company as authorised by the State Council and the competent authorities for securities administration.

Note: the above in [●] will be filled in with the actual registered capital upon the A Shares Issue.

Former Article 24 The Company may, based on its requirements for operation and development and in accordance with the relevant provisions of the Articles of Association, approve an increase of capital.

The Company may increase its capital in the following manners:

- (1) Issuing new shares to non-designated investors (including issuing shares to the public and offering shares to strategic investors);
- (2) Placing new shares to existing shareholders;
- (3) Distributing new shares to existing shareholders;
- (4) Transferring capital reserve funds to share capital;
- (5) Issuing convertible bonds;
- (6) Formulating staff shareholding schemes pursuant to the laws and issuing shares to staff shareholding entities;

- (7) Other methods permitted by laws and administrative regulations.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by the relevant laws and administrative regulations.

To be revised as **Article 31** under Chapter 4 Shares and to be amended as:

Article 31 The Company may, based on its requirements for operation and development, and in accordance with the relevant provisions of the Articles of Association, approve an increase of capital, subject to resolutions passed at the shareholders' general meeting and in compliance with the relevant laws and regulations.

The Company may increase its capital in the following manners:

- (1) public issue of shares;
- (2) non-public issue of shares;
- (3) distributing bonus shares to its existing shareholders;
- (4) capitalizing its capital reserve;
- (5) other methods as permitted by laws and administrative regulations and approved by the relevant regulatory authorities.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by the relevant laws and administrative regulations.

Addition(s):

Article 26 The Company shall not accept any shares of the Company as the subject of a pledge.

Article 27 The shares of the Company held by the promoters shall not be transferred within one year after the incorporation of the Company. Shares already issued by the Company before public offering shall not be transferred within one year after the shares of the Company are listed on the stock exchange.

The directors, supervisors and senior management members shall report to the Company about their shareholdings and changes thereof and shall not transfer more than 25% of their shares per annum during their terms of office; the shares they hold in the Company shall not be transferred within one year after the shares of the Company are listed. The aforesaid persons shall not transfer their shares in the Company within six months after they terminate service with the Company. If the transfer restrictions in this paragraph involve H shares, the said transfer shall be subject to approval of the Hong Kong Stock Exchange.

Article 28 If the directors, supervisors, senior management members, and shareholders holding more than 5% of the total shares of the Company sell shares within 6 months after buying the same or buy shares within 6 months after selling the same, the earnings arising therefrom shall belong to the Company and the Board of the Company will take back the said earnings. If the transfer restrictions in this paragraph involve H shares, the said transfer shall be subject to the approval of the Hong Kong Stock Exchange. However, if a securities company comes to hold more than 5% of the shares by underwriting the shares remaining after a sale, the said 6-month limitation for selling said shares shall not apply.

If the board of directors of the Company does not observe the provision of the preceding paragraph, the shareholders shall have the right to require the board of directors to execute the provision within 30 days. If the board of directors fails to execute the provision within the aforesaid period, the shareholders shall have the right to directly institute legal proceedings in their own names for the interest of the Company.

If the board of directors fails to observe the provision in the first paragraph, the responsible directors shall bear joint liability according to law.

The subsequent Articles will be renumbered accordingly.

Former Article 27 All the issue or transfer of overseas listed foreign shares shall be registered and maintained according to Article 42 in the register of overseas listed foreign shares shareholders, which is located offshore.

To be amended as:

Article 30 All the issue or transfer of overseas listed foreign shares listing in Hong Kong shall be registered according to this Articles of Association in the shareholders' register maintained in Hong Kong.

Deletion(s): **Former Article 28**

The subsequent Articles will be renumbered accordingly.

Former Article 29 In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.

To be amended as:

Article 32 In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.

Where the Company reduces its registered capital, it shall be handled in accordance with the Company Law and other relevant provisions and procedures prescribed in the Articles of Association.

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

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

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

To be amended as:

Article 33 The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

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

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

Former Article 31 The Company may, upon obtaining approval in accordance with the procedures set out in the provisions of the Articles of Association, and subject to the approval of the relevant governing authority of the State, repurchase its issued shares under the following circumstances:

- (1) to cancel shares for the purpose of capital reduction;
- (2) to merge with another company that holds shares in the Company;
- (3) other circumstances as permitted by laws and administrative regulations.

To be amended as:

Article 34 The Company may, upon obtaining approval in accordance with the procedures set out in the provisions of the Articles of Association, and subject to the approval of the relevant governing authority of the State, for repurchasing its issued shares under the following circumstances:

- (1) to cancel shares for the purpose of capital reduction;
- (2) to merge with another company that holds shares in the Company;

- (3) to grant shares to employees of the Company as incentives;
- (4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company;
- (5) other circumstances as permitted by laws and administrative regulations.

Former Article 34 Shares repurchased in accordance with the laws by the Company shall be cancelled within ten (10) days upon the completion of the repurchase (or the shorter period prescribed by laws and administrative regulations), and the Company shall apply to the original company registration authority for registration of the change of its registered share capital.

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

To be amended as:

Article 36 The Company's purchase of its shares for any of the reasons as mentioned in items (1) to (3) of Article 34 shall be subject to a resolution at the shareholders' general meeting. After purchase by the Company of its shares pursuant to the provisions of Article 34, shares purchased under item (1) shall be cancelled within ten days from the date of acquisition; for those circumstances described under items (2) and (4), the shares shall be transferred or cancelled within six months.

Shares purchased under item (3) of Article 34 shall not exceed 5% of the total number of shares of the Company in issue; payment by the Company for purchase shall be made out of the after-tax profit of the Company; and the shares purchased shall be transferred to the employees within one year.

Article 38 Shares acquired by the Company shall be cancelled accordingly, and the Company shall apply to the original company registration authority for registration of the change of its registered share capital.

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

Former Article 45 All transfers of overseas listed foreign shares shall be effected by instruments of transfer in writing in the usual or common form or in a standard form specified by the Stock Exchange of Hong Kong Limited or any other instrument of transfer in writing with the form as acceptable to the board of directors. The instrument of transfer shall be signed by both the transferor and transferee by hand (without affixing their respective common seal). In the event the shareholder is a recognised clearing house or its nominee within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "Recognised Clearing House") the instrument of transfer may be executed by way of machine print.

All the fully paid overseas listed foreign shares shall be freely transferable pursuant to the Articles of Association and are free from any lien. Any instrument of transfer and other documents related to or may affect the title of any share shall be registered. However, the board of Directors may refuse to recognise any instrument of transfer in respect of the overseas listed foreign shares listing in the Hong Kong Stock Exchange without assigning any reason thereof, unless:

- (1) A fee of HK\$2.5 per copy of the instrument of transfer (or a higher fee as determined by the board of Directors from time to time but within the limit as stipulated by the Listing Rules from time to time) has been paid for registering any instrument of transfer or other documents relating to or affecting the ownership of any share;
- (2) the instrument of transfer only involves the overseas listed foreign shares listed on the Hong Kong Stock Exchange;
- (3) the stamp duty in respect of the instrument of transfer has been paid;
- (4) relevant share certificates and such other evidence as the board of Directors may reasonably require to show the right of the transferor to make the transfer have been produced;
- (5) if the shares are transferred to joint holders, the number of joint holders shall not exceed 4;
- (6) the shares concerned are free of any lien.

To be amended as:

Article 49 Any shareholder of foreign shares may transfer all or part of his shares in the Company via the common written transfer document of the place where the foreign shares are listed or via written transfer document in any other form acceptable to the board of directors.

The standard transfer form specified by the Hong Kong Stock Exchange may be used for the transfer of H shares. The said transfer document may be signed by hand, or signed by hand or signed by machine print if the transferor or the transferee is a recognized clearing institution ("recognized clearing institution") as defined in the Securities and Futures Ordinance, or its proxy.

All H shares for which full payment has been made may be transferred freely in accordance with these Articles of Association; except under the following conditions, the board of directors may refuse to recognize any transfer instrument without providing any reason:

- (1) A fee of HK\$2.5 per copy of the instrument of transfer (or a higher fee as determined by the board of Directors from time to time but within the limit as stipulated by the Hong Kong Listing Rules from time to time) has been paid for registering any instrument of transfer or other documents relating to or affecting the ownership of any share;

- (2) the instrument of transfer only involves the overseas listed foreign shares listed on the Hong Kong Stock Exchange;
- (3) the stamp duty in respect of the instrument of transfer has been paid;
- (4) relevant share certificates and such other evidence as the board of Directors may reasonably require to show the right of the transferor to make the transfer have been produced;
- (5) if the shares are transferred to joint holders, the number of joint holders shall not exceed 4;
- (6) the shares concerned are free of any lien.

Former Article 47 When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the board of directors shall designate a day to be the record day. Shareholders whose names appear in the register of shareholders at the end of the record date are shareholders of the Company.

To be amended as:

Article 51 When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholders' identities, the board of directors or the convenor of the shareholders' general meeting shall designate a day to be the record day. Shareholders whose names appear in the register of shareholders at the end of the record date are shareholders of the Company.

Former Article 52 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

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

As for joint shareholders, if any of the joint shareholders dies, only the surviving joint shareholders shall be deemed by the Company as owners of the relevant shares, but the board of directors may, for the purpose of amending the shareholders' register, demand the provision of a death certificate as it deems appropriate. Of the joint holders of any shares, only the foremost joint shareholder in the shareholders' register shall have the right to take possession of the relevant share certificates, receive notices from the Company, and attend and exercise the voting rights for the relevant shares at general meetings, and any notice served to the said person shall be deemed as having been served to all the joint holders of the relevant shares.

To be amended as:

Article 56 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

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

All classes of shareholders of the Company shall have equal rights in any profit distribution in the form of a dividend or any other form.

Where two or more persons are registered as joint holders of any shares, they shall be deemed as the common owners of the said shares and shall be subject to the following restrictions:

- (1) The Company need not register more than four persons as joint holders of any shares;
- (2) All the joint holders of any shares shall bear joint liability for all amounts payable.

As for joint shareholders, if any of the joint shareholders dies, only the surviving joint shareholders shall be deemed by the Company as owners of the relevant shares, but the board of directors may, for the purpose of amending the shareholders' register, demand the provision of a death certificate as it deems appropriate. Of the joint holders of any shares, only the foremost joint shareholder in the shareholders' register shall have the right to take possession of the relevant share certificates, receive notices from the Company, and attend and exercise the voting rights for the relevant shares at general meetings, and any notice served to the said person shall be deemed as having been served to all the joint holders of the relevant shares.

If any of the joint shareholders sends the Company a receipt for any dividend, bonus or capital return payable to the said joint shareholders, the said receipt shall be deemed as a valid receipt sent by the said joint shareholders to the Company.

Former Article 53 The shareholders of ordinary shares of the Company shall enjoy the following rights to:

- (1) Receive dividends and the division of earnings in other forms depending on its stock share;
- (2) Attend general meetings either in person or by proxy and exercise the voting rights;
- (3) Supervise, present suggestions on or make inquiries about the business activities of the Company;

- (4) Transfer their shares in accordance with laws, administrative regulations, and the Articles of Association;
- (5) Obtain relevant information in line with the stipulations in the Articles of Association, including:
 1. Obtaining these Articles of Association after paying the cost;
 2. Having the right to consult and copy relevant information after paying reasonable expenses:
 - (1) All parts of the register of shareholders;
 - (2) Personal data of directors, supervisors, general manager and other senior management members of the Company, including:
 - a. Present and previous names and aliases;
 - b. Main addresses (domiciles);
 - c. Nationality;
 - d. Full-time and all part-time occupations and positions;
 - e. Identity documents and its number.
 - (3) Equity of the Company;
 - (4) Annual reports;
 - (5) The total face value, amount, maximum price and minimum price of each category of stock repurchased by the Company since the previous financial year, as well as the report on the Company's payment of all such expenses;
 - (6) Minutes of general meetings.
- (6) Upon termination or liquidation of the Company, participate in distribution of the Company's remaining assets depending on its stock share;
- (7) Other circumstances stipulated by laws, administrative regulations, and the Articles of Association.

The Company shall not exercise any power to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person on the ground that the said person has not disclosed his equity to the Company.

To be amended as:

Article 57 The shareholders of ordinary shares of the Company shall enjoy the following rights to:

- (1) Receive dividends and the division of earnings in other forms depending on its stock share;
- (2) Require, convene, preside over or attend general meetings either in person or by proxy and exercise the corresponding voting rights in accordance with the laws;
- (3) Supervise, present suggestions on or make inquiries about the business activities of the Company;
- (4) Transfer, give or pledge their shares in accordance with laws, administrative regulations, and the Articles of Association;
- (5) Obtain relevant information in line with the stipulations in the Articles of Association, including:
 1. Obtaining the Articles of Association after paying the cost;
 2. Having the right to consult and copy relevant information after paying reasonable expenses:
 - (1) All parts of the register of shareholders;
 - (2) Personal data of directors, supervisors, general manager and senior management members of the Company, including:
 - a. Present and previous names and aliases;
 - b. Main addresses (domiciles);
 - c. Nationality;
 - d. Full-time and all part-time occupations and positions;
 - e. Identity documents and its number.
 - (3) Equity of the Company;
 - (4) Annual reports;

- (5) The total face value, amount, maximum price and minimum price of each category of stock repurchased by the Company since the previous financial year, as well as the report on the Company's payment of all such expenses;
 - (6) Stubs of corporate bonds, resolutions of Board meetings, minutes of general meetings, resolutions of Supervisory Committee meetings, and financial reports.
- (6) Upon termination or liquidation of the Company, participate in distribution of the Company's remaining assets depending on its stock share;
 - (7) In relation to shareholders who object to resolutions of the general meeting concerning merger or division of the Company, require the Company to buy their shares;
 - (8) Other circumstances stipulated by laws, administrative regulations and the Articles of Association.

The Company shall not exercise any power to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person on the ground that the said person has not disclosed his equity to the Company.

Former Article 54 Shareholders demanding inspection of the relevant information or copies of the materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request.

To be amended as:

Article 58 Shareholders demanding inspection of the relevant information or copies of the materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request, and shall provide copies of the aforesaid information upon the collection of reasonable expenses.

Former Article 55 If any resolution of the general meeting or the board of directors of the Company runs against the laws and administrative regulations, infringing the legal interests of the shareholders, the shareholders shall have the right to resolve according to the provisions as stated in Article 232 of these Articles of Association.

To be amended as:

Article 59 If any resolution of the general meeting or the board of directors of the Company runs against the laws and administrative regulations, infringing the legal interests of the shareholders, the shareholders shall have the right to request the court to invalidate the said resolution.

If the meeting convening procedure and voting method of the general meeting or Board meeting run against the laws and administrative regulations or these Articles of Association or if the content of any resolution runs against these Articles of Association, the shareholders shall have the right to request the court to cancel the said procedure, method or resolution within 60 days after adoption of the resolution.

Former Article 56 The ordinary shareholders of the Company shall assume the following obligations:

- (1) To abide by the Articles of Association and the resolutions of shareholders' meeting, safeguard the Company's reputation, support the development of company's business;
- (2) To pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) To assume liabilities for the Company's debt as limited by the shares held and shall not divest the shares unless as provided by the laws and regulations;
- (4) As to the corporate shareholders holding shares in the Company (other than the shareholder is a clearing house or its nominee (referred to as the "Recognised Clearing House") recognised by the laws of Hong Kong), it shall promptly inform the shareholding registration department of the Company in the event there is any material change in its authorised representative, name of the Company, office premise, scope of business and other matters regarded as substantial, and file with the board of the directors of the Company. With respect to the Recognised Clearing House, it shall promptly inform the shareholding registration department of the Company in the event there is any change in its authorised signature, name of company or address;
- (5) Other obligations imposed by laws, administrative regulations and the Articles of Association.

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

To be amended as:

Article 62 The ordinary shareholders of the Company shall assume the following obligations:

- (1) To abide by the laws, administrative regulations, the Articles of Association and the resolutions of shareholders' meeting, safeguard the Company's reputation, support the development of company's business;
- (2) To pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) To assume liabilities for the Company's debt as limited by the shares held and shall not divest the shares unless as provided by the laws and regulations;

- (4) As to the corporate shareholders holding shares in the Company (other than the shareholder is a clearing house or its nominee (referred to as the "Recognised Clearing House") recognised by the laws of Hong Kong), it shall promptly inform the shareholding registration department of the Company in the event there is any material change in its authorised representative, name of the company, office premise, scope of business and other matters regarded as substantial, and file with the board of the directors of the Company. With respect to the Recognised Clearing House, it shall promptly inform the shareholding registration department of the Company in the event there is any change in its authorised signature, name of company or address;
- (5) Not to abuse their shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company.

Shareholders of the Company who abuse their shareholder's rights and thereby cause loss on the Company or other shareholders shall be liable for indemnity according to the law.

Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

- (6) Other obligations imposed by laws, administrative regulations and the Articles of Association.

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

Former Article 58 In addition to obligations imposed by law, administrative regulations or the listing rules of the securities exchange(s) on which the shares of Company are listed, controlling shareholders (as defined in the following Article) may not, in the exercise of their shareholders' powers, make decisions prejudicial to the interests of all or part of the shareholders as a result of the exercise of their voting rights on the issues set forth below:

- (1) to relieve a Director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a Director or supervisor (for his own benefit or for the benefit of another person), in any guise, of the Company's assets, including (without limitation) opportunities beneficial to the Company;
- (3) to approve the expropriation by a Director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (without limitation) rights to distributions and voting rights save for a company restructuring submitted to the general meeting of shareholders for approval in accordance with the Articles of Association.

To be amended as:

Article 64 The controlling shareholder and the de facto controller of the Company shall not use their connected relationship to act in detriment to the interests of the Company. If they have violated the provision and caused damage to the Company, they shall be liable for such damages.

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

In addition to obligations imposed by law, administrative regulations or the listing rules of the securities exchange(s) on which the shares of Company are listed, controlling shareholders (as defined in the following Article) may not, in the exercise of their shareholders' powers, make decisions prejudicial to the interests of all or part of the shareholders as a result of the exercise of their voting rights on the issues set forth below:

- (1) to relieve a Director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a Director or supervisor (for his own benefit or for the benefit of another person), in any guise, of the Company's assets, including (without limitation) opportunities beneficial to the Company;
- (3) to approve the expropriation by a Director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (without limitation) rights to distributions and voting rights save for a company restructuring submitted to the general meeting of shareholders for approval in accordance with the Articles of Association.

Former Article 59 The term "controlling shareholder" referred to in the preceding article means a person who satisfies any one of the following conditions:

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

The "concerted action" referred to herein shall mean an action in which two or more than two persons reach an agreement (whether oral or written) whereby they obtain voting rights in the Company enabling one of them to achieve or consolidate the goal of controlling the Company.

To be revised as **Article 262** under Chapter 23 Annex and to be amended as:

Article 262 Unless specifically stated otherwise, “controlling shareholder” shall refer to the shareholder holding shares amounting to more than 50% of the total share capital of the Company; or any other shareholder enjoying resolution voting rights sufficient to exert a major impact on resolutions of the general meeting of shareholders, even if the proportion of the shares he holds is less than 50% of the total.

The “de facto controller” stated herein means anyone who can actually control the actions of the Company through investment relationships, agreements or any other arrangements even though he is not a shareholder of the Company.

The “association” stated herein shall refer to the relationship of the Company’s controlling shareholder, actual controller, directors, supervisors, senior management members with any enterprise under their direct or indirect control and any other relationship liable to lead to the transfer of the Company’s interest. However, the association between enterprises with shares that are controlled by the state shall not be solely based on the fact that their shares are in each case controlled by the state.

Former Article 61 The shareholders’ meeting performs the following functions:

- (1) Deciding on the business guidelines and investment plans of the Company;
- (2) Electing and changing directors, and deciding on the remuneration of directors;
- (3) Electing and changing supervisors elected from shareholders’ representatives, and deciding on the remuneration of the said supervisors;
- (4) Considering and approving the reports of the Board of Directors;
- (5) Considering and approving the reports of the Supervisory Committee;
- (6) Examining and approving the Company’s annual financial budget scheme and final calculation scheme;
- (7) Examining and approving the Company’s profit distribution schemes and loss compensation schemes;
- (8) Resolving on increases/decreases of the registered capital of the Company;
- (9) Resolving on the merger, division, dissolution or liquidation of the Company;
- (10) Resolving on plans for issue of the Company’s bonds;
- (11) Resolving on the appointment, termination or dismissal of the Company’s accounting firm;
- (12) Amending the Articles of Association;

- (13) Considering proposals from shareholders representing 5% (inclusive) of the voting shares of the Company;
- (14) Considering other matters which, in accordance with the laws, administrative regulations or the Articles of Association, must be approved by a general meeting.

To be amended as:

Article 66 The shareholders' meeting performs the following functions:

- (1) Deciding on the business guidelines and investment plans of the Company;
- (2) Electing and changing directors other than employees' representatives, and deciding on the remuneration of the said directors;
- (3) Electing and changing supervisors elected from shareholders' representatives, and deciding on the remuneration of the said supervisors;
- (4) Considering and approving the reports of the Board of Directors;
- (5) Considering and approving the reports of the Supervisory Committee;
- (6) Examining and approving the Company's annual financial budget scheme and final calculation scheme;
- (7) Examining and approving the Company's profit distribution schemes and loss compensation schemes;
- (8) Resolving on increases/decreases of the registered capital of the Company;
- (9) Resolving on the merger, division, dissolution, liquidation or transformation of the Company;
- (10) Resolving on plans for issue of the Company's bonds or other securities;
- (11) Resolving on the appointment, termination or dismissal of the Company's accounting firm;
- (12) Amending the Articles of Association;
- (13) Considering and approving matters relating to the guarantees stipulated in Article 67 hereof;
- (14) Considering and approving the acquisition or disposal of major assets by the Company within one year, the value of which exceeds 30% of the latest audited total assets of the Company;

- (15) Considering and approving matters related to changes in the use of proceeds from share offerings;
- (16) Considering and approving equity incentive schemes;
- (17) Considering proposals from shareholders representing 3% (inclusive) of the voting shares of the Company;
- (18) Considering other matters which, in accordance with the laws, administrative regulations, departmental rules, and listing rules at the location where the Company's shares are listed or with the Articles of Association, must be approved by a general meeting.

Addition(s):

Article 67 The following guarantees to be given by the Company shall be considered and approved by the shareholders' general meeting:

- (1) Provision of a single guarantee whose amount exceeds 10% of the latest audited net assets;
- (2) Any guarantee given by the Company after the total amount of external guarantees exceed 50% of its latest audited net assets;
- (3) Provision of a guarantee to anyone whose gearing ratio exceeds 70%;
- (4) The cumulative guarantee amount for 12 consecutive months accounting for more than 30% of the latest audited total assets of the Company;
- (5) The cumulative guarantee amount for 12 consecutive months accounting for more than 50% of the latest audited net assets of the Company and exceeding RMB50 million;
- (6) Provision of guarantees to shareholders, de facto controllers and their connected parties;
- (7) Other guarantees stipulated by the stock exchange on which the Company's shares are listed and by the Articles of Association.

"External guarantee" as mentioned in these Articles of Association shall refer to guarantees provided by the Company for others, including those provided by the Company for its holdings subsidiaries. "Total external guarantees of the Company and its holdings subsidiaries" shall refer to the sum of the Company's total external guarantees including the guarantees provided by the Company for its holdings subsidiaries plus the total external guarantees provided by the holdings subsidiaries of the Company.

Apart from providing guarantee for its subsidiaries, the Company shall not provide guarantee for other parties.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 69 The rules of procedures for shareholders' general meetings shall be formulated by the Company, which shall stipulate the procedures for convening the shareholders' general meeting and voting procedures, including notice, registration, consideration and approval of proposals, voting, vote counting, announcement of voting results, passing of resolutions, minutes of the meeting and the signing thereof, announcement, and the principle for the shareholders' general meeting granting authority to the Board. The rules of procedures of shareholders' general meetings shall constitute an appendix to these Articles of Association, which shall be proposed by the Board and approved by the shareholders' general meeting.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 71 The place for holding the general meeting of the Company shall be the domicile of the Company or such other location as informed by the convener of the general meeting.

A general meeting shall have a venue where it shall be held. The Company shall also provide internet or other forms of access to facilitate the participation by shareholders in a general meeting. Shareholders participating in a general meeting by any of the aforesaid means shall be deemed to be present at the meeting.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 72 In convening a general meeting, the Company shall engage a lawyer to provide legal opinions and publish an announcement on the following issues:

- (1) Whether the convening and procedures of the meeting comply with laws, regulations, and these Articles of Association;
- (2) Whether the attendees and convener of the meeting are eligible;
- (3) Whether the voting procedures and results of the meeting are valid;
- (4) Legal opinions on other matters upon request by the Company.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 73 Independent Directors shall have the right to make a proposal to the board of Directors for the holding of an extraordinary general meeting. In respect of such proposal by the Independent Directors, the board of Directors shall, in accordance with laws, regulations and these Articles of Association, make a written response within 10 days after receipt of such proposal as to whether or not it agrees that an extraordinary general meeting should be held.

If the board of Directors agrees that an extraordinary general meeting should be held, a notice of such meeting shall be issued within five (5) days after the passing of a relevant resolution of the board of Directors. If the board of Directors does not agree that an extraordinary general meeting should be held, it shall give an explanation of the reasons therefor and issue an announcement accordingly.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 74 The supervisory committee shall have the right to make a proposal to the board of Directors for the holding of an extraordinary general meeting, which proposal shall be in writing. The board of Directors shall, in accordance with laws, regulations and these Articles of Association, make a written response within 10 days after receipt of such proposal as to whether or not it agrees that an extraordinary general meeting should be held.

If the board of Directors agrees that an extraordinary general meeting should be held, a notice of such meeting shall be issued within five (5) days after the passing of a relevant resolution by the board of Directors. Changes made to the original proposal set out in the notice shall be subject to the approval of the supervisory committee.

If the board of Directors does not agree that an extraordinary general meeting shall be held, or gives no response within ten (10) days after receipt of such proposal, the board of Directors shall be deemed to be unable or to have failed to perform its duty to convene the general meeting, and the supervisory committee may convene and preside over such meeting by itself.

The subsequent Articles will be renumbered accordingly.

Former Article 91 The supervisory committee or shareholders requisitioning extraordinary general meetings of shareholders or class meetings shall abide by the following procedures:

- (1) The supervisory committee or two or more shareholders jointly holding 10% or more of the shares carrying the rights to vote at the meeting sought to be held shall sign one or more counterpart requisitions stating the object of the meeting and requiring the board of directors to convene a shareholders' extraordinary general meeting or a class meeting. The board of directors shall as soon as possible proceed to convene the extraordinary general meeting of shareholders or a class meeting after receipt of the requisition. The amount of shareholdings referred to above shall be calculated according to the shareholders' shareholdings at the date of the deposit of the requisition.

- (2) If the board of directors fails to issue a notice of such a meeting within thirty (30) days from the date of the receipt of the requisition, the supervisory committee or shareholders who tendered the requisition may themselves convene such meeting in a manner as similar as possible to that in which meetings are to be convened by the board of directors within four (4) months from the date of receipt of the requisition by the board of directors.

All reasonable expenses incurred by the supervisory committee or the shareholders who tendered the requisition in convening and holding the meeting as a result of the failure of the board of directors to duly convene the meeting shall be borne by the Company, and shall be set off against any sums owed to the directors in default by the Company.

To be revised as **Article 75** and **Article 76** and to be amended as:

Article 75 The shareholders requisitioning extraordinary general meetings of shareholders or class meetings shall abide by the following procedures:

- (1) Shareholders individual or jointly holding 10% or more of the shares carrying the rights to vote at the meeting sought to be held shall sign one or more counterpart requisitions stating the object of the meeting and requiring the board of directors to convene a shareholders' extraordinary general meeting or a class meeting. The board of directors shall, in accordance with laws, regulations and these Articles of Association, provide a written response within 10 days after receipt of such requisition stating whether it agrees or objects to the convening of the shareholders' extraordinary general meeting or the class meeting. The amount of shareholdings referred to above shall be calculated according to the shareholders' shareholdings at the date of the deposit of the requisition.

If the board of Directors agrees that an extraordinary general meeting or a class meeting should be held, a notice of such meeting shall be issued within five (5) days after the passing of a relevant resolution by the board of Directors. Changes made to the original proposal set out in the notice shall be subject to the approval of the said shareholders.

- (2) If the board of Directors does not agree that an extraordinary general meeting or a class meeting shall be held, or gives no response within ten (10) days after receipt of such proposal, shareholders individually or jointly holding 10% or more of the shares carrying the rights to vote at the meeting sought to be held may propose to the supervisory committee to convene a shareholders' extraordinary general meeting or a class meeting, and make such requisitions in writing to the supervisory committee.

If the supervisory committee agrees that an extraordinary general meeting or a class meeting should be held, a notice of such meeting shall be issued within five (5) days after receipt of the requisition. Changes made to the original proposal set out in the notice shall be subject to the approval of the said shareholder(s).

If the supervisory committee does not issue a meeting notice within the said deadline, the supervisory committee shall be deemed not convening and presiding the general meeting, and the shareholders individually or jointly holding more than 10% of the shares in the Company for more than ninety (90) days consecutively may convene and preside over such meeting by itself.

All reasonable expenses incurred by the shareholders who tendered the requisition in convening and holding the meeting as a result of the failure to duly convene the meeting upon the aforesaid requisitions shall be borne by the Company, and shall be set off against any sums owed to the directors in default by the Company.

Article 76 When the supervisory committee or shareholders decide to convene a general meeting by themselves, they shall notify the board of Directors in writing, and submit a filing with the local office of the CSRC in the locality of the Company and the relevant stock exchange(s).

Prior to the announcement of the resolutions of the general meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

When the notice of the general meeting is issued and the resolutions of such meeting are announced, the convening shareholders shall submit relevant supporting documents to the local office of CSRC in the locality of the Company and the relevant stock exchange(s).

Former Article 92 to be revised as **Article 77** whilst the text remains unchanged. The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 78 The board of Directors and the Secretary to the Board shall provide support in relation to general meetings convened by the supervisory committee or shareholders. The board of Directors shall provide the register of members as at the shareholding record date.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 79 Necessary expenses incurred in connection with general meetings convened by the supervisory committee or shareholders shall be borne by the Company.

The subsequent Articles will be renumbered accordingly.

Former Article 65 Shareholders individually or jointly holding 5% (inclusive) or more of the Company's shares carrying the rights to vote shall have the right to propose new resolutions to the Company for a general meeting of the Company in writing. The Company shall treat such resolutions as matters to be dealt with by the shareholders' general meeting and incorporate into the agenda of such meeting.

To be amended as:

Article 81 The board of Directors, the supervisory committee, and shareholders individually or jointly holding 3% (inclusive) or more of the Company's shares carrying the rights to vote shall have the right to propose new resolutions to the Company for a general meeting of the Company in writing. The Company shall treat such resolutions as matters to be dealt with by the shareholders' general meeting and incorporate into the agenda of such meeting.

Shareholders individually or jointly holding 3% or more of the Company's shares may submit proposed resolutions to the convener of a general meeting in writing ten (10) days prior to the meeting. The convener shall issue a supplementary notice of the general meeting and announce the contents of such proposed resolutions within two (2) days after receipt thereof.

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

No voting shall be conducted and no resolution shall be passed at a general meeting on the basis of any proposed resolution that is not set out in the notice of the general meeting or that does not meet the requirements of Article 82 of these Rules.

Former Article 67, Article 68, Article 69 to be merged into **Article 83**.

The subsequent Articles will be renumbered accordingly.

Former Article 71 A notice of a general meeting shall meet the following requirements:

- (1) it shall be in written form;
- (2) it shall specify the place, date and time of the meeting;
- (3) it shall state the shareholding record date in relation to eligibility of shareholders for participation in the general meeting;
- (4) it shall state the names and telephone numbers of the contact persons in connection with the meeting;
- (5) it shall state the matters to be discussed at the meeting;
- (6) it shall provide shareholders with such information and explanation as are necessary for them to make sensible decisions in connection with the matters to be discussed. This principle shall apply (but the application shall not be limited to), where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization. In such circumstances, the specific terms and contracts (if any) of the proposed transaction are to be provided and the reasons for and effects of the same are to be properly explained;

- (7) if any director, supervisor, general manager, deputy general manager and other senior management members have material interests in the matters to be discussed, the nature and extent of such material interests shall be disclosed, and if the effect of the matters to be discussed on such director, supervisor, general manager, deputy general manager and other senior management members in their capacity as shareholders is different from the effect thereof on other shareholders of the same class, the differences shall be stated;
- (8) it shall fully and completely disclose the full text of all the proposed special resolutions;
- (9) it shall contain a clear statement that a shareholder who has the right to attend and vote at the meeting shall have the right to appoint one or more proxies to attend and vote at the meeting on his behalf and that such proxies need not be shareholders;
- (10) it shall state the date and place for delivery of the proxy forms for the meeting.

To be amended as:

Article 85 A notice of a general meeting shall meet the following requirements:

- (1) it shall be in written form;
- (2) it shall specify the place, date and time of the meeting;
- (3) it shall state the shareholding record date in relation to eligibility of shareholders for participation in the general meeting;
- (4) it shall state the names and telephone numbers of the contact persons in connection with the meeting;
- (5) it shall state the matters to be discussed at the meeting;
- (6) it shall provide shareholders with such information and explanation as are necessary for them to make sensible decisions in connection with the matters to be discussed. This principle shall apply (but the application shall not be limited to), where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization. In such circumstances, the specific terms and contracts (if any) of the proposed transaction are to be provided and the reasons for and effects of the same are to be properly explained;

- (7) if any director, supervisor, general manager, deputy general manager and other senior management members have material interests in the matters to be discussed, the nature and extent of such material interests shall be disclosed, and if the effect of the matters to be discussed on such director, supervisor, general manager, deputy general manager and other senior management members in their capacity as shareholders is different from the effect thereof on other shareholders of the same class, the differences shall be stated;
- (8) it shall fully and completely disclose the full text of all the proposed special resolutions;
- (9) it shall contain a clear statement that a shareholder who has the right to attend and vote at the meeting shall have the right to appoint one or more proxies to attend and vote at the meeting on his behalf and that such proxies need not be shareholders;
- (10) it shall state the date and place for delivery of the proxy forms for the meeting.

Where internet or other access to a general meeting is available, the time and procedures of voting via the internet or by other means shall be clearly stated in the notice of the general meeting. Voting via the internet or by other means for the purposes of the general meeting shall not commence at a point of time which is earlier than 3:00 p.m. on the day before the date of the general meeting or later than 9:30 a.m. on the date of the general meeting, and shall end at a point of time which is not earlier than 3:00 p.m. on the day on which the general meeting ends.

Addition(s):

Article 86 If the election of directors or supervisors is proposed to be discussed at a general meeting, the notice of meeting shall adequately disclose the detailed information on the director or supervisor candidates, which information shall at least include:

- (1) Personal particulars, including academic qualifications, work experience, and concurrent positions;
- (2) Whether one has any connection with the Company, its controlling shareholders and de facto controllers;
- (3) The amount of shares of the Company one holds;
- (4) Whether one has been punished by the CSRC or any other relevant department or reprimanded by the stock exchange.

Unless a director or supervisor is elected via the cumulative voting system, each candidate for director or supervisor shall be proposed via a separate proposal.

The subsequent Articles will be renumbered accordingly.

Deletion(s): **Former Article 73**

Former Article 74 Upon the delivery of the notice of a shareholders' general meeting, the board of directors shall not change the time set for the meeting to be held, unless a Force Majeure event or other accidents occurred. If the time of the shareholders' general meeting is actually necessary to be changed due to a Force Majeure event, the shareholding registration date shall not be changed therefore.

To be amended as:

Article 88 Upon the delivery of the notice of a shareholders' general meeting, the board of directors shall not delay or cancel the meeting to be held, unless there is a proper reason; motions stated in the notice of general meetings shall not be cancelled. Where the shareholders' general meeting is to be delayed or cancelled, the convener shall announce reasons therefor not less than 2 working days prior to the original date of the meeting. Where the listing rules at the location where the Company's shares are listed have other requirements for the aforesaid matters, such requirements shall apply.

Addition(s):

Article 90 The board of Directors of the Company or any other convener shall take necessary measures to ensure the proper order of a general meeting. The board of Directors shall take measures to stop and promptly report to relevant departments for investigation any acts of interfering with a general meeting, or acts of a provocative nature or causing troubles or infringing upon the lawful rights and interests of shareholders.

The subsequent Articles will be renumbered accordingly.

Former Article 76 Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy(ies) so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

- (1) the right which the shareholder has to speak at the meeting;
- (2) the right to demand a poll alone or jointly with others;
- (3) the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.

To be amended as:

Article 91 All shareholders whose names appear on the register of members on the relevant shareholding record dates shall be entitled to attend general meetings and exercise their voting rights thereat in accordance with relevant laws, regulations and the Articles of Association.

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy(ies) so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

- (1) the right which the shareholder has to speak at the meeting;
- (2) the right to demand a poll alone or jointly with others;
- (3) the right to exercise voting rights pursuant to the laws, regulations and the Articles of Association.

Addition(s):

Article 92 Individual shareholders attending a general meeting in person shall produce their identity cards or other valid proof or evidence of their identities as well as stock account cards and, in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

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

The subsequent Articles will be renumbered accordingly.

Former Article 77 The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person, such instrument shall be under its seal or under the hand of its director or executive duly authorized or attorney duly authorized. The instrument appointing a proxy shall contain the following information:

- (1) Name of the proxy;
- (2) Whether the proxy has voting power;

- (3) Whether the proxy has voting power in respect of extemporaneous proposal which may be included in the agenda of the general meeting. If the proxy has voting power, specific instruction as to what kind of voting power shall be exercised;
- (4) Validity period and issuance date of the power of attorney;
- (5) Signature or seal of the principal. Where the appointing shareholder is a legal person, such instrument shall be under its seal or under the hand of its director or executive duly authorized or attorney duly authorized.

To be amended as:

Article 93 The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person, such instrument shall be under its seal or under the hand of its director or executive duly authorized or attorney duly authorized.

The power of attorney issued by a shareholder authorizing another person to attend the shareholder meeting shall contain the following information:

- (1) Name of the proxy;
- (2) Whether the proxy has voting power;
- (3) Instructions on affirmative vote, dissenting vote or voting abstention on each issue on the agenda of the general meeting;
- (4) Whether the proxy has voting power in respect of extemporaneous proposal which may be included in the agenda of the general meeting. If the proxy has voting power, specific instruction as to what kind of voting power shall be exercised;
- (5) Validity period and issuance date of the power of attorney;
- (6) Signature or seal of the principal. Where the appointing shareholder is a legal person, such instrument shall be under its seal or under the hand of its director or executive duly authorized or attorney duly authorized;
- (7) the number of shares held by the principal represented by the authorized proxy;
- (8) If several persons are appointed as the shareholder's proxies, the power of attorney shall specify the number of shares to be represented by each proxy.

Former Article 78 Proxy forms appointing proxies with the authority to vote shall be deposited at the address of the Company or such other place as may be specified in the notice of the relevant meeting at least 24 hours before the relevant meeting at which such proxies are authorized to vote under such proxy forms, or 24 hours before the designated time for the relevant voting. Where a proxy form is signed by a person under a power of attorney on behalf of the appointer, such power of attorney or other authorization document shall be notarized. A notarized copy of that power of attorney or other authorization document, together with the proxy form appointing a proxy with the authority to vote, shall be deposited at the address of the Company or such other place as may be specified in the notice of the relevant meeting.

Where the appointer is a legal person, its legal representative or the person authorized by its board of directors or other decision-making body shall be entitled to attend the Company's shareholders' meeting as the representative of such legal person. If the legal representative attends the meeting, he shall show his own ID card and effective identification that can prove their capacity as the legal representative (except in case of such appointer being a recognized clearing house under Hong Kong law or its nominees (the "Recognized Clearing House"); if the agent attends the meeting, he shall show his own ID card, and (if appointer is a legal person but not being a Recognized Clearing House) written power of attorney signed by the board of directors, other decision-making bodies or persons duly authorised by them in accordance with the laws.

If the shareholder is a Recognized Clearing House, the said shareholder may authorize one or more persons as he deems appropriate to act on his behalf at any general meeting or class general meeting; however, where several persons are thus authorized, the power of attorney shall specify the numbers and classes of shares involved by the said persons. The persons thus authorized may exercise rights on behalf of the Recognized Clearing House as if the said persons were the personal shareholders of the Company.

To be amended as:

Article 94 Proxy forms appointing proxies with the authority to vote shall be deposited at the address of the Company or such other place as may be specified in the notice of the relevant meeting at least 24 hours before the relevant meeting at which such proxies are authorized to vote under such proxy forms, or 24 hours before the designated time for the relevant voting. Where a proxy form is signed by a person under a power of attorney on behalf of the appointer, such power of attorney or other authorization document shall be notarized. A notarized copy of that power of attorney or other authorization document, together with the proxy form appointing a proxy with the authority to vote, shall be deposited at the address of the Company or such other place as may be specified in the notice of the relevant meeting.

Where the appointer is a legal person, its legal representative or any other person as authorized by its board of Directors or other decision-making authority shall attend the general meetings of the Company on its behalf.

If the shareholder is a clearing house recognized by the laws of Hong Kong, the said shareholder may authorize one or more persons as he deems appropriate to act on his behalf at any general meeting or class general meeting; however, where several persons are thus authorized, the power of attorney shall specify the numbers and classes of shares involved by the said persons. The persons thus authorized may exercise rights on behalf of the recognized clearing house as if the said persons were the personal shareholders of the Company.

Former Article 80 The register for signing by attendees shall be prepared by the Company. The register shall record information such as the name of the shareholder, residential address, number or shares held or representing voting right, the name of the proxy and the name of the shareholders being represented by proxy.

To be revised as **Article 97**, and to be amended as follows:

Article 97 The register for signing by attendees shall be prepared by the Company. The register shall record information such as the name of the shareholder, the identity card numbers, residential address, number or shares held or representing voting right, the name of the proxy and the name of the shareholders being represented by proxy.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 98 The convener and the lawyer appointed by the Company shall jointly verify the legality of the shareholders' capacity based on the shareholders' register provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for a meeting shall be completed before the person presiding announces the number of shareholders and proxies attending the meeting and the total amount of their voting shares.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 99 All Directors, supervisors and the Secretary to the Board shall attend general meetings. Other than those with proper excuses, other senior management members shall also be present at the meeting.

The subsequent Articles will be renumbered accordingly.

Former Article 94 The General Meeting shall be convened by the board of directors (if necessary, authorising the chairman of the board to do so) and presided by chairman of the Board; where the chairman of the Board is unable to attend the meeting, it shall be convened and presided by the vice chairman of the Board; where both chairman and vice chairman of the Board are unable to attend the meeting, chairman of the Board may appoint a director to convene and preside the meeting; where the chairman of the meeting is not so appointed, the shareholders who attend the meeting may elect one person to preside as chairman of the meeting; where the shareholders fail to elect chairman of the meeting for any reason, the shareholder (including the proxy) attending the meeting holding the largest number of shares carrying voting rights shall preside as chairman of the meeting.

Extraordinary general meeting may be conducted by voting via communications.

To be revised as **Article 100**, and to be amended as follows:

Article 100 The chairman of the Board shall preside over the general meeting. When the chairman is unable or fails to perform its duty, the vice-chairman shall act on his behalf. If the vice-chairman is unable or fails to preside over the meeting, the meeting shall be presided over by a director elected by over half of the directors.

For a general meeting convened by the supervisory committee, such meeting shall be presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable to perform or fails to perform his duties, the meeting shall be presided over by a supervisor elected by over half of the supervisors.

For a general meeting convened by the shareholders themselves, such meeting shall be presided over by a representative elected by the convening shareholders. Where the shareholders fail to elect chairman of the meeting for any reason, the shareholder (including the proxy) attending the meeting holding the largest number of shares carrying voting rights shall preside as chairman of the meeting.

During the course of a general meeting, if the Chairman of the meeting is in breach of the rules of procedures and renders it impossible for the meeting to continue, with the consent of the shareholders present at the meeting and representing more than one half of the total voting rights of all shareholders so present, the general meeting may elect a person to act as the Chairman of the meeting and the meeting shall continue. Where the shareholders fail to elect chairman of the meeting for any reason, the shareholder (including the proxy) attending the meeting holding the largest number of shares carrying voting rights shall preside as chairman of the meeting.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 101 During an annual general meeting, the board of Directors and the supervisory committee shall respectively give a report on their work in the previous year to the general meeting, and each Independent Director shall also report on his work.

The subsequent Articles will be renumbered accordingly.

Former Article 93 The board of directors and the supervisory committee shall make replies or explanation to the inquiries and suggestions of shareholders at the shareholders' general meeting, unless the same relate to business secrets of the Company that shall not be disclosed.

To be revised as **Article 102** and to be amended as:

Article 102 The board of directors, supervisors and the senior management members shall make replies or explanation to the inquiries and suggestions of shareholders at the shareholders' general meeting, unless the same relate to business secrets of the Company that shall not be disclosed.

Addition(s):

Article 103 The chairman of a general meeting shall, prior to voting, announce the number of shareholders and proxies present at the meeting as well as the total number of voting shares held or represented by them, which shall be as recorded in the register of attendance in respect of the meeting.

The subsequent Articles will be renumbered accordingly.

Former Article 83 Shareholders (including proxies) shall exercise their voting rights at a general meeting according to the number of voting shares they represent, with one vote for each share.

To be revised as **Article 104**, and to be amended as:

Article 104 Shareholders (including proxies) shall exercise their voting rights at a general meeting according to the number of voting shares they represent, with one vote for each share.

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

The board of Directors, Independent Directors and shareholders who meet the relevant requirements may collect votes from shareholders.

Pursuant to governing laws, regulations and listing rules at the location where the Company's shares are listed, if any shareholder must abstain from voting on any resolution or is restricted to declaring only an affirmative vote or only a dissenting vote on any resolution, then any vote declared by the said shareholder (or proxy thereof) in breach of the relevant provision or restriction shall not be counted in the total number of votes.

Former Article 84, Article 85, Article 86 to be merged and revised as **Article 105** and to be amended as:

Article 105 General meetings shall adopt voting by open ballot. In voting, shareholders (including proxies thereof) entitled to two or more votes need not cast all his votes in the same way (for or against).

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

The subsequent Articles will be renumbered accordingly.

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

- (1) increase or reduction of the share capital and issue of shares of any class, stock warrants or other similar securities;
- (2) repurchase the shares of the Company;
- (3) issuance of corporate bonds;
- (4) the division, merger, dissolution, and liquidation of the Company;
- (5) amendments to the Articles of Association;
- (6) other matters considered by the shareholders' general meeting, that if approved by way of an ordinary resolution, would have a substantial impact on the Company and should therefore require approval by a special resolution.

To be amended as:

Article 109 The following matters shall be resolved by a special resolution at a shareholders' general meeting:

- (1) increase or reduction of the share capital and issue of shares of any class, stock warrants or other similar securities;
- (2) repurchase the shares of the Company;
- (3) issuance of corporate bonds;
- (4) the division, merger, dissolution, and liquidation of the Company;
- (5) amendments to the Articles of Association;
- (6) purchase or disposal of material assets or provision of any guarantee made within a year, the amount of which exceeds 30% of the latest audited total assets of the Company;
- (7) share incentive scheme;
- (8) any other matters required by the laws, administrative regulations and the Articles of Association, and considered by the shareholders' general meeting, that if approved by way of an ordinary resolution, would have a substantial impact on the Company and should therefore require approval by a special resolution.

For connected transactions to be considered at the general meeting, connected shareholders shall abstain from voting on such connected transactions, in such case the number of shares represented by them carrying voting rights shall not be counted towards the total number of shares with valid voting rights. Announcements on the resolutions passed at the general meeting shall fully disclose the results of the voting of non-connected shareholders on the transactions.

Former Article 90 to be deleted, the content of clauses (1) and (2) to be revised as **Article 109** and **Article 104** accordingly.

The subsequent Articles will be renumbered accordingly.

Former Article 95 Nomination of candidates for directors and supervisors shall be as following:

- (1) The board of directors and the supervisory committee may respectively nominate the candidates for directors and supervisors to be elected from shareholders within the scope as provided in the Articles and according to the intended numbers to be elected;
- (2) the candidates for supervisors to be elected from the employees' representatives of the Company shall be nominated by the staff union of the Company;
- (3) The nomination committee shall preliminarily examine the qualification and conditions of the candidate directors and the candidate supervisors. The qualified candidates shall be submitted to the board of directors and the supervisory committee for examination. After the board of directors and the supervisory committee have approved the candidates by resolution, a written proposal of the candidate directors and the candidate supervisors shall be submitted to the shareholders' general meeting. The board of directors and the supervisory committee shall provide to the shareholders the resume and brief conditions of the candidate directors and the candidate supervisors;
- (4) The shareholders' general meeting shall vote on the candidates one by one;
- (5) In case of any need to add or change any director or supervisor, the board of director or the supervisory committee is responsible to propose to the shareholders' general meeting for the selection or change of a director or supervisor.

To be amended as:

Article 110 The manner in which Directors and supervisors shall be nominated and the procedure for such nomination are as follows:

- (1) shareholders individually or jointly holding more than 3% of the Company's total issued shares with voting rights may nominate non-staff representatives as candidates for election as Directors or supervisors by way of a proposed resolution to the general meeting in writing, but the number of persons nominated shall comply with the Articles of Association and shall not be greater than the number of Directors or supervisors proposed to be elected. Such proposed resolution shall be delivered to the Company at least 14 days before the date of the relevant general meeting.
- (2) Subject to the number of persons specified in the Articles of Association, and in accordance with the number of Directors or supervisors proposed to be elected, the board of Directors or the supervisory committee may propose and submit a list of candidates for election as Directors or supervisors who are non-staff representatives to the board of Directors or the supervisory committee for examination.
- (3) the candidates for supervisors to be elected from the employees' representatives of the Company shall be elected from a general meeting of the employees' representatives, general meeting of the staff union of the Company or other form of democratic election and directly be appointed to the supervisory committee.
- (4) The Company shall form another system for the nomination of independent directors.
- (5) The nomination committee shall preliminarily examine the qualification and conditions of the candidate directors and the candidate supervisors. The qualified candidates shall be submitted to the board of directors and the supervisory committee for examination. After the board of directors and the supervisory committee have approved the candidates by resolution, a written proposal of the candidate directors and the candidate supervisors shall be submitted to the shareholders' general meeting. The board of directors and the supervisory committee shall provide to the shareholders the resume and brief conditions of the candidate directors and the candidate supervisors;
- (6) The written notification allowing the nomination of candidates for directors and supervisors and the notification indicating the candidates' willingness to accept such nominations are to be received at the Company at least seven (7) days in advance. The schedule aforementioned shall commence on the date on which the call for a shareholders' meeting is sent at earliest, and shall end no less than seven (7) days prior to the date for which such meeting is scheduled.

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- (7) Unless a cumulative voting system is adopted, the meeting shall vote on candidates for directors and supervisors on an individual basis.

- (8) Any increase of directors or supervisors on a temporary basis shall be proposed by the board of directors or the board of supervisors to the meeting for election or replacement.

For voting at a general meeting in relation to the election of Directors and supervisors, the cumulative voting system may be adopted in accordance with the provisions of the Articles of Association or a resolution of the general meeting.

The cumulative voting system referred to in the preceding paragraph means a system used in the election of Directors or supervisors at a general meeting where the holder of each share shall have such number of votes as is equivalent to the number of Directors or supervisors to be elected, which votes may be cast for a single candidate. The board of Directors shall make an announcement to shareholders concerning the biographies and background of the candidates for election as Directors and supervisors.

Addition(s):

Article 111 Except for the cumulative voting system, the meeting shall vote on all proposals on an individual basis. Voting shall be on a “first in, first out” basis in the event that proposals are submitted on the same items. Unless the meeting is suspended or prevented from making a resolution owing to force majeure or other special circumstances, the meeting shall not put the voting aside or refuse to vote on a proposal.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 112 When considering a proposed resolution at a general meeting, no change shall be made thereto. Otherwise, any change made thereto shall be treated as a new proposed resolution which shall not be voted upon at such general meeting.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 113 Each voting right shall be exercised either at the meeting, online, or by any of other available means. The first vote shall prevail in cases when a given voting right is exercised repeatedly.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 114 Before the relevant proposed resolution is voted on at the general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is interested in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

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

Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results in the way in which they have cast their votes.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 115 The ending time of a general meeting shall not be earlier than that of online or other access to the meeting. The chairman of the meeting shall announce the status and results of voting in respect of each proposed resolution, and whether or not such proposed resolution has been passed according to such voting results.

Prior to the formal announcement of voting results, the relevant parties from the Company, the persons responsible for counting votes and scrutinizing the conduct of the relevant poll, the major shareholders, the person in charge of the relevant internet service provider involved in relation to voting at the general meeting, online or by other means, shall be obliged to keep the status of voting confidential.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 116 Shareholders attending a general meeting shall vote for, against or abstain from voting in respect of resolutions tabled at the meeting.

Where ballot papers have not been completed or have been incorrectly completed or are illegible or have not been cast, the relevant shareholders shall be deemed to have abstained from voting, in respect of the number of shares they hold.

The subsequent Articles will be renumbered accordingly.

Former Article 99 The Shareholders' meeting shall keep minutes, such minutes shall be signed by the directors and the recorder who attend meeting, and is kept as Company's file by the secretary of the board of directors. The minutes shall be kept for five years.

The minutes of general meeting shall include the following matters:

- (1) The number of shares carrying voting rights present at the meeting and the percentage of such shares accounting for of the total shares of the Company;
- (2) The date and place of the meeting;
- (3) The name of the chairman of the meeting and the agenda for the meeting;
- (4) The key points of each of the speakers in relation to every matter examined;
- (5) The voting result of each matter which has been considered;
- (6) The inquiry opinions and suggestions of shareholders, the replies or explanations of the board of directors and the board of supervisors;
- (7) Other matters which the shareholders' general meeting deems necessary and the Company's Articles of Association prescribes to be included in the minutes of meetings.

To be amended as:

Article 120 The Shareholders' meeting shall keep minutes, such minutes shall be signed by the directors and the recorder who attend meeting, and is kept as Company's file by the secretary of the board of directors at the office premise.

The minutes of general meeting shall include the following matters:

- (1) the time, place and agenda of the meeting, and the name of the convener;
- (2) the name of the chairman of the meeting, and the directors, supervisors and other senior officers of the Company attending or present at the meeting;
- (3) the number of shareholders (including shareholders of domestic shares and overseas listed foreign shares) and proxies attending the meeting, the total number of voting shares they represent and the proportion of their shares to the total number of shares of the Company;
- (4) the process of discussion in respect of each proposal, highlights of the discussion and the results of the poll;

- (5) details of the inquiries or recommendations of the shareholders, and the corresponding response or explanations;
- (6) the name of the lawyer, vote taker and scrutineer;
- (7) other matters which, according to these Articles of Association, shall be recorded in the minutes of the meeting.

Deletion(s): **Former Article 100**

Addition(s):

Article 121 The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. The Directors and supervisors attending the meeting, the Secretary to the Board, the convener or his representative, and the chairman of the meeting shall sign the minutes of the meeting. The minutes of the meeting and the signed attendance record of the shareholders who attended in person, the proxy forms and the valid information relating to voting online and by other means shall be kept together for a term of not less than ten (10) years.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 122 The convener shall ensure that a general meeting is held continuously until final resolutions have been reached. In the event that the general meeting is suspended or the shareholders fail to reach any resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly and an announcement of such termination shall be made promptly. At the same time, the convener shall report to the agency of the CSRC in the locality of the Company and the stock exchange.

If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions on termination or postponement, such provisions shall be complied with.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 125 Resolutions of a general meeting shall be announced timely in accordance with the Listing Rules of the Stock Exchange(s) where the shares of the Company are listed, and the announcement shall contain the number of shareholders and proxies present, the total number of shares carrying voting rights and the percentage of their voting rights to the total of voting shares of the Company, means of voting, the voting result for each proposal and the details of each of the resolutions. The attendance and voting results of the holders of domestic shares and overseas-listed shares shall be respectively counted and published in the announcement.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 126 If a proposal of the meeting is not passed, or if a resolution of the previous general meeting is changed by the present general meeting, special notes in connection therewith should be made in the announcement of the resolutions of the general meeting.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 127 The terms of office of newly appointed directors or supervisors shall commence upon the passing of the election proposal at the meeting.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 128 Where the proposals on cash dividends, bonus shares or stock dividends from capital reserves have been passed by the general meeting, the Company shall implement the specific plans within two (2) months from the conclusion of the general meeting.

The subsequent Articles will be renumbered accordingly.

Former Article 104 The quorum required for a class meeting must be holders of the said class holding at least one third of the issued shares.

Any variation or abrogation of the rights of any class of shareholders proposed by the Company may only come into effect upon the adoption of a special resolution at a general meeting and approval by the affected shareholders of that class at a separate meeting held in accordance with Articles 106 to 110.

To be amended as:

Article 130 Any variation or abrogation of the rights of any class of shareholders proposed by the Company may only come into effect upon the adoption of a special resolution at a general meeting and approval by the affected shareholders of that class at a separate meeting held in accordance with Articles 132 to 136.

No approval by an extraordinary general meeting or a class meeting is required for variation or abrogation of rights resulting from any change in domestic and foreign laws and regulations and listing rules on the stock exchange where the Company's shares are listed, or those resulting from decisions made by domestic and foreign regulatory organs.

Former Article 111 The Company shall establish a Board comprising 11 Directors. The Board has one Chairman, one vice Chairman and four independent directors.

The Board is independent of controlling organizations (referring to companies, enterprises and institutions with legal person identity who hold any interests in the Company and having the same meaning hereinafter).

More than half of the members of the Board should be external Directors (referring to Directors who do not hold any position within the Company and having the same meaning hereinafter) and there shall be more than two independent Directors (referring to Directors who are independent of the Company's shareholders and do not hold position within the Company and having the same meaning hereinafter).

To be amended as:

Article 137 The Company shall establish a Board comprising 11 Directors. The Board has one Chairman, one vice Chairman and four independent directors.

The Board is independent of controlling organizations (referring to companies, enterprises and institutions with legal person identity who hold any interests in the Company and having the same meaning hereinafter). No more than two senior management members from the controlling organisations (i.e. the chairman of the board, vice-chairman of the board and executive directors) may concurrently hold the position of chairman of the board, vice-chairman of the board and executive director of the Company.

More than half of the members of the Board should be external Directors (referring to Directors who do not hold any position within the Company and having the same meaning hereinafter). External directors shall have sufficient time and knowledge and capabilities necessary to perform their duties. The Company shall provide necessary information for external directors to perform their duties.

Independent directors refer to directors who are independent of the Company's shareholders and do not hold position within the Company. In addition to the functions and powers conferred by the Company Law and other relevant laws and regulations, the independent directors shall have the special functions and powers as conferred by the Company and have the right to give independent opinions on matters which are material to the Company in accordance with the laws. The Company shall form a working system for independent directors, with a specific definition of the qualifications, nomination, election and replacement, rights and obligations, legal responsibilities, etc. of independent directors. Such system shall take effect upon approval by the general meeting of shareholders.

Former Article 112 Each director shall be elected by the shareholders' general meeting with a term of 3 years, which term is renewable upon re-election and re-appointment.

A written notice stating the intention to nominate a candidate for the position of director and the candidate's consent to be nominated shall be delivered to the Company no earlier than the date the notice of shareholders' general meeting is issued and no later than seven (7) days before the shareholders' general meeting. The period of the delivery of the stated notices is counted at the date when a notice of meeting on such election is despatched and shall not end more than seven (7) days prior to the meeting date.

The chairman and the vice chairman shall be directors of the Company and be elected and removed by more than one-half of all Directors. The term of office of the chairman and vice chairman shall be three (3) years, renewable upon reelection.

Directors are not required to hold shares in the Company.

The Directors who have been appointed in accordance with these Articles of Association to fill a casual vacancy of the Board shall hold office until the next annual general meeting of the Company, which term is renewable upon re-election and re-appointment.

No more than two senior management members from the controlling organisations (i.e. the chairman of the board, vice- chairman of the board and executive directors) may concurrently hold the position of chairman of the board, vice-chairman of the board and executive director of the Company.

External directors shall have sufficient time and knowledge and capabilities necessary to perform their duties. The Company shall provide necessary information for external directors to perform their duties. Independent Directors may directly report to shareholders' general meeting, CSRC and other relevant authorities.

To be separated into **Article 138** and **Article 149**, and to be amended as:

Article 138 Each board of directors serves the Company for three (3) years. Directors are elected or replaced by the general meeting of shareholders, with its term of office commencing on the date on which the resolution is passed at the meeting and ending on the expiration of the term of office of the Board. Directors may be reelected upon the expiration of their terms.

A director whose term of office is to expire shall continue with his/her duties as a director before the newly elected director takes office, observing the applicable laws, administrative regulations, rules and regulations, and these Articles of Association.

Directors are not required to hold shares in the Company.

Article 149 The chairman and the vice chairman shall be directors of the Company and be elected and removed by more than one-half of all Directors. The term of office of the chairman and vice chairman shall be three (3) years, renewable upon reelection.

The subsequent Articles will be renumbered accordingly.

Former Article 159 to be revised as **Article 139**, whilst the content remains unchanged.

The subsequent Articles will be renumbered accordingly.

Former Article 160 Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation.

Former Article 161 In case that the number of the Directors falls short of the statutory quorum of the board as a result of the resignation of a Director, the resignation of the said Director shall not become effective until the vacancy resulting from his resignation is filled up by the succeeding Director.

The remaining Directors shall convene an extraordinary general meeting as early as possible to elect a Director to fill up the vacancy resulting from the said resignation. Prior to the passing of any resolutions on the election of Directors at the general meeting, powers of the resigning Director and the remaining Board shall be subject to reasonable restraints.

The content to be merged and to be revised as **Article 140**, and to be amended as:

Article 140 Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the board of directors a written report in relation to their resignation. The relevant information shall be disclosed within two days by the board of directors.

In the event that the resignation of any Director during his term of office results in the number of members of the board of directors being less than the statutory minimum requirement, the existing Directors shall continue to perform their duties in accordance with laws, administrative regulations and departmental rules and the Articles of Association until the re-elected Directors assume their office.

Save for the circumstances referred to in the preceding paragraph, the resignation of a Director becomes effective upon submission of his/her resignation report to the board of directors.

The remaining Directors shall convene an extraordinary general meeting as early as possible to elect a Director to fill up the vacancy resulting from the said resignation. Prior to any resolutions made on the election of Directors at the general meeting, powers of the resigning Director and the remaining Board shall be subject to reasonable restraints.

Former Article 162 Directors of the Company who determine their office before the end of the term shall compensate the loss suffered by the Company as a result of such early termination.

To be revised as **Article 141**, and to be amended as:

Article 141 Upon effective resignation or expiration of his term of office, a Director shall complete his hand-over procedures with the Board. The fiduciary duties of a Director does not necessarily cease upon the termination of his tenure of office, and will still be valid for the following twelve (12) months.

Directors of the Company who determine their office before the end of the term shall compensate the loss suffered by the Company as a result of such early termination.

The subsequent Articles will be renumbered accordingly.

Former Article 113 Subject to compliance with the relevant laws and administrative regulations, a shareholders' general meeting may by way of a special resolution remove any Director or general manager before the expiry of the term of his office (but without prejudice to any claim for compensation pursuant to any contract).

To be amended as:

Article 142 Subject to compliance with the relevant laws and administrative regulations, a shareholders' general meeting may by way of an ordinary resolution remove any Director (including managing director or other executive directors) before the expiry of the term of his office (but without prejudice to any claim for compensation pursuant to any contract).

Former Article 114 The Board shall report to the shareholders' general meeting and exercise the following powers:

- (1) to convene shareholders' general meetings and report its work to the shareholders' general meeting;
- (2) to implement the resolutions of shareholders' general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's plans on annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;
- (6) to formulate the proposal for increase or decrease of the registered capital of the Company and issue of bonds of the Company;
- (7) to formulate plans for merger, division and dissolution of the Company;
- (8) to determine the establishment of the Company's internal management structure;
- (9) to appoint or dismiss general managers and, based on the nomination by the general manager, to appoint or dismiss senior management members including deputy general manager and financial controller of the Company and to determine their remunerations;
- (10) to formulate the basic management system of the Company;
- (11) to formulate proposals for amendment to the Articles of Association;
- (12) to determine external investments, assets pledge and other guarantee matters of the Company within the authorisation of the shareholders' general meeting;
- (13) to hear the work report and inspect the work of the general manager;
- (14) to exercise other powers specified in relevant laws, regulations and the Articles of Association, and conferred by the shareholders' general meetings.

Except for the resolutions of the board of directors in respect of the matters specified in subparagraphs (6), (7) and (11) of this Article which shall be passed by not less than two-thirds of the Directors, the resolutions of the board of directors in respect of other matters may be passed by more than one half of the Directors.

Resolutions made by the board of directors in relation to connected transactions shall not be effective unless signed by the independent (non-executive) directors. The opinions of the independent (non-executive) directors should be set out in the board resolutions.

To be amended as:

Article 143 The Board shall report to the shareholders' general meeting and exercise the following powers:

- (1) to convene shareholders' general meetings and report its work to the shareholders' general meeting;
- (2) to implement the resolutions of shareholders' general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's plans on annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;
- (6) to formulate the proposal for increase or decrease of the registered capital of the Company and issue and listing of bonds or other securities of the Company;
- (7) to formulate plans for substantial acquisition, repurchase of shares of the Company, or merger, division, dissolution and alteration of corporate form of the Company;
- (8) to determine the establishment of the Company's internal management structure;
- (9) to appoint or dismiss general managers and the Secretary to the Board and, based on the nomination by the general manager, to appoint or dismiss senior management members including deputy general manager and financial controller of the Company and to determine their remunerations, incentives and punishments;
- (10) to formulate the basic management system of the Company;
- (11) to formulate proposals for amendment to the Articles of Association;

- (12) to determine external investments, acquisition and disposal of assets, assets pledge, external guarantee, entrusted asset management and connected transactions of the Company within the authorisation of the shareholders' general meeting;
- (13) to manage information disclosure of the Company;
- (14) to propose at shareholders' general meetings for the appointment or change of accountants' firm conducting auditing for the Company;
- (15) to hear the work report and inspect the work of the general manager;
- (16) to exercise other powers specified in relevant laws, regulations and the Articles of Association, and conferred by the shareholders' general meetings.

Except for the resolutions of the board of directors in respect of the matters specified in subparagraphs (6), (7), (11) and (12) of this Article which shall be passed by not less than two-thirds of the Directors, the resolutions of the board of directors in respect of other matters may be passed by more than one half of the Directors.

Resolutions made by the board of directors in relation to connected transactions shall not be effective unless signed by the independent (non-executive) directors. The opinions of the independent (non-executive) directors should be set out in the board resolutions.

Former Article 116 The board of directors shall prepare procedural rules for board meetings, so as to ensure the working efficiency and wise decision-making of the board of directors.

To be amended as:

Article 145 The Board shall formulate the rules of procedures of Board meetings to ensure the Board to implement the resolutions approved at the shareholders' general meeting, work efficiently and be scientific in decision making. Such rules of procedures, as the appendix to the Articles of Association, which defines the convening and voting procedures, shall be submitted to the shareholders' general meeting for approval.

Addition(s):

Article 146 The special committees under the board of directors are formed to provide consultation and advice to the board of directors on significant decisions. The board of directors shall establish a strategy committee, audit committee, remuneration and appraisal committee, and nomination committee.

These special committees shall be accountable to the board of directors, all of which shall consist of members of the board of directors. Independent directors shall occupy most seats and act as convenors of such committees as the audit committee, nomination committee and remuneration and appraisal committee. At least one of the independent directors at the audit committee shall be a professional in the accounting domain, and at least one independent director shall be equipped with appropriate professional qualifications or expertise as required by the regulatory provisions of the stock exchange where the shares are listed. Where necessary, the board of directors may set up other committees and adjust the existing committees. The board of directors shall formulate specific rules of procedures for each of these special committees, defining their duties and meeting procedures.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 148 The Board shall set forth the scope of authorities for external investment, purchase and sale of assets, pledge of assets, external guarantee, entrusting finance and connected transaction, establish strict review and decision-making procedures; employ relevant experts and professionals to assess and approve major investment and seek for approval of the shareholders' general meeting.

When the Company carries out external investments, purchases and sales of assets, entrusted asset management, shall comply the listing rules of SSE and Hong Kong Stock Exchange as amended from time to time. The decision making shall follow the specification in the Company's Investment Management Policy.

When the Company carries out a connected transaction with a connect person, it shall comply with the listing rules of the stock exchanges where the shares are listed. The decision making shall follow the specification in the Company's Connected Transaction Policy.

Any external guarantee as stipulated in article 67 of this Articles and Association, shall be approved by the general meeting of the shareholders. Any external guarantee not stipulated in Article 67 shall be approved by the board of directors, which shall only be approved with the consent of more than half of all the directors and more than two-thirds of the directors present in the board meeting or approved by the approval of the shareholders' meeting. The Company is prohibited to grant any external guarantee without the approval of the board of directors or general meeting of shareholders. The decision making shall follow the specification in the Company's External Guarantee Policy.

The subsequent Articles will be renumbered accordingly.

Former Article 118 The Chairman of the Board is authorized to exercise the following powers:

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

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- (2) to supervise and check on the implementation of resolutions of the Board;
- (3) to sign the securities certificates issued by the Company;
- (4) to sign important documents of the Board and other documents that shall be signed by the legal representative of the Company;
- (5) to exercise the authorities of the legal representative;
- (6) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and report to the board of directors and the general meeting of the shareholders afterwards;
- (7) other powers conferred by the board of directors.

Where the Chairman of the Board is unable to fulfill his duties, the Vice Chairman shall perform the duties on his behalf.

The Board of Directors authorizes the Chairman of the Board of Directors to exercise certain powers of the Board of Directors during the intervals between meetings of the Board of Directors.

To be amended as:

Article 150 The Chairman of the Board is authorized to exercise the following powers:

- (1) to preside over general meetings of the shareholders and to convene and preside over meetings of the board of directors;
- (2) to supervise and check on the implementation of resolutions of the Board;
- (3) to sign the securities certificates issued by the Company;
- (4) to sign important documents of the Board and other documents that shall be signed by the legal representative of the Company;
- (5) to exercise the authorities of the legal representative;
- (6) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and report to the board of directors and the general meeting of the shareholders afterwards;

- (7) other powers conferred by the board of directors in accordance with the laws, administrative regulations, rules and regulations or these Articles of Associations.

The vice chairman shall assist the chairman of the board of the Company in his work. Where the Chairman of the Board is unable to fulfill his duties, the Vice Chairman shall perform the duties on his behalf. Where the vice chairman is unable to fulfil his duties, one director shall be elected by more than one half of the directors to fulfil his duties.

The Board of Directors authorizes the Chairman of the Board of Directors to exercise certain powers during the intervals between meetings of the Board of Directors.

Former Article 119 The Board shall hold at least two meetings per year which shall be convened by the Chairman, and a written notice of the board meeting shall be served on all directors ten days before the date of the meeting.

The extraordinary meetings of the Board shall be held in any of the following circumstances:

- (1) if deemed as necessary by the Chairman;
- (2) if proposed jointly by more than one-third of the directors;
- (3) if proposed by the Supervisory Committee;
- (4) if proposed by the general manager.

The content to be separated into Article 151 and Article 152 and to be amended as:

Article 151 The Board shall hold at least four (4) meetings per year which shall be convened by the Chairman, and a written notice of the board meeting shall be served on all directors fourteen (14) days before the date of the meeting.

Article 152 The extraordinary meetings of the Board shall be held in any of the following circumstances and within ten (10) days after the chairman receives the proposal:

- (1) if deemed as necessary by the Chairman;
- (2) if proposed by shareholders holding more than one-tenth of voting rights;
- (3) if proposed jointly by more than one-third of the directors;
- (4) if proposed jointly by more than half of the independent directors;
- (5) if proposed by the Supervisory Committee;

- (6) if proposed by the general manager.

Former Article 120 The Board of Directors may hold extraordinary meeting of the board by way of resolving by means of communications. Notice of the meeting may not be restricted by the requirement of 10 days' prior notice provided that the notice is effectually delivered to the directors on time.

If the chairman of the board of directors cannot perform his duties under the conditions stipulated in items (2), (3) and (4) under Article 119(2) of these Articles of Association, he shall designate the vice chairman or a director as his representative to convene the extraordinary board meeting. If he cannot perform his duties and no designation is made to perform the duties on his behalf, the vice chairman or a director elected jointly by more than half of the directors may convene the board meeting.

To be amended as:

Article 153 The Board of Directors may hold extraordinary meeting of the board by way of issuing a notice for the same in accordance with the means as stipulated in Article 227 of these Articles of Association five (5) days prior to the meeting. Under urgent circumstances, the notice of the meeting may not be restricted by the requirement of five (5) days' prior notice provided that the notice is effectually delivered to the directors on time.

Former Article 121 A notice of meeting of the board of directors shall include the following:

- (1) the date and place of the meeting;
- (2) the duration of the meeting;
- (3) the reasons and matters for discussion;
- (4) date of issuance of the notice.

To be amended as:

Article 154 A notice of meeting of the board of directors shall include the following:

- (1) the date and place of the meeting;
- (2) the duration of the meeting;
- (3) the reasons and matters for discussion;
- (4) date of issuance of the notice;

(5) means of convening.

Former Article 122 The quorum of the board meeting shall be more than one-half of the directors (including those authorised to attend the meeting under Article 124 hereof).

Each Director shall have a ballot for voting. Resolutions of the Board shall be passed by more than half of all Directors.

Where there is an equal number of votes for and against, the chairman of the board of directors is entitled to one additional vote.

Voting for board meeting shall be conducted by a show of hands.

When more than one fourth of the Directors or more than two external directors consider the information provided for decision making as insufficient or inadequately explained, they may jointly propose to the board of directors for a postponement of the Board meeting or for a postponement of examination and discussion of the matters concerned. Such proposal shall be adopted by the Board.

To be amended as:

Article 155 The quorum of the board meeting shall be more than one-half of the directors (including those authorised to attend the meeting under Article 158 hereof).

Each Director shall have a ballot for voting. Resolutions of the Board shall be passed by more than half of all Directors.

Where there is an equal number of votes for and against, the chairman of the board of directors is entitled to one additional vote.

When more than one fourth of the Directors or more than two independent directors consider the information provided for decision making as insufficient or inadequately explained, they may jointly propose to the board of directors for a postponement of the Board meeting or for a postponement of examination and discussion of the matters concerned. Such proposal shall be adopted by the Board.

Former Article 123 An extraordinary Board meeting may be held and the directors may vote by means of fascimile provided that the right of the directors to express their opinions can be protected sufficiently, and the directors in attendance shall sign the resolutions.

To be amended as:

Article 156 All resolutions in a Board meeting shall be voted upon by open ballots and recorded.

An extraordinary Board meeting may be held and the directors may vote by means of fascimile provided that the right of the directors to express their opinions can be protected sufficiently, and the directors in attendance shall sign the resolutions.

Addition(s):

Article 157 If any director has a connection with the enterprise involved in the resolution made at a Board meeting, the said director shall not vote on the said resolution for himself/herself or on behalf of other director(s). The Board meeting may be held when more than one half of the non-connected directors attend the meeting. The resolution of the Board meeting shall be passed by more than one half of the non-connected directors. If the number of non-connected directors attending the meeting is less than three (3), the issue shall be submitted to the general meeting of shareholders for examination.

Former Article 125 The decisions on the issues considered at Board meetings shall be recorded as minutes. All the attending directors and persons recording the minutes shall sign on the minutes. Each attending director is entitled to request that an explanation of his comments made at the meetings be noted in the minutes. The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations or the Articles of Association and results in the Company sustaining serious losses, the Directors participating in the resolution shall be liable to compensate the Company. However, if it can be proved that a Director expressly objected to the resolution when the resolution was voted on, and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability.

The meeting minutes shall be kept by the Secretary of the board of director for five (5) years.

To be amended as:

Article 159 The decisions on the issues considered at Board meetings shall be recorded as minutes. All the attending directors, Secretary to the Board of Directors, and persons recording the minutes shall sign on the minutes.

Each attending director is entitled to request that an explanation of his comments made at the meetings be noted in the minutes. The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations or the Articles of Association and results in the Company sustaining serious losses, the Directors participating in the resolution shall be liable to compensate the Company. However, if it can be proved that a Director expressly objected to the resolution when the resolution was voted on, and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability. Absentation of vote by a director shall not release the director from the liability arising from the resolution voted in such meeting.

The meeting minutes shall be kept by the Secretary for the board of director as the Company's file for at least ten (10) years.

Deletion(s): **Former Article 127, Article 128**

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 164 Directors of the Company, the General Manager, and persons from other internal departments of the Company shall assist the secretary to the Board of Directors in fulfilling his/her duties pursuant to the law. They shall make necessary assurances in areas such as organizational structure, preparation of staff, and budget. All related departments of the Company shall actively coordinate with the work of the secretariat to the Board of Directors.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 165 The Company shall establish a working system for the secretary to the Board of Directors and set out in detail the terms of reference, the requirements for the job, mode of working, working procedures, evaluation, and mechanisms for awards and punishments, which shall be approved by the Board of Directors before going into effect.

The subsequent Articles will be renumbered accordingly.

Former Article 133 The Supervisory Committee shall be composed of seven (7) Supervisors. One of the members of the Supervisory Committee shall act as the chairman of the Committee. The term of office of a Supervisor shall be three years, renewable upon re-election and re-appointment.

The appointment and dismissal of the chairman of the Supervisory Committee shall be approved by more than two-thirds (inclusive) of its members.

In the case that the Chairman of Supervisory Committee is unable to exercise his powers, he shall designate another supervisor to exercise such powers on his behalf.

To be amended as:

Article 167 The Supervisory Committee shall be composed of five (5) Supervisors. One of the members of the Supervisory Committee shall act as the chairman of the Committee. The term of office of a Supervisor shall be three years, renewable upon re-election and re-appointment.

The appointment and dismissal of the chairman of the Supervisory Committee shall be approved by more than two-thirds (inclusive) of its members.

In the case that the Chairman of Supervisory Committee is unable to exercise his powers, he shall designate another supervisor to exercise such powers on his behalf.

The Company shall adjust the composition of the Supervisory Committee according to the SSE Listing Rules.

Former Article 134 The Supervisory Committee is made up of Supervisors representing the shareholders, Supervisors representing employees of the Company and

External Supervisors (referring to those who do not hold positions in the Company). Supervisors representing the shareholders and External Supervisors shall be elected and replaced by shareholders in general meeting of the shareholders; Supervisors representing employees of the Company shall be elected and replaced by employees of the Company in democratic ways. Supervisors representing employees of the Company shall not be less than one third of the number of supervisors.

The number of External Supervisors shall consist of at least half of the total members of the Supervisory Committee, for which at least two or more shall be Independent Supervisors (referring to supervisors who are independent of shareholders and who do not hold positions in the Company). The External Supervisors shall have the right to independently report to the shareholders' general meeting on the integrity and performance of the senior management of the Company.

To be amended as:

Article 168 The Supervisory Committee shall comprise of three shareholder representatives and two staff representatives. Appointment and removal of shareholder representative supervisors shall be subject to approval at the shareholders' general meeting, while appointment and removal of staff representative supervisors shall be subject to democratic election by the staff. Supervisors representing employees of the Company shall not be less than one third of the number of supervisors.

The number of External Supervisors shall consist of at least half of the total members of the Supervisory Committee (referring to those who do not hold positions in the Company). The External Supervisors shall have the right to independently report to the shareholders' general meeting on the integrity and performance of the senior management of the Company.

Addition(s):

Article 172 In the event that the re-election of a Supervisor fails to take place on a timely basis upon expiry of the term of office or a Supervisor resigns during his term of office which results in the number of members of the Supervisory Committee falling below the quorum, the original Supervisor shall continue to perform his duty as a Supervisor in accordance with the laws, administrative regulations and the Articles of Association before a new Supervisor is elected and assumes office.

Former Article 138 The supervisory committee shall convene a meeting at least twice a year. A meeting shall be convened by the chairman of the supervisory committee.

To be amended as:

Article 173 The supervisory committee shall convene a meeting at least once every six months. A meeting shall be convened by the chairman of the supervisory committee. Supervisor(s) may propose to convene extraordinary meetings of the Supervisory committee.

Former Article 140 The discussion procedure of the Supervisory Committee shall be as follows: all Supervisors shall be given a written notice 10 days before the convening of the meeting of Supervisory Committee. Meetings of the Supervisory Committee shall be convened with the presence of more than half of the Supervisors and each Supervisor can cast one vote. Resolutions of the Supervisory Committee shall be passed by more than two-thirds (inclusive) of its members.

The notice of the meeting shall contain the following content: the date, venue and duration of the meeting, the purpose and the items to be considered as well as the date on which the notice is despatched.

To be revised as **Article 174**, and to be amended as:

Article 174 The discussion procedure of the Supervisory Committee shall be as follows: meetings of the Supervisory Committee shall be convened with the presence of more than two-thirds of the Supervisors and each Supervisor can cast one vote. Resolutions of the Supervisory Committee shall be passed by more than two-thirds (inclusive) of its members.

The notice of the meeting shall contain the following content: the date, venue and duration of the meeting, the purpose and the items to be considered as well as the date on which the notice is despatched.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 175 The Supervisory Committee shall formulate the rules of procedure for Supervisory Committee meetings, so as to ensure the work efficiency and scientific decision-making process of the Supervisory Committee. The Rules of Procedures for Supervisory Committee Meetings, as the appendix to the Articles of Association, which defines the convening and voting procedures, shall be prepared by the Supervisory Committee and submitted to the shareholders' general meeting for approval.

The subsequent Articles will be renumbered accordingly.

Former Article 139 The Supervisory Committee is responsible to the shareholders' general meeting and exercises the following authorities in accordance with the law:

- (1) To inspect the company's finance;
- (2) To supervise directors, general managers and other senior management staff who perform actions that are in violation of the laws, the administrative regulations and the Articles of Association when exercising their duties;
- (3) To demand a correction when actions conducted by any director, general managers or any other senior management staff damage the interests of the Company;

- (4) Check financial information such as the financial report, operating report and profit distribution plan to be submitted to the shareholders' general meeting by the Board. If any doubt is identified, the Supervisory Committee may, in the name of the Company, engage certified public accountants and practising auditors to assist in conducting a review;
- (5) To propose an extraordinary shareholders' General Meeting to be convened;
- (6) To negotiate with or take up lawsuits against the directors on behalf of the company;
- (7) Other powers as provided in the Articles of Association.

Supervisors shall be present at Board meetings.

To be amended as:

Article 176 The Supervisory Committee is responsible to the shareholders' general meeting and exercises the following authorities in accordance with the law:

- (1) To review and provide a written opinion on the regular reports of the Company prepared by the Board;
- (2) To inspect the company's finance;
- (3) To supervise actions of directors, general managers and other senior management staff and propose to remove those that are in violation of the laws, the administrative regulations and the Articles of Association when exercising their duties;
- (4) To demand a correction when actions conducted by any director, general managers or any other senior management staff damage the interests of the Company;
- (5) To propose the convening of a shareholders' extraordinary general meeting and to convene and preside over the shareholders' general meeting when the Board fails to perform such duties in accordance with the Company Law;
- (6) To put forward proposals to the shareholders' general meeting;
- (7) To propose convening an extraordinary meeting of the board of Directors;
- (8) To institute a suit against the directors and senior management members in accordance with the Company Law;

- (9) To conduct investigations whenever unusual conditions of operation of the Company arise and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations at the costs of the Company;
- (10) To exercise other powers specified in the laws, regulations and the Articles of Association.

The supervisors may attend board meetings as non-voting participants, and make enquiry or suggestion regarding resolutions at Board meetings.

Former Article 142 Minutes shall be kept for meetings of the Supervisory Committee. The supervisors present at meetings and the person taking minutes shall sign on the minutes. The supervisors are entitled to request to record an explanation of their statements made at the meeting in the minutes. Minutes of a meeting of the Supervisory Committee shall be kept by the board secretary as a file of the Company for a period of five (5) years.

To be amended as:

Article 178 Minutes shall be kept for meetings of the Supervisory Committee. The supervisors present at meetings and the person taking minutes shall sign on the minutes. The supervisors are entitled to request to record an explanation of their statements made at the meeting in the minutes. Minutes of a meeting of the Supervisory Committee shall be kept by the board secretary as a file of the Company for a period of at least ten (10) years.

Former Article 143 A supervisor shall carry out his duties of supervision honestly and faithfully in accordance with the laws, administrative regulations and the Articles of Association.

To be amended as:

Article 179 A supervisor shall carry out his duties of supervision honestly and faithfully in accordance with the laws, administrative regulations and the Articles of Association. Any supervisor who violates any laws and regulations or these Articles of Association during the course of performing his duties, causing losses to the Company shall be liable for compensation for any loss caused to the Company.

Addition(s):

Article 180 The supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company.

The subsequent Articles will be renumbered accordingly.

Former Article 144 The Company shall have one general manager, who shall be appointed and dismissed by the board of directors.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY
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To be amended as:

Article 181 The Company shall have one general manager and certain number of deputy general managers, who shall be appointed and dismissed by the board of directors.

Addition(s):

Article 182 The general manager shall serve for a three-year term, after which he/she can be re-appointed for a new term.

The general manager may resign prior to the completion of his/her term. Details regarding the procedures and schemes of such resignation shall be governed by the employment contract entered into by the general manager and the Company. In the event that the general manager cannot perform his/her duties for special reasons, the Board of Directors shall appoint a deputy general manager to perform such duties on his/her behalf.

A director may serve as the general manager or a deputy general manager concurrently.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 185 The Company shall establish general manager working conference system. The Company shall formulate the working details thereof for the general manager, with implementation to take place upon approval by the Board of Directors.

Rules regarding the work of the general manager shall include the following:

- (1) Conditions, procedures, and attendees of meetings called by the general manager working conference;
- (2) Duties and division of labor among the general manager and other senior management members;
- (3) Use of the Company's funds and assets, power to enter into material contracts, and systems for reporting to the Board of Directors and the Supervisory Committee;
- (4) Other matters deemed necessary by the Board of Directors.

The subsequent Articles will be renumbered accordingly.

Former Article 151 Each of the Company's Directors, supervisors, general manager and other senior management members owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

To be amended as:

Article 190 Each of the Company's Directors, supervisors, general manager and other senior management members owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and shall perform their due diligence obligations to the Company as follows:

- (1) Exercising the rights given by the Company carefully, seriously, and diligently to ensure that the business dealings of the Company conform with the laws, regulations, and all economic policies of the State and do not go beyond the scope allowed by its business license;
- (2) Treating all shareholders equally;
- (3) Understanding and possessing the latest information about the condition of the operation and management of the Company;
- (4) Within the scope of their duties, ensuring that the information released by the Company is true, accurate, and complete;
- (5) Reporting related information to the Supervisory Committee honestly and not intervening in the work of the Supervisory Committee and supervisors;
- (6) Diligently fulfilling other duties specified in the laws, regulations, and these Articles of Association.

Former Article 153 Each of the Company's Directors, supervisors, general manager and other senior management members shall exercise his powers or carry on his duties in accordance with the principle of fiduciary and shall not put himself in a position where his duty and his interest may conflict. This principle includes (without limitation) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of his powers and not to exceed those powers;
- (3) to exercise the discretion vested in him personally and not to allow himself to act under the influence of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in a shareholders' general meeting, not to delegate the exercise of his discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) except in accordance with the Articles of Association or with the informed consent of shareholders given in shareholders' general meeting, not to enter into any contract, transaction or arrangement with the Company;

- (6) without the informed consent of shareholders given in shareholders' general meeting, not to use the Company's property for his own benefit by any means;
- (7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company;
- (8) without the informed consent of shareholders given in shareholders' general meeting, not to accept commissions in connection with the Company's transactions;
- (9) to abide by the Articles of Association, faithfully execute his official duties and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;
- (10) not to compete with the Company in any form unless with the consent of shareholders given in shareholders' general meeting;
- (11) not to misappropriate the Company's funds or lend the Company's funds to others, not to open any bank account in his own name or other name for the deposit of the Company's assets, and not to provide security for debt of Shareholders of the Company or any other individuals;
- (12) unless otherwise permitted by informed shareholders in shareholders' general meeting, to keep in confidence information relating to the Company acquired by him in the course of and during his tenure and not to use such information for purposes other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
 1. disclosure is made under compulsion of law;
 2. the interests of the public require disclosure;
 3. the interests of the relevant Director, supervisor, general manager or other senior management member require disclosure.

To be amended as:

Article 192 Each of the Company's Directors, supervisors, general manager and other senior management members shall exercise his powers or carry on his duties in accordance with the principle of fiduciary and shall not put himself in a position where his duty and his interest may conflict. This principle includes (without limitation) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of his powers and not to exceed those powers;

- (3) to exercise the discretion vested in him personally and not to allow himself to act under the influence of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in a general meeting, not to delegate the exercise of his discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) except in accordance with the Articles of Association or with the informed consent of shareholders given in shareholders' general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) without the informed consent of shareholders given in shareholders' general meeting, not to use the Company's property for his own benefit by any means;
- (7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company;
- (8) without the informed consent of shareholders given in shareholders' general meeting, not to accept commissions in connection with the Company's transactions;
- (9) to abide by the Articles of Association, faithfully execute his official duties and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;
- (10) not to exploit his position in the Company to procure business opportunities for himself or others that shall have otherwise been available to the Company, or operate for his own benefit or jointly with others businesses similar to those of the Company, and not to compete with the Company in any form unless with the consent of shareholders given in shareholders' general meeting under an informed way;
- (11) not to misappropriate the Company's funds or lend the Company's funds to others, not to open any bank account in his own name or other name for the deposit of the Company's assets, and not to provide security for debt of Shareholders of the Company or any other individuals;
- (12) not to exploit his connected relationship to prejudice the interests of the Company;
- (13) unless otherwise permitted by informed shareholders in shareholders' general meeting, to keep in confidence information relating to the Company acquired by him in the course of and during his tenure and not to use such information for purposes other than in furtherance of the interests of the

Company, save that disclosure of such information to the court or other governmental authorities is permitted if:

1. disclosure is made under compulsion of law;
2. the interests of the public require disclosure;
3. the interests of the relevant Director, supervisor, general manager or other senior management member require disclosure.

Income generated by any Directors, supervisors, general manager or other senior management members in violation of this Article shall be returned to the Company; and such person(s) shall be liable for indemnity to any loss so caused to the Company.

Former Article 157 Unless under the following exceptional circumstances, directors shall not vote on any resolutions of the Board in respect of any contracts, transactions, arrangements or other proposals in which he or any of his connected persons has any material interest and shall not be counted as the quorum when determining whether the quorum of a meeting has been met. The relevant exceptional circumstances are:

1. (1) The provision to any director or any of his related parties of any security or indemnity with respect to money loaned to the Company or any of its subsidiaries, or obligations incurred or undertaken by him or any of his related parties at the request of or for the benefit of the Company or any of its subsidiaries; or
(2) The provision by the Company or any of its subsidiaries of any security or indemnity to a third party with respect to a debt or obligation of the Company or any of its subsidiaries for which the director or any of his associates has assumed the liability in whole or in part and whether individually or jointly with others under a guarantee or indemnity or by the provision of security;
2. Any proposal with respect to an offer of shares or debentures or other securities of the Company or any other company which the issuer may promote or of which the Company may be interested in the subscription or purchase, in which the director or any of his related parties is or is interested as a participant in the underwriting or sub-underwriting of the offer;
3. Any offer made by any other company in which the director or any of his related parties is interested, directly or indirectly, whether as an officer or executive officer or a shareholder; or any offer made by any other company in which the director or any of his related parties is beneficially interested, provided that he and any of his related parties together are not beneficially interested in five percent (5%) or more of the issued shares of any class of such company or of the voting rights thereof or of any third company through which such interest is derived;

4. Any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including:
 - (1) The adoption, modification or operation of any employees' share plan or any share incentive or share option plan under which the director or any of his related parties may benefit; or
 - (2) The adoption, modification or operation of a pension fund or retirement, death or disability benefits plan which relates both to directors, their related parties and employees of the Company or any of its subsidiaries and does not provide with respect to any director (or any of his related parties), any such privilege or advantage which may not generally be afforded to the class of persons to which such plan or fund relates; and
5. Any contract or arrangement in which the director or any of his related parties is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his or their interests in shares or debentures or other securities of the issuer.

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

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

A Director, supervisor, general manager or other senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which an associate of him is interested.

To be amended as:

Article 196 Where a Director, supervisor, general manager and other senior management member of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the board of directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the board of directors.

A Director shall not vote on the resolution matters of the Board in relation to any contract, transaction, arrangement or proposal in which he or any of his associates is materially interested, and shall not be included in the quorum of the meeting.

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

A Director, supervisor, general manager or other senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which an associate of him is interested.

Deletion(s): **Former Article 164**

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 206 Any Director who violates any laws, administrative regulations, departmental rules and these Articles of Association during the course of performing his duties and causes losses to the Company shall be liable for compensation to any loss caused to the Company.

The subsequent Articles will be renumbered accordingly.

Deletion(s): **Former Chapter 15 "Approval of Material Contracts" (Former Article 172, Article 173)**

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 210 The Company shall submit its annual financial reports to the CSRC and the SSE and make an announcement within four months from the ending date of each financial year, its half-yearly financial reports to the local office of the CSRC and the SSE and make an announcement within two months from the ending date of the first six months of each financial year, and the quarterly reports to the local office of the CSRC and the SSE and make an announcement within one month from the ending dates of the first three and first nine months of each financial year respectively for which shall be announced accordingly.

The subsequent Articles will be renumbered accordingly.

Former Article 183 The after-tax profits of the Company shall be distributed in the following order of priority:

- (1) offsetting the losses in previous years;
- (2) contributing 10% of them to its statutory reserve fund;
- (3) contributing 5% to 10% to its statutory welfare fund;
- (4) contributing to its discretionary reserve fund; and
- (5) paying dividends to its shareholders.

No further contribution to the Company's statutory reserve fund is required when the cumulative amount exceeds 50% of the Company's registered capital. The shareholders' general meeting shall decide whether or not to contribute to the discretionary reserve fund after contributing to the statutory reserve fund and statutory welfare fund. The Company shall not distribute any of its profits to any of its shareholders before offsetting its losses, contributing to its statutory reserve fund and statutory welfare fund.

To be amended as:

Article 217 When distributing each year's after-tax profits, the Company shall set aside 10 per cent of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance of the statutory reserve fund exceeds 50 per cent of the Company's registered capital, the Company need not make any further allocations to that fund.

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

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

The remaining profit after taxation, after recovery of losses and appropriation of reserve fund, shall be distributed to shareholders in proportion to their shareholdings except the part of profit that is not to be distributed in proportion to shareholdings as stipulated in the Articles of Association.

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

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

Former Article 184 Where the shareholders' general meeting resolves to capitalize any reserve fund, the Company shall issue new shares to the existing shareholders in proportion to their respective shareholdings or increase the par value of each share. Where the statutory reserve fund is capitalized, the balance of such fund shall not be less than twenty-five percent (25%) of the registered capital.

To be amended as:

Article 218 The Company's reserve may be used to cover the Company's loss, expand the Company's production and operation or enlarge the Company's capital. However, capital reserve shall not be used for recovery of the Company's loss.

Where a resolution has been passed by shareholders of the Company in general meeting to convert any reserve funds into part of the registered capital of the Company, the Company may distribute the new shares so arising to shareholders in proportion to their respective shareholdings in the Company, provided that the balance of the statutory reserve fund shall not be less than 25% of the registered capital.

Deletion(s): **Former Article 185**

The subsequent Articles will be renumbered accordingly.

Former Article 188 Dividends and other payments payable by the Company to holders of Domestic Shares shall be denominated and declared in Renminbi, and payable in Renminbi within three months following the announcement of dividend distribution. Dividends and other payments payable to holders of Foreign Shares shall be denominated and declared in Renminbi and payable in foreign currency within three months following the announcement of dividend distribution.

The Company shall arrange the foreign currency for payment to holders of Foreign Shares in accordance with foreign exchange management related regulations of the State. Any amount paid up in advance of calls on any shares may carry interest but the holder of such shares shall not be entitled to participate in respect thereof in a dividend subsequently declared.

Where power is taken to forfeit unclaimed dividends, that power shall only be exercised after 6 years from the date of declaring dividends.

Former Article 189 The Company shall appoint receiving agents on behalf of the holders of overseas listed foreign-invested shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

The receiving agents appointed by the Company for holders of overseas listed foreign shares listed in Hong Kong shall be trust companies registered pursuant to Trustee Ordinance of Hong Kong.

The receiving agents for holders of the overseas listed foreign shares listed on the Hong Kong Stock Exchange appointed by the Company shall meet the requirements of the laws or the securities exchange of the location of the listing.

With regard to the dividend slip sent by mail to the Shareholder by the Company, the Company has the right to stop mailing the dividend slip to the Shareholder if the dividend has been mailed twice in a row to the Shareholder without having been cashed. If, for the first time it is mailed, the dividend slip fails to reach the recipient and is returned, the Company may exercise this right.

To be separated into **Article 221**, **Article 222**, **Article 223**, **Article 224** and to be amended as:

Article 221 Should a resolution be passed on distribution of profits at the General Meeting, the Board of Directors should complete distribution of dividend (or shares) within two months after the Shareholders' General Meeting.

Article 222 The Company's policy on the distribution of profits holds that after the recovery of losses and withdrawal of the common reserve fund, as stated in Article 217, cash dividends shall be considered first when the Company distributes dividends. The specific proportion of the distribution of dividends shall be determined by the general meeting of shareholders.

Cash dividends and other monies paid by the Company to holders of domestic shares shall be paid in RMB. Cash dividends and other monies paid by the Company to holders of overseas listed foreign shares shall be calculated and declared in RMB and paid in foreign currency. Foreign currency required by the Company to pay dividends to holders of foreign shares shall be obtained pursuant to relevant state regulations on foreign exchange.

Except as otherwise specified in relevant laws and administrative regulations, if cash dividends and other monies are paid in cash, the exchange rate shall be the average selling price published by People's Bank of China in respect of foreign currency one calendar week before the announcement of the dividends and other monies.

Article 223 The Company shall appoint receiving agents on behalf of the holders of overseas listed foreign-invested shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

The receiving agents appointed by the Company for holders of overseas listed foreign shares listed in Hong Kong shall be trust companies registered pursuant to Trustee Ordinance of Hong Kong.

Article 224 Any amount paid up in advance of calls on any shares may carry interest but the holder of such shares shall not be entitled to participate in respect thereof in a dividend subsequently declared.

In relation to the receipt of dividends by shareholders, the Company is entitled to forfeit unclaimed dividends, provided that such power shall only be exercised after 6 years from the date of declaration of dividends and in accordance with the relevant PRC laws, regulations and regulatory documents.

With regard to the dividend slip sent by mail to the Shareholder by the Company, the Company has the right to stop mailing the dividend slip to the Shareholder if the dividend has been mailed twice in a row to the Shareholder without having been cashed. If, for the first time it is mailed, the dividend slip fails to reach the recipient and is returned, the Company may exercise this right.

Addition(s):

Article 225 The Company shall implement an internal audit system, and shall retain full-time auditors to conduct internal audit of its income and expenditure and economic activities.

The subsequent Articles will be renumbered accordingly.

Addition(s):

Article 226 The internal audit system and duties of the auditors shall be subject to the approval of the Board. The auditors shall be accountable to the Board and report their work to the same.

The subsequent Articles will be renumbered accordingly.

Former Article 190 The notices of the Company may be sent out in the following ways:

- (1) Delivered in person;
- (2) Sent out by mail;
- (3) Published by way of an announcement;
- (4) Sent out by fax;
- (5) Any other way as stipulated by the Articles of Association.

To be amended as:

Article 227 The notices of the Company may be sent out in the following ways:

- (1) Delivered in person;
- (2) Sent out by mail;
- (3) Published by way of an announcement;
- (4) Sent out by fax or E-mail;
- (5) Published on the website(s) designated by the Company and the stock exchange predicated on compliance with laws and regulations and the listing regulations at the place where the stock of the Company is listed;
- (6) Any other way agreed beforehand by the Company and the party notified or recognized by the party on the receipt of a notice;
- (7) Any other way recognized by the regulatory authority concerned at the place where the stock of the Company is listed or as provided herein.

Unless otherwise stated in the text, the “announcement” referred to herein means an announcement published in the newspaper in China and the newspaper in question shall be provided for in the laws and regulations of China or designated by the Securities Regulatory Administration of the State Council insofar as an announcement issued to the shareholders of domestic shares or an announcement to be issued within the territory of China according to relevant provisions and according hereto is concerned; insofar as an announcement issued to the shareholders of H shares or an announcement to be issued in Hong Kong according to the relevant provisions and according hereto is concerned, the announcement must be published on the newspapers in Hong Kong as stipulated by the requirements under the Listing Rules. All the notices or any other documents of the Company to be submitted to the Hong Kong Stock Exchange according to Chapter 13 of the listing regulations of the HKSE shall either be written in English or accompanied by signed and verified English translations.

Former Article 191 Any notice of the Company given by public announcement shall be deemed to be received by all relevant persons once the public announcement is made.

Notices that shall be issued by the Company by way of announcements must be published on newspapers.

To be amended as:

Article 228 Any notice of the Company given by public announcement shall be deemed to be received by all relevant persons once the public announcement is made.

Addition(s):

Article 229 Unless otherwise provided for herein, such ways of giving notices as set out in the preceding paragraph shall apply to notices of the Company regarding convening of shareholders' general meetings and of meetings of the Board and the Supervisory Committee.

The subsequent Articles will be renumbered accordingly.

Former Article 204 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days after the date of the Company's resolution on merger and shall make newspaper announcements at least three times within thirty (30) days.

The assets, rights and liabilities of each party to the merger of the Company shall be stipulated clearly in a contract.

Pursuant to the merger of the Company, the rights and liabilities of the parties to the merger shall be assumed by the merged entity or newly formed company.

To be amended as:

Article 242 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days after the date of the Company's resolution on merger and shall make newspaper announcements within thirty (30) days in newspapers recognised by the stock exchange on which the Company's shares are listed. Creditors then have a period of 30 days after the Company's written notification or if no such notification has been received, 45 days after the first publication of the announcement to require the Company to repay amounts due to them or to provide guarantees in respect of such amounts.

After the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

Former Article 205 When the Company is divided, its assets shall be split up accordingly.

In the event of a division of the Company, all the parties involved shall execute a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days after the date of the Company's resolution on division and shall make a newspaper announcement at least three times within thirty (30) days.

The assets, rights and liabilities of each party to the division of the Company shall be stipulated clearly in a contract.

Debts incurred by the Company before its division shall be borne by the companies after the division, according to the respective agreement reached.

To be amended as:

Article 243 When the Company is divided, its assets shall be split up accordingly.

In the event of a division of the Company, all the parties involved shall execute a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days after the date of the Company's resolution on division and shall make a newspaper announcement within thirty (30) days in newspapers recognised by the stock exchange on which the Company's shares are listed.

Unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to the division, debts incurred by the Company before its division shall be borne jointly and severally by the companies after the division.

Deletion(s): **Former Article 206**

The corresponding content to be revised as **Article 242, Article 243**

Former Article 209 The Company shall be dissolved and liquidated according to law if any of the following circumstances occurs:

- (1) the shareholders' general meeting resolves to dissolve the Company;
- (2) dissolution is necessary as a result of a merger or division of the Company;
- (3) the Company is declared bankrupt according to law because it is unable to pay its debts when they fall due;
- (4) the Company is ordered to shut down for violation of laws and administrative regulations.

To be amended as:

Article 246 The Company shall be dissolved and liquidated according to law if any of the following circumstances occurs:

- (1) the term of business provided for herein expires or any such other cause for dissolution as provided herein occurs;
- (2) the shareholders' general meeting resolves to dissolve the Company;
- (3) dissolution is necessary as a result of a merger or division of the Company;
- (4) the Company is declared bankrupt according to law because it is unable to pay its debts when they fall due;
- (5) the business licence has been revoked, withdrawn, the Company has been ordered to close down, or it has been wound up;
- (6) A shareholder who holds more than 10% of the voting rights of all the shareholders may request the people's court to dissolve the Company if any serious difficulty occurs in the operation and management of the Company whose continuous existence will cause substantial damage to the shareholders' interests and the difficulty cannot be solved by any other means.

Former Article 210 Where the Company is dissolved by virtue of the reasons set out in item (1) of the preceding Article, the Company shall establish a liquidation committee within 15 days, and the members of the liquidation committee shall be selected at shareholders' general meeting in the form of ordinary resolution.

Where the Company is dissolved by virtue of the reasons set out in item (2) of the preceding Article, the liquidation shall be carried out by the parties to the merger or division in accordance with the provisions of the merger or division contract.

Where the Company is dissolved by virtue of the reasons set out in item (3) of the preceding Article, the People's Court shall in accordance with the requirements under the relevant laws, organize the shareholders, the relevant authorities and the professional bodies to establish a liquidation committee for the purpose of dissolution of the Company.

Where the Company is dissolved by virtue of the reasons set out in item (4) in the preceding Article, the relevant authorities shall organize the shareholders, the relevant authorities and the professional bodies to establish a liquidation committee for the purpose of dissolution of the Company.

To be amended as:

Article 247 If the Company is dissolved as provided for in Items (1), (2), (5) and (6) of Article 246 hereof, a liquidation team shall be established within 15 days after the date of the occurrence of the cause for dissolution to start liquidation. The liquidation team shall be composed of the personnel designated by the directors or a general meeting of shareholders. If no liquidation team is established for the liquidation within the time limit, a creditor may apply to the people's court to designate the persons concerned to form the liquidation team for the liquidation.

Where the Company is dissolved by virtue of the reasons set out in Article 246 (4) hereof, the People's Court shall in accordance with the requirements under the relevant laws, organize the shareholders, the relevant authorities and the professional bodies to establish a liquidation committee for the purpose of dissolution of the Company.

Former Article 212 The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make newspaper announcement at least three (3) times within sixty (60) days.

Within thirty (30) days after receiving the notification of liquidation, or, in the case of not receiving the notification, within ninety (90) days after the first announcement is made, the creditors should declare their rights to the liquidation committee. Where the creditor fails to declare within the time limit, it shall be deemed to have forgone their rights. The creditors' declaration of their rights should state information about their rights and the creditors should provide related proof. The liquidation team shall register the creditor's right.

To be amended as:

Article 249 The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make newspaper announcement within sixty (60) days in newspapers recognised by the stock exchange on which the Company's shares are listed.

Within thirty (30) days after receiving the notification of liquidation, or, in the case of not receiving the notification, within forty-five (45) days after the first announcement is made, the creditors should declare their rights to the liquidation committee. Where the creditor fails to declare their rights within the time limit, it shall be deemed to have forgone their rights.

The creditors' declaration of their rights should state information about their rights and the creditors should provide related proof. The liquidation team shall register the creditor's right.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Former Article 213 During the liquidation period, the liquidation committee shall perform the following functions and duties:

- (1) to ascertain the Company's assets and prepare a balance sheet and an inventory of assets accordingly;
- (2) to notify creditors by sending notice or by making announcement;
- (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (4) to settle outstanding taxes;
- (5) to ascertain all claims and debts;
- (6) to dispose of the remaining assets of the Company after the repayment of debts; and
- (7) to represent the Company in any civil proceedings.

To be amended as:

Article 250 During the liquidation period, the liquidation committee shall perform the following functions and duties:

- (1) to ascertain the Company's assets and prepare a balance sheet and an inventory of assets accordingly;
- (2) to notify creditors by sending notice or by making announcement;
- (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (4) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (5) to ascertain all claims and debts;
- (6) to dispose of the remaining assets of the Company after the repayment of debts; and
- (7) to represent the Company in any civil proceedings.

Former Article 214 After ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same to a shareholders' general meeting or relevant competent authorities for confirmation.

The assets of the Company shall be applied for liquidation in the following order of priority:

- (1) liquidation costs;
- (2) outstanding salaries and social insurance premiums payable to the employees of the Company;
- (3) outstanding taxes;
- (4) debts of the Company.

The remaining assets of the Company after repayment of its debts in accordance with the provisions above shall be distributed to the shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings. The Company shall not make any distribution to the shareholders before the Company's assets are applied to repayment in accordance with the preceding paragraph.

The Company shall not undertake any new business activities during the process of liquidation.

To be amended as:

Article 251 After ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same to a shareholders' general meeting or relevant competent authorities for confirmation.

The assets of the Company shall be applied for liquidation in the following order of priority:

- (1) liquidation costs;
- (2) outstanding salaries, social insurance premiums and statutory compensation payable to the employees of the Company;
- (3) outstanding taxes;
- (4) debts of the Company.

The remaining assets of the Company after repayment of its debts in accordance with the provisions above shall be distributed to the shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings. The Company shall not make any distribution to the shareholders before the Company's assets are applied to repayment in accordance with the preceding paragraph.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities not relating to liquidation.

Former Article 220 Amendments made to the Articles concerning matters prescribed by the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas shall take effect upon approval by the examination and approval authority of the Company appointed by the State Council and the State Council securities regulatory department. Where the amendments relate to registered particulars of the Company, those particulars shall be amended according to law.

To be amended as:

Article 257 An amendment hereto passed by a resolution of the general meeting of shareholders shall be approved by the competent authority upon the latter's examination and approval thereof. An amended registration shall be completed according to law if it involves the registered particulars of the Company.

Addition(s):

Article 263 These Articles of Association shall become effective and supersede the original Articles of Association from the date on which the A Shares are listed and upon the approval by the shareholders' general meeting.

The subsequent Articles will be renumbered accordingly.

Former Article 228 Upon the implementation day of the Articles of Association, if there is any inconsistency, the Articles of Association herein shall prevail.

To be amended as:

Article 268 Matters not dealt with in the Articles of Association shall be dealt with in accordance with the laws, administrative regulations and the listing rules of the stock exchange on which the Company's shares are listed in combination with the actual circumstances of the Company. In the event that any article stated herein contravenes the newly promulgated laws, administrative regulations, or listing rules of the stock exchange on which the Company's shares are listed, such newly promulgated laws, administrative regulations, or the listing rules of the stock exchange on which the Company's shares are listed shall prevail.

The English version of this Appendix is an unofficial translation of its Chinese version prepared for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The proposed amended version of the Rules and Procedures for Shareholders' General Meeting are set out below:

Chapter 1 General Provisions

Article 1 These rules are formulated in accordance with the laws and regulations including the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China, the Mandatory Provisions in the Articles of Association of Companies Listed Overseas, Guidelines on the Articles of Association of Listed Companies (2006 Revised), Rules for the Shareholders' General Meetings of Listed Companies, the Rules governing the Listing of Securities on The Hong Kong Stock Exchange of Hong Kong Limited as amended from time to time (the "Hong Kong Listing Rules"), the Share Listing Rules of the Shanghai Stock Exchange (2008 Revised) (the "Shanghai Listing Rules") and with the Articles of Association of Lingbao Gold Company Ltd. (the "Articles of Association"), in order to protect the lawful interests of Lingbao Gold Company Ltd. (the "Company") and its shareholders, clearly define the responsibilities and authorities of the general meeting, ensure the general meeting to operate in a standardized and efficient manner and perform its functions and powers under the laws.

Article 2 These Rules are applicable to general meeting of the Company, and shall be binding on the Company, all shareholders, proxies, directors, supervisors, senior management and other relevant personnel attending general meeting as non-voting participants.

Article 3 The Company shall convene general meetings strictly in accordance with the relevant requirements of laws, regulations, these rules of procedures and the Articles of Association, so as to ensure that shareholders can exercise their rights according to law.

The Board of the Company shall duly perform its duties and organise general meetings earnestly and timely in strict compliance with the Company Law, regulations, the listing rules of the stock exchange(s) on which the Company's shares are listed, Articles of Association and regulations on the convening of the general meeting. All the directors of the Company shall perform their due diligence obligations to ensure that the general meeting can be held due and its powers can be exercised in accordance with the laws.

Article 4 The Board Office of the Company is responsible for the preparations and organisations of general meetings.

Article 5 The shareholders' meeting is the organ of power of the Company and performs its functions according to the law:

- (1) Deciding on the business guidelines and investment plans of the Company;
- (2) Electing and changing directors other than employees' representatives, and deciding on the remuneration of directors;
- (3) Electing and changing those Supervisors who are representatives of the shareholders and deciding on the remuneration of Supervisors;
- (4) Considering and approving the reports of the Board of Directors;
- (5) Considering and approving the reports of the Supervisory Committee;
- (6) Examining and approving the Company's annual financial budget scheme and final calculation scheme;
- (7) Examining and approving the Company's profit distribution schemes and loss compensation schemes;
- (8) Deciding on increases/decreases of the registered capital of the Company;
- (9) Deciding on the merger, division, dissolution, liquidation or transformation and so on of the Company;
- (10) Deciding on plans for issue of the Company's bonds or other securities;
- (11) Deciding on the appointment, dismissal or non-renewal of the Company's accounting firm;
- (12) Revising these Articles of Association;
- (13) Considering and approving matters relating to the guarantees stipulated in Articles of Association;
- (14) Considering and approving the Company's purchase or disposal of major assets within one year with a transaction amount exceeding 30% of the latest audited total assets of the Company;
- (15) Considering and approving matters related to changes in the use of proceeds from share offerings;
- (16) Considering and approving equity incentive schemes;
- (17) Considering proposals from shareholders representing 3% (inclusive) of the voting shares of the Company;

- (18) Considering other matters which, in accordance with the laws, administrative regulations, departmental rules, and listing rules at the location where the Company's shares are listed and with the Articles of Association, must be approved by a general meeting.

Article 6 General meetings shall be classified as annual general meetings ("annual general meetings") and extraordinary general meetings. Annual general meetings shall be convened once a year within 6 months of the end of the previous fiscal year. Extraordinary general meetings which are convened irregularly shall be convened by the Board within 2 months in any of the following circumstances:

- (1) The number of directors falls short of the minimum number required by the Company Law or is less than two-thirds of the number required by the Articles of Association;
- (2) The un-recovered losses of the Company amount to one third of the total amount of its paid-up share capital;
- (3) Shareholder(s) individually or jointly holding more than 10% (inclusive) of the Company's issued and outstanding shares carrying voting rights request(s) in writing for the convening of an extraordinary general meeting;
- (4) The Board deems to be necessary, or the Supervisory Committee proposes, the convening of an extraordinary general meeting;
- (5) Two (2) or more than half (whichever is higher) of the independent directors propose to hold the meeting;
- (6) Other circumstances stipulated by laws, regulations or these Articles of Association.

Should the Company cannot convene a general meeting within the period mentioned in the preceding paragraph, it shall report to the local office of the China Securities Regulatory Commission at the place where the Company is located and the listing stock exchange(s) where the shares of the Company are listed, explain the reason and make announcement.

Article 7 The Company shall engage lawyers to attend the general meeting and advise on the following issues with announcements made thereon:

- (1) Whether the convening of the general meeting and its procedures are in compliance with provisions of the laws, regulations, the listing rules of the stock exchange(s) on which the shares of the Company are listed, these rules and the Articles of Association;

- (2) Verifying the legality and the validity of the convenor and the eligibility of attendees;
- (3) Whether the voting and the voting results of the meeting is lawful and valid;
- (4) Legal opinions on other matters as requested by the Company.

Chapter 2 Convening of General Meeting

Article 8 The Board shall convene the general meeting within the period as required by the Article 6 of these rules on a timely basis.

Article 9 Independent shareholders are entitled to propose to the Board to convene an extraordinary general meeting in accordance with the Articles of Association. The Board shall, in accordance with the laws, regulations, the listing rules of the stock exchange(s) and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receiving such proposal from the independent directors.

In the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant Board resolution; In the event that the Board does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given by way of announcement.

Article 10 The Supervisory Committee shall be entitled to propose to the Board to convene an extraordinary general meeting, provided that such proposal shall be made in writing. The Board shall, in accordance with the laws, regulations, the listing rules of the stock exchange(s) on which the shares of the Company are listed and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten (10) days after receiving such proposal.

In the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant resolution of the Board. Any change to the original proposal made in the notice requires prior approval of the Supervisory Committee.

In the event that the Board does not agree to convene an extraordinary general meeting or does not furnish any reply within ten (10) days after receiving such proposal, the Board shall be deemed as incapable of performing or failing to perform the duty of convening a general meeting, in which case the Supervisory Committee may convene and preside over such meeting by itself.

Article 11 Shareholder(s) requesting extraordinary general meetings or class meetings shall abide by the following procedures:

- (1) Shareholder(s) either individually or collectively holding over ten (10) percents of the shares in the proposed general meeting carrying the voting right shall sign one or more counterpart requisitions stating the object of the meeting and requiring the Board to convene an extraordinary general meeting or a class meeting. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting or class meetings within ten (10) days after receiving such proposal. The aforesaid shares shall be calculated based on the day when the shareholder(s) submit its (or their) written request.

In the event that the Board agrees to convene an extraordinary general meeting or a class meeting, the notice of the meeting shall be issued within five days after the passing of the relevant resolution of the Board. Any changes to the original proposal made in the notice require prior approval of the shareholders concerned.

- (2) In the event that the Board does not agree to convene an extraordinary general meeting or a class meeting or does not furnish any reply within 10 days after receiving such proposal, shareholders either individually or collectively over 10 percent of the shares in the proposed general meeting carrying the voting right shall be entitled to propose to the Supervisory Committee to convene an extraordinary general meeting or class meeting, provided that such proposal shall be made in writing.

In the event that the Supervisory Committee agrees to convene an extraordinary general meeting or class meeting, the notice of the meeting shall be issued within five days after receiving such request. Any changes to the original proposal made in the notice shall require prior approval of the shareholder(s) concerned.

Failure of the Supervisory Committee to issue the notice of the meeting shall be deemed as failure of the Supervisory Committee to convene and preside over a general meeting, and shareholder(s) individually or collectively holding 10% or more of the Company's shares for ninety (90) consecutive days or more may convene and preside over the meeting by himself or themselves.

When the shareholders convene a general meeting because the Board has failed to convene the meeting pursuant to the aforesaid provision, the reasonable expenses incurred shall be borne by the Company and shall be deducted from the monies payable by the Company to the defaulting directors.

Article 12 When the Supervisory Committee or shareholders decide to convene a general meeting by itself/themselves, it/they shall notify the Board in writing and file the decision with the authority appointed by CSRC in the location of the Company and the stock exchange.

Prior to the announcement of the resolution of the general meeting, the shareholding of shareholders who convene the meeting shall not be less than 10%.

The convening shareholders shall, upon issuing a notice of the general meeting and announcing the resolutions thereof, submit the relevant documentation to the authority appointed by CSRC in the location of the Company and the stock exchange.

Article 13 With regard to a general meeting convened by the Supervisory Committee or shareholders on its/their own initiative, the Board and its secretary shall offer cooperation. The Board shall provide a shareholders' register as of the equity registration date. In the event that the Board fails to provide the register of members of the Company, the convener may apply to the securities registration and clearing institution for obtaining the register of member(s) with the relevant announcement on the convening of the general meeting. The register of the members of the Company obtained by the convener shall not be used for other purpose except the convening of the general meeting.

Article 14 The Company shall bear the expenses related to general meetings convened by the Supervisory Committee or shareholders on its/their own initiative.

Chapter 3 Proposal and Notice of the General Meeting

Article 15 A proposal of the shareholders' general meeting refers to the specific documents for discussion in relation to the matters that shall be discussed and considered by the shareholders' general meeting.

Article 16 The proposal of the general meeting shall meet the following requirements:

- (1) The substance of the proposal shall be in compliance and not conflict with laws, regulations and the Articles of Association, and shall fall within the scope of business of the Company and the functions of Shareholders' General Meetings;
- (2) It shall have definite topics to discuss and specific matters;
- (3) The proposal shall be submitted or delivered to the Board of Directors in writing.

Article 17 When the Company convenes a general meeting, the Board, Supervisory Committee and the shareholder(s) either individually or collectively holding 3% or more of the Company's shares may propose proposals by writing through the Board Office. Before the Board issues the notice convening the shareholders' general meeting, the secretary to the Board may call for proposals from the shareholders, supervisors and independent directors and submit them to the Board to be considered and approved as a resolution to be submitted to the shareholders' general meeting for consideration.

The Board of the Company shall act in the best interest of the Company and its shareholders and shall examine the motions proposed at the Shareholders' General Meeting.

Where the Board decides not to include any motions proposed to the general meeting in the agenda thereof, it shall give an explanation at the meeting.

If the proposing shareholders have any objection to the decision of the Board of not including their motions in the agenda, they may request the convening of an extraordinary general meeting according to the provisions of these rules.

Article 18 Shareholder(s) either individually or collectively holding 3% or more of the Company's shares may propose and submit their provisional proposals in writing to the convener ten (10) working days before the meeting is convened. The convener shall issue a supplementary notice of the general meeting to announce the contents of the proposals within 2 days after receipt of the proposal.

Other than the circumstances referred to in the preceding paragraph, after the convener has issued the announcement for the general meeting, no changes shall be made to the stated proposals in the notice of the meeting or the newly added proposals.

The general meeting shall not vote on or resolve proposals not stated in the notice of the general meeting or proposals which do not meet the requirements in Article 16 of these Rules.

Article 19 The written notice of convening a general meeting shall be issued to the shareholders forty-five (45) days prior to such meeting. Shareholders who intend to attend the meeting shall serve the written reply slip to the Company twenty (20) days prior to the date of the meeting.

Notice of a general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting), by delivery to the registered address of such shareholders as show in the Articles of Association. For the holders of domestic shares, notice of the meeting may also be made by way of announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities authority of the State Council within the interval between forty-five (45) days and fifty (50) days before the date of the meeting; after the publication of notice, the holders of domestic shares shall be deemed to have received notice of the relevant general meeting.

The Company shall give sufficient notice by publishing an announcement in the press, so that the shareholders, whose registered addresses are in Hong Kong, would have enough time to exercise his right or act in accordance with the notice.

Article 20 The Company shall, based on the written replies received twenty (20) days before the date of the general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than one half of the Company's total voting shares, the Company may hold the meeting; Otherwise, the Company shall within five (5) days notify the shareholders, again by way of an announcement, of the matters to be considered at, and the place and date for, the meeting. The Company may then proceed to hold the meeting.

Article 21 The notice of a general meeting shall be in writing and disclose the detailed content of all proposals in its entirety, and shall contain the following:

- (1) The time, venue and duration of the meeting;
- (2) Matters and meeting proposals to be considered at the meeting;
- (3) Provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered; This principle includes (but not limited to) where a proposal is made to amalgamate the Company with another, to purchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal shall be properly explained;
- (4) In the event that advice from independent shareholders is required for the matters to be discussed, their advices and reasons shall be disclosed when the notice of the general meetings or supplementary notice are published;
- (5) Disclose the nature and degree of the material interest of any director, supervisor and other senior management personnel in the matters which they have material interest to be considered; in case that the impact of the matters to be considered on such director, supervisor and other senior management personnel as a shareholder is different from that of other holders of a class of shares, the difference shall be clarified;
- (6) Set out the full text of any special resolution proposed to be resolved at the meeting;
- (7) Contain a prominent written statement that all the shareholders are entitled to attend and appoint proxies in writing to attend and vote on their behalf and that the proxy need not be a shareholder of the Company;
- (8) Specify the time and place for submitting proxy forms for the meeting;

- (9) Registration date for shareholders who are entitled to attend the general meeting;
- (10) Name and telephone number of the contact person.

Article 22 For the matter relating to the election of directors and supervisors is proposed to be discussed at the general meeting, the notice of the meeting shall fully disclose the detailed information of the candidates for directors and supervisors, which should at least include the following:

- (1) Personal information including educational background, working experience, and any part-time job;
- (2) Whether there is any connected relationship between them and the Company or its controlling shareholder(s) and actual controlling person(s);
- (3) Their shareholdings in the Company;
- (4) Whether they have been subject to any punishment by China Securities Regulatory Commission or other related authorities or stock exchange(s).

In addition to the adoption of the accumulative voting system to elect directors and supervisors, each of the candidates for directors or supervisors shall be proposed in a separate proposal, and the meeting shall vote on candidates for directors and supervisors on an individual basis. When the resolution to re-elect directors and/or supervisor is passed, those newly elected shall assume office in accordance with the Articles of Association.

Article 23 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the general meeting and the resolutions passed at the general meeting.

Article 24 After despatching the notice of general meeting, the general meeting shall not be postponed or cancelled without proper reasons. The proposals stated in the notice of general meeting shall not be cancelled. In the event that the general meeting was postponed or cancelled, the convener shall make announcement at least two (2) business days advance prior to the date of the previous general meeting and set out the reasons. If the listing rules of the stock exchange(s) on which the Company's shares are listed have other provisions on the matters specified hereinabove, such provisions shall be complied with.

Chapter 4 Convening of General Meeting

Article 25 The Company shall convene the general meeting at the domicile of the Company or such other specific place as notified by the general meeting convener.

General meetings will set meeting venue and be convened by ways of on-site meetings. The Company will also provide online transmission or other ways for the convenience of the shareholders to attend general meeting. Shareholders who attend the meeting in the aforesaid manners shall be deemed as present.

Article 26 In the event that the general meeting adopt online transmission or other ways, the time and procedures for voting via internet or by other ways will be specifically stated in the notice of the general meeting.

The beginning time for voting via internet or other ways for the general meeting shall not be earlier than 3:00 p.m. of the day prior to the general meeting, and shall not be later than 9:30 a.m. of the day when the onsite general meeting is convened and its closing time shall not be earlier than 3:00 p.m. of the day when the onsite general meeting is closed.

If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions, such provisions shall be complied with.

Article 27 The Board and other convener shall take such necessary measures to ensure the normal order of the general meeting. For any disturbance to the order of the meeting and acts infringing the lawful interests of the shareholders, measures shall be taken to prevent them, and the relevant authority will be reported to pursue the matter.

Article 28 All shareholders or their proxies whose names appeared in the Register of the Company on the date of registration are entitled to attend the general meeting, and exercise their voting rights in accordance with relevant laws, regulations, the listing rules of the stock exchange(s) on which the shares of the Company are listed and Articles of Association of the Company.

Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his behalf. A proxy so appointed shall exercise the following rights pursuant to such authorization:

- (1) The shareholder's right of speech at the meeting;
- (2) The right to demand or join in with the others to demand for a poll;
- (3) The right to vote in accordance with laws, regulations and the Articles of Association.

Article 29 Individual shareholders attending the general meeting in person shall submit their own identity cards or valid certificates or certifications or stock account cards which can show their capacities; Proxies shall submit personal valid identity certificates and the power of attorney of the shareholder when they attend the meeting.

A legal person shareholder shall appoint its legal representative or a proxy authorised by the legal representative to attend the meeting. Legal representatives shall submit personal valid identity certificates and valid proofs of their legal representative identity when they attend the meeting; Proxies shall submit their own identity cards and the proxy form issued by the legal representative of the legal person shareholder when they attend the meeting.

Article 30 The instrument appointing a proxy shall be in writing signed by the appointer or his attorney appointed in writing; if the appointer is a legal entity, either under seal or signed by a attorney duly authorized.

The proxy form appointing a proxy to attend the shareholders' general meeting on his/her behalf as issued by the shareholder shall state the following:

- (1) Name of the proxy;
- (2) Whether empowered with right to vote;
- (3) Instructions to vote in favour of, against or abstain from, as the case may be, each matter in the agenda of the general meeting;
- (4) Whether the proxy has voting right on special motions possibly to be put on the agenda of shareholders' meeting; if he/she has, specific instructions on what kind of voting right he/she shall exercise;
- (5) The date of issuance of the power of attorney appointing the proxy and the expiration date;
- (6) Signature (or seal) of the appointer. In the case that the appointer is a legal person shareholder, the power of attorney shall bear the official seal of that legal person or sign by their directors or formal agents or their personnel appointed;
- (7) The number of shares of the appointer represented by proxy shall be contained;
- (8) Such proxy form shall contain the number of shares represented by proxy in case several proxies are appointed.

If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions on the power of attorney, such provisions shall be complied with.

Article 31 The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than twenty-four (24) hours prior to the time appointed for the holding of the meeting for voting or twenty-four (24) hours prior to the time appointed for voting. Where the proxy form is signed by a person authorised by the appointer, the power of attorney or other authorisation instruments shall be notarised. The notarised power of attorney and other authorization instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice to the meeting.

In the case that the appointer is a legal person, the proxy shall be authorised by the legal representative, the Board or other authority body of that legal person to attend the Company's general meeting.

If the shareholder is a clearing house recognized by the law of Hong Kong, the said shareholder may authorize one or more persons as he deems appropriate to act on his behalf at any general meeting or class general meeting; however, where several persons are thus authorized, the power of attorney shall specify the numbers and classes of shares involved by the said persons. The persons thus authorized may exercise rights on behalf of the recognized clearing house as if the said persons were the personal shareholders of the Company.

Article 32 Any form issued to a shareholder by the Board of the Company for use by him for appointing a proxy to attend and vote at a meeting of the Company shall be such as to enable the shareholder, according to his intention, to instruct the proxy to vote in favour of or against or abstain from each resolution dealing with business to be resolved at the meeting. Such proxy form shall contain a statement that, in the absence of specific instructions from the shareholder, whether the proxy may vote at his discretion.

Article 33 A vote given in accordance with the terms of the power of attorney shall be valid notwithstanding the previous death or loss of capacity of the principal or revocation of the power of attorney or of the authority under which the proxy was executed, or the transfer of the share(s) in respect of which the proxy is given, provided that no written notice of such death, loss of capacity, revocation or transfer has been received by the Company before the commencement of the meeting at which the proxy is issued.

Article 34 The eligibility of an attendee of the meeting shall be deemed invalid if the evidence produced involves one of the following:

- (1) identity card of principal or attendee of the meeting is found to be forged or expired or has been altered with incorrect identity card or does not comply with the Provisions for Residents' Identity Cards, and detailed rules of its implementation;
- (2) information on the identity card produced by the agent or attendee of the meeting is illegible;

- (3) where multiple proxies have been appointed by the shareholder, and the signature of the principal on the power of attorney are inconsistent;
- (4) the signature on the power of attorney faxed in for registration is not consistent with the original power of attorney produced when attending the general meeting;
- (5) lack of signature or seal of original on the power of attorney;
- (6) the relevant evidence produced by the principal or his proxy attending the meeting contravenes the relevant laws, regulations and Articles.

Where the authorised person or his proxy is ineligible to attend the meeting as a result of irregularities of the principal's authorization or the fact that documents evidencing the legitimate identity of the principal or the authorization do not comply with the laws, regulations or provisions of the Articles, the legal consequences so arising shall be borne by the principal or his proxy.

Article 35 An attendees register shall be prepared by the Company, which register shall state the names (or names of the corporations), identification document number and the address of the attendee, the number of voting shares held or represented, the names of the principals (or names of the corporations) and so on.

Article 36 The convener and the lawyer appointed by the Company shall jointly verify the validity of the shareholders' qualifications based on the shareholders' register provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for a meeting shall be completed before the person presiding announces the number of shareholders and proxies attending the meeting and the total amount of their voting shares.

Article 37 All directors, supervisors and the secretary of the Board shall attend general meetings of the Company, and save for justifiable reasons, the non-managing general manager and other senior executives shall be present at the meetings without voting rights.

Article 38 General meetings shall be presided over by the chairman of the Board. Should the chairman is unable or fails to perform his duties, the vice-chairman shall preside over the meeting. If the vice-chairman cannot perform or fails to perform his duties, the meeting shall be presided over by a director elected by more than half members of the Board.

The general meeting convened by the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee cannot perform or fails to perform his duties, a supervisor shall be jointly elected by more than half of the supervisors to chair the meeting.

Shareholder(s) may convene the meeting themselves and a representative nominated by the convener(s) shall preside over the meeting. If for any reason, the shareholders shall fail to elect a chairman of the meeting, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

When the general meeting is held and the chairman of the meeting violates these Rules which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the chairman of the meeting, subject to the approval of more than half of the shareholders having the voting rights who are present at the meeting. If for any reason, the shareholders shall fail to elect a chairman of the meeting, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

Article 39 The Board shall provide to each shareholder (or proxy), director, supervisor and other senior management member attending the general meeting with documents on the agenda, proposals and relevant background information and voting in respect of the topics to be considered at such meeting, to ensure the attendees' knowledge of the content of the consideration, and making exact judgements. Where the Supervisory Committee or the Proposing Shareholders decide to convene such a meeting by themselves, the Supervisory Committee or the Proposing Shareholders shall present documents as required in the above article.

Article 40 Unless material cases occurred, otherwise the Chairman of meeting shall announce the beginning of the meeting as scheduled.

After the announcement of beginning of the meeting, the Chairman shall firstly announce the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights in their possession, and the number of shareholders and proxies present at the venue of meeting and the shares held by them with voting rights shall be the number recorded by the meeting.

Article 41 Presided over by the Chairman, issues and proposals included into the agenda shall be resolved item-by-item. For issues included in the agenda of meeting, the Chairman may determine in accordance with the status of the meeting the mode of report and massconsideration and voting shall be adopted, also for complicated issue, the Chairman may adopt case-by-case mode for report, consideration and voting of complicated issues. Reasonable time shall be given for the discussion of each issue at the general meeting.

Article 42 Shareholders or their proxies shall have the right to speak and declare their opinions briefly when considering issues and can make inquiries on issues affecting their judgment and vote, and shall declare their opinions briefly.

The speaker shall show hands to ask for approval of the Chairman and then speak at their seat or a designated seat. When more than one shareholder shows hands, the Chairman shall appoint speakers.

The Chairman shall specify speaking time limit and times for each speaker on a practical basis. Speech of shareholders shall not be interrupted within the time limit, to ensure sufficient speaking right of shareholders. The speaker may extend the speaking time appropriately if approved by the Chairman.

Speaking shareholders or proxies shall introduce their shareholders' identity, companies they represented (in case of proxies) and their shareholding before giving opinion.

The Chairman may refuse or stop shareholders who breach such speaking provisions.

Article 43 At the annual general meeting, the Board and the Supervisory Committee shall report to the general meeting for their work over the previous year, and each of the independent directors shall also submit his/her work report.

Article 44 The attending directors, supervisors and senior management shall make corresponding responses or statements in connection with the inquiries made by the shareholders, but in one of the following situations, they may refuse to answer the inquiries but specify the reasons:

- (1) inquires not relating to issues;
- (2) inquiries subject to further investigation;
- (3) information involving commercial secrets of the Company not available for the public;
- (4) response to inquiries which shall damage the overall interests of shareholders.

Chapter 5 Voting and Resolution of General Meeting

Article 45 Resolutions of general meetings shall be divided into ordinary resolutions and special resolutions.

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

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

In respect of the shareholders of A Shares, the abstained votes shall be included in the total number of votes exercised by the shareholders of A Shares in calculating whether the aforesaid ordinary resolution or special resolution has been passed.

In respect of the shareholders of H Shares, in calculating whether the aforesaid ordinary resolution or special resolution has been passed, the abstained votes (other than the number of votes held or represented by shareholder of H Shares or their proxies who had attend the general meeting but abstained from voting on certain proposals pursuant to governing law, regulation or the Hong Kong Listing Rules or had chosen not to vote) shall be included in the total number of votes exercised by the Shareholders of H Shares. The number of shares held by the representatives of HKSCC Nominees Limited who attend the general meeting represent the number of shares which vote in favour of or against certain resolutions as set out on the proxy form, instead of the number of shares of the companies listed on the Hong Kong Stock Exchange held by the representatives.

The shareholders of A Shares referred to in this article represent the shareholders of the shares, which are denominated and subscribed for in RMB and traded on the Shanghai Stock Exchange, issued by the Company pursuant to the law of China. The shareholders of H Shares referred to in this article represent the shareholders of the shares, which are denominated in Renminbi and subscribed for in a currency other than Renminbi and traded on the Hong Kong Stock Exchange, issued by the Company pursuant to the law of China.

Article 46 Shareholders (including proxies thereof) who vote at a general meeting shall exercise their voting rights in proportion to the amount of voting shares they represent. Each share shall carry the right to one vote.

The Company shall have no voting rights for the shares it holds, and such portion of the shares shall be excluded from the total number of voting shares represented by the shareholders attending the general meeting.

The Board, independent directors and qualified shareholders may collect voting rights from shareholders. Such shareholders are encouraged to seek opinions of independent intermediaries.

Pursuant to governing laws, regulations and listing rules at the location where the Company's shares are listed, if any shareholder must abstain from voting on any resolution or is restricted to declaring only an affirmative vote or only a dissenting vote on any resolution, then any vote declared by the said shareholder (or proxy thereof) against the relevant provision or restriction shall not be counted in the total number of votes.

Article 47 General meetings shall adopt voting by open ballot. In voting, shareholders (including proxies thereof) entitled to two or more votes need not cast all his votes in the same way (pro or con).

Article 48 In the event of an equality of votes, the person presiding shall be entitled to an additional vote.

Article 49 The chairman of the meeting shall decide whether the resolution has been passed or not at the meeting based on the voting result. Such decision shall be final. The voting result shall be announced at the meeting and recorded in the minutes.

Associated shareholders should not be involved in the voting when the meeting is reviewing the associated transactions. Their respective voting shares shall not be considered as valid shares. Voting results of non-associated shareholders shall be fully disclosed in the resolution notice.

Article 50 Except for cumulative voting, the meeting shall vote on all proposals on an individual basis. Voting shall be on a “first in, first out” basis in the event that proposals are submitted on the same items. Unless the meeting is suspended or prevented from making a resolution owing to force majeure or other special circumstances, the meeting shall not put the voting aside or refuse to vote on a proposal.

Article 51 No change of the proposal by the meeting shall be allowed during the reviewing process. Any amendment made during the process shall be considered as a new proposal, which shall not be eligible for a vote at the meeting.

Article 52 Each voting right shall be exercised either at the meeting, online, or by any of other available means. The first vote shall prevail in cases when a given voting right is exercised repeatedly.

Article 53 Shareholders appearing at the meeting shall vote in one of following categories on the proposal to be voted on: for, against, and abstention.

Any unfilled, improperly filled or poorly handwritten votes or votes that are not cast shall be considered as abstentions from voting by the shareholder. Its respective shares shall be counted as “abstentions” in the voting result.

Article 54 Two representatives shall be appointed for the purpose of counting and monitoring before the voting on proposals. Shareholders or their agents who have an interest in a proposal to be voted on shall not be appointed for such purpose.

Solicitors and representatives of shareholders and supervisors shall appear for a counting and monitoring when the meeting is voting on proposals. Voting results are to be announced immediately. Voting results on resolutions shall be recorded in the minutes.

When voting online or through other means, corporate shareholders or their agents shall have the right to check their respective voting results through the system.

Article 55 The on-site meeting shall not close earlier than that held online or by other means. The chairman of the meeting shall announce the voting result on each proposal and decide whether a proposal has been passed or not based on its respective result.

Corporate shareholders, counting and monitoring parties, principal shareholders, the online voting system provider and others involved in on-site, online or other kinds of voting shall not disclose the voting results to any other party before such results are officially announced.

Article 56 The chairman of the meeting shall have the right to count the votes if he/she challenges the voting result for any resolution. Shareholders or their agents appearing at the meeting who challenge the result of voting of for which no counting has been organized by the chairman of the meeting shall have the right to require an immediate count upon the announcement of the result. A second round of counting shall be immediately organized by the chairman of the meeting.

Article 57 The results of all vote counting at the meeting shall be recorded in the minutes.

Article 58 Minutes of a general meeting shall be recorded by the secretary to Board and include the followings:

- (1) Time, place, agenda of meeting and the name of the convener;
- (2) Names of the chairman of the meeting, directors, supervisors, secretary to Board, general manager and other senior management personnel attend or present at the meeting;
- (3) Number of shareholders (including domestic shareholders and overseas listed foreign shareholders) and proxies present at the meeting, total number of the shares with voting rights held by them, and the percentage of shares with voting rights held by them to the total number of shares of the Company;
- (4) Process of consideration for each proposal, the gist of the speech made and voting results;
- (5) Reply or explanation to shareholders' questions or recommendations;
- (6) Names of the lawyer, vote counter and the scrutinizer;
- (7) Other matters which shall be recorded in the meeting minutes pursuant to the Articles of Association.

Directors, the secretary to the Board, the convener or his representative and the chairman of the meeting shall sign on the minutes of the meeting and ensure that the contents of minutes of the meeting are true, accurate and complete. The minutes of the meeting should be maintained with the register for signing of attending shareholders and the proxy form of their proxies and valid information on voting via internet and other manners, and the maintaining period shall not be less than ten (10) years.

Shareholders may consult photocopies of the minutes of general meetings free of charge during the business hours of the Company. In the event of any shareholder asking for photocopies of such minutes, the Company shall deliver the photocopies in 7 days after receiving a rational expenses.

Article 59 The convener should ensure that the meeting is proceeding continuously until resolutions have been resulted. When special reasons such as force majeure have led to the termination or failing to make resolution in the meeting, measures should be taken to resume the meeting, or to end the meeting directly with a timely announcement. The convener should also report to the local office of China Securities Regulatory Commission and the stock exchange(s).

If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions on termination or postponement, such provisions shall be complied with.

Article 60 Should a general meeting pass proposals regarding cash distribution, bonus issue or transfer of surplus reserve into share capital, the specific proposals shall be implemented within two (2) months after the close of the general meeting.

Article 61 The resolutions passed at the general meeting are invalid should they are in violation of any law, regulation.

Should the procedures for convening a general meeting, or the way of voting, be in violation of any law, regulation or the Articles of Association of the Company, or a resolution be in violation of the Articles of Association of the Company, the shareholders may, within sixty (60) days from the day when the resolution is made, request the People's Court to revoke it.

If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions, such provisions shall be complied with.

Chapter 6 Special Procedures for Voting by Holders of Class Shares

Article 62 Shareholders holding different classes of shares are referred to as holders of class shares should different classes of shares be issued by the Company.

A holder of class shares shall, in accordance with laws, regulations and the Articles of Association, enjoy rights and assume obligations.

Article 63 The amendment or abolition of rights enjoyed by category shareholders shall not take effect until such amendment or abolition is passed as a special resolution at a shareholders' meeting or at a special meeting convened by the affected category shareholders based on Article 65 to Article 69 herein.

Those resulting from changes in domestic and foreign laws and regulations and listing rules on the stock exchange where the Company's shares are listed, or those resulting from decisions made by domestic and foreign regulatory organs shall be approved at the general meeting or at a meeting convened by the category shareholders.

Article 64 The following circumstances shall be deemed to be a variation or abrogation of the rights of holders of certain class shares:

- (1) The increase or decrease of the number of shares of such class, or the increase or decrease of the number of shares of a class having voting rights, distribution rights, or other privileges equal or superior to the shares of such class;
- (2) To convert all or part of a class of shares into another class, or to convert all or part of another class of shares into that class of shares, or to grant such conversion right;
- (3) The removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) The reduction or removal of a dividend preference or a liquidation preference attached to shares of such class;
- (5) To add, remove or reduce conversion privileges, options, voting rights, transfer or preemptive rights or rights to acquire securities of the Company of such class;
- (6) To remove or reduce rights to obtain payables in specific currencies from the Company attached to shares of that class;
- (7) To create a new class of shares having voting rights, distribution rights or other privileges equal or superior to the shares of such class;
- (8) To restrict the transfer or ownership of such class of shares or impose additional restrictions thereto;
- (9) To issue rights to subscribe for, or convert into, shares of such class or another class;
- (10) To increase the rights or privileges of shares of another class;
- (11) To conduct the proposed restructuring of the Company in such a way that may result in the holders of different classes of shares to assuming liability disproportionately; and
- (12) The variation or abrogation of the provisions of this chapter.

Article 65 Shareholders of the affected class, whether or not otherwise entitled to vote at shareholders' general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning sub paragraphs (2) to (8), (11) and (12) of Article 64, but interested shareholder(s) shall not be entitled to vote at class meetings.

The meaning of “interested shareholder(s)” as mentioned in the preceding paragraph is:

- (1) in the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on a stock exchange under the Articles of Association of the Company, an “interested shareholder” refers to a controlling shareholder within the meaning of the Articles of Association of the Company;
- (2) in the case of a repurchase of the company’s own share by an agreement under the Articles of Association of the Company, “an interested shareholder” refers to the shareholder who is related to the agreement;
- (3) in the case of a restructuring of the Company, “an interested shareholder” refers to a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.

Article 66 Resolutions of a class meeting shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting who are entitled to vote at class meetings in accordance with Article 65.

Article 67 The written notice of convening a class meeting shall be given, to notify shareholders whose names appear in the register of shareholders of such class shares of the matters proposed to be considered and the date and place of the meeting forty-five (45) days prior to such meeting. The shareholders who intend to attend the meeting shall serve the written reply to the Company twenty (20) days prior to the date of the meeting.

If the number of share carrying voting rights at the meeting represented by the shareholders intending to attend the meeting reaches more than one half of the total number of shares of such class carrying the voting right at the meeting, the Company may hold the class meeting; otherwise, the Company shall within five (5) days notify the shareholders, again by way of announcement, of the matters to be considered at, and the place and date for, the meeting. The Company may then proceed to hold the meeting.

If the listing rules of the stock exchange(s) where the Company’s shares are listed have special provisions, such provisions shall be complied with.

Article 68 If service of notice for convening the class meeting is adopted, notice of class meeting only required to be served on shareholders entitled to vote thereat.

Any class meeting shall be conducted as similarly as possible as any general meeting. Provisions in the Articles of Association which relate to any general meeting shall apply to any class meeting.

Article 69 Apart from holders of other classes of shares, holders of domestic shares and overseas listed overseas shares shall be regarded as holders of different classes of shares.

The special procedures for voting by holders of class shares shall not apply to the following circumstances:

- (1) Where the Company issues, upon the approval by a special resolution of its shareholders in general meeting, either separately or concurrently once every twelve months, not more than twenty (20) percent of each of its existing issued domestic invested shares and overseas-listed foreign-invested shares;
- (2) Where the Company's plan to issue domestic shares and overseas-listed shares at the time of its establishment is carried out within fifteen (15) months from the date of approval of the securities authority under the State Council.

Chapter 7 Subsequent Events and Announcement

Article 70 The Board shall execute the regulations of the securities authorities and the stock exchange(s) on which the Company's shares are listed, and announce the discloseable proposals or resolutions of the general meeting on the designated media on a full, timely and accurate basis. The Company shall report information concerning significant events to the stock exchange(s) in accordance with the laws, regulations and the relevant provisions of the securities regulatory authority on which the Company's shares are listed and file such information with relevant regulatory authorities.

Article 71 Resolutions of a general meeting shall be announced timely in accordance with the Listing Rules of the Stock Exchange(s) where the shares of the Company are listed, and the announcement shall contain the number of shareholders and proxies present, the total number of voting rights and the percentage of their voting rights to the total of voting shares of the Company, means of voting, the voting result for each proposal and the details of each of the resolutions. The attendance and voting results of the holders of domestic shares and overseas-listed shares shall be respectively counted and published in the announcement.

If a proposal of the meeting is not passed, or if a resolution of the previous general meeting is changed by the present general meeting, special notes in connection therewith should be made by the Board in the announcement of the resolutions of the general meeting.

The announcement of the resolutions of the general meeting shall be published on the designated newspapers. If the listing rules of the stock exchange(s) where the Company's shares are listed have special provisions, such provisions shall be complied with.

Article 72 The Board Office shall be responsible for keeping written information, such as the register of the attendees, power of attorneys, voting statistical sheet, minutes of meeting, and legal opinions of a lawyer as witness and announcements of resolutions.

Chapter 8 Authorization of the Board on General Meetings

Article 73 The Board is a permanent operational decision-making body of the Company and performs its duties in accordance with the Company Law, the Articles of Association and other relevant laws and regulations and is responsible and report to the general meeting. The Board exercises its powers in accordance with the authorization of the general meeting:

- (1) To exercise the powers of the Board in accordance with the Articles of Association;
- (2) To consider other matters other than matters such as major transactions requiring consideration by the shareholders' general meeting in accordance with the listing rules of the stock exchange(s) where the Company is listed and the relevant laws and regulations.

Article 74 When the Board makes decision on the matters authorised by the general meeting as mentioned in the previous article, it shall discuss and verify the matters thoroughly and may appoint intermediaries to provide advices if necessary, to ensue scientific and correct decision-making on the matters.

The Company shall perform its information disclosure obligation in respect of the Board's decision on the matters authorised as mentioned in the previous article under the supervision of shareholders, Supervisory Committee of the Company and relevant securities regulatory authorities in accordance with the laws, regulations and the relevant provisions of the securities regulatory authority where the Company is listed.

Chapter 9 Supplementary Provisions

Article 75 In the event matters are not dealt with by these Rules or these Rules are in contradiction to the laws and regulations promulgated or amended after the effective date of these Rules, the listing rules of the Stock Exchange(s) where the shares of the Company are listed or the Articles of Association, the applicable laws and regulations, the listing rules of the Stock Exchange(s) where the shares of the Company are listed and the Articles of Association shall prevail.

Article 76 The announcements or circulars referred to herein refer to the relevant information disclosures published on the newspapers designated by the securities regulatory authorities. The length of an announcement or a circular is relatively long and listed companies may choose to publish a summary of the relevant content on the newspaper(s) designated by the securities regulatory authorities but the full text shall be published simultaneously on the web site designated by the securities regulatory authorities.

The supplementary notice of the general meeting referred to herein shall be published on the same designated newspaper(s) on which the meeting notice is published.

If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions on these Rules, such provisions shall be complied with.

Article 77 Unless otherwise stated, terms used in these rules shall have the same meanings as those defined in the Articles of Association of the Company.

Article 78 These rules and its amendments are the appendix to the Articles of Association and shall come into effect after the approval of the general meeting and the public offering and listing of A Shares of the Company, and the former rules and its amendments shall lapse automatically.

Article 79 These Rules shall be amended by way of an amendment proposed by the Board to the shareholders' general meeting for consideration and approval.

Article 80 These rules shall be interpreted by the Board.

APPENDIX III PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR THE BOARD

The English version of this Appendix is an unofficial translation of its Chinese version prepared for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The proposed amended version of the Rules and Procedures for Board Meeting are set out below:

Chapter 1 General Provisions

Article 1 In order to regulate the rules of procedure and decision-making of the Board of Directors of Lingbao Gold Company Ltd. (“the Company”), to make the directors and the Board effectively perform their duties, and to ensure the standard operation and scientific decision-making of the Board, these Rules are formulated in accordance with the Company Law, Securities Law, Mandatory Provisions for the Articles of Association of Companies Listed Overseas, Standards for the Governance of Listed Companies, Stock Listing Rules of Shanghai Stock Exchange, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (Main Board) (“Hong Kong Listing Rules”), and Articles of Association of Lingbao Gold Company Ltd. (“Articles of Association”).

Article 2 These Rules shall apply to the Board, the special committees under the Board, directors, Board secretary and relevant departments and staff of the Company involved in these Rules.

Chapter 2 Functions and Powers of the Board

Article 3 The Board is the standing decision making body of the Company and shall be accountable to the general meeting. The Board shall fulfill its duties in accordance with Company Law, the Articles of Association and other relevant laws, and shall be accountable and report work to the general meeting.

Article 4 Pursuant to Articles of Association, the Board shall exercise the following functions and powers:

- (1) to convene general meetings and report to general meetings;
- (2) to execute resolutions of general meetings;
- (3) to resolve on the business plans and investment plans of the Company;
- (4) to prepare the annual financial budgets and final accounting plans of the Company;
- (5) to prepare the profit distribution plan and loss makeup plan of the Company;
- (6) to formulate plans for the increase or decrease of the registered capital of the Company and for issuing bonds or other securities and listing of the Company;

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- (7) to formulate plans for material acquisitions, repurchase of shares of the Company, merger, division, dissolution or transformation of the Company;
- (8) to resolve on the internal management setup of the Company;
- (9) to appoint or dismiss general manager of the Company and Board secretary and to appoint or dismiss senior executives including deputy general manager and chief financial officer of the Company as nominated by the general manager, and to determine their remunerations, awards and punishments;
- (10) to set up the basic management system of the Company;
- (11) to formulate the plan for any amendment to the Articles of Association;
- (12) to decide on the investment, purchase and disposal of assets, asset mortgage, external guarantees, consigned financial management, connected transactions, etc. within the authority granted by the general meeting;
- (13) to manage the disclosure of the Company;
- (14) to propose the appointment or replacement of the accountant conducting audit for the Company to the general meeting;
- (15) to listen to the work report by the general manager of the Company and examine the work of the general manager;
- (16) to exercise other functions and powers specified in relevant laws, regulations and the Articles of Association or granted by the general meetings.

In exercising the aforesaid powers and functions, the Board shall also observe the requirements of the laws and regulations and the listing rules of the stock exchange(s) applicable to domestic and overseas listed companies.

Article 5 In addition to the powers and functions specified in Article 4, the Board shall also consider matters other than material transactions etc to be considered at general meetings as stipulated in the listing rules of the stock exchange with which the Company's shares are listed, relevant laws and regulations, and Articles of Association.

Article 6 Pursuant to Articles of Association, the chairman of the Board shall exercise the following functions and powers:

- (1) to preside over general meetings and to convene and preside over Board meetings;
- (2) to examine and supervise the implementation of the resolutions of the Board;

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- (3) to nominate Board secretary;
- (4) to supervise and examine the performance of each committee under the Board;
- (5) to organize formulation of regulations on the operation of the Board, and to coordinate the operation of the Board;
- (6) to hear the regular or irregular work reports of the senior executives of the Company, and give opinions guiding execution of the resolutions of the Board;
- (7) to handle the external affairs and enter into contracts and agreements which include investment, joint venture, co-operative joint venture, borrowings on behalf of the Company within the scope of authorization of the Board;
- (8) to exercise other functions and powers specified in relevant laws, administrative rules, regulations of relevant authorities or Articles of Association or granted by the general meetings.

Article 7 The vice chairman shall assist the chairman in performing his duties. If the chairman is unable or fails to perform his duties, such duties shall be performed by the vice chairman. If the vice chairman is unable or fails to perform his duties, a director shall be elected jointly by more than half of the directors to perform such duties.

Article 8 The Board may within its terms of reference authorize the chairman and general manager (the specific Board authorization and management systems as stipulated by the Board) and may from time to time check the scope of authorization for the chairman and general manager to meet the actual needs of the Company.

Article 9 The chairman of the Board and the general manager shall responsibly file the exercise of the authority with the Board. The Board may if necessary adjust the authorization in accordance with Article 8. Where the laws and regulations have other provisions on matters to be considered and adjusted at general meetings, such provisions shall apply.

Chapter 3 Composition and Committees of the Board

Article 10 The Board shall comprise eleven directors, including one chairman, one vice-chairman and four independent directors.

Article 11 Directors shall be elected and replaced at general meetings. A director shall serve a term of three years, and may seek reelection upon expiry of the said term.

APPENDIX III PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR THE BOARD
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The chairman and vice chairmen of the Board shall be directors of the Company and shall be elected and removed by more than half of all the directors.

Article 12 The board shall have a board office for handling the daily affairs of the board. The secretary of the Board shall serve concurrently as the officer in charge of the Board office and keep the seals of the Board and the Board office.

Article 13 The Board shall establish strategy committee, audit committee, nomination committee, and remuneration and evaluation committee.

These special committees are ad hoc committees under the Board which provide consulting and advice for the Board on important decisions. The special committees do not have decision-making power and shall not make any decision in the name of the Board.

Where necessary, the Board may set other committees and adjust the existing committees. The Board shall specify the duties and rules of procedure of the special committees, which duties and rules shall take effect upon approval by the Board.

Article 14 Members of the special committees shall be directors as nominated by the chairman, over half of the independent directors and over one-third of all directors and approved by the Board, and shall be accountable to the Board. Conveners of the special committees shall be nominated by the chairman and approved by the Board.

Article 15 The strategy committee under the board of directors shall be mainly responsible for:

- (1) Studying the development strategy, long-term development plans at the Company, and submitting comments accordingly;
- (2) Studying material investments and financing plans which require approval from the Board and general meeting as specified in the Articles of Association and submitting comments accordingly;
- (3) Studying material capital operations and assets operation projects which require approval from the Board and general meeting as specified in the Articles of Association and submitting comments accordingly;
- (4) Studying material restructuring and re-organization plans of the Company and submitting comments accordingly;
- (5) Studying other material matters that may affect the Company's development and submitting comments accordingly;
- (6) Steering and monitoring the implementation of relevant resolutions of the Board;
- (7) Undertaking other tasks as delegated by the Board.

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The detailed functions of the strategy committee of the Board and other relevant matters are set out in the manual for the strategy committee of the Board of Lingbao Gold Company Ltd..

Article 16 The majority of the members of the audit committee of the Board shall be independent directors who act as convenors. At least one of the independent directors of the audit committee shall be equipped with appropriate professional qualifications or expertise required by the relevant regulatory requirements of the securities exchange that lists the stock of the Company.

It shall be mainly responsible for:

- (1) Submitting proposals for the appointment, renewal or replacement of external auditors, determining relevant auditing fee and reporting to the Board for approval;
- (2) Monitoring the internal audit system and its implementation, and submitting proposals for the construction of internal audit system and the appointment and dismissal of the responsible auditors;
- (3) Steering and assessing the works of the internal auditors, and enhancing the communication between internal auditors and external auditors;
- (4) Reviewing the financial information and its disclosure at the Company, and independently auditing the Company's financial statements and issuing opinions in respect thereof;
- (5) Reviewing and supervising the Company's internal controls and risk management system for effective operation;
- (6) Other powers or authorities authorized by the board of directors;
- (7) Other functions exercisable by the financial and audit committee specified in or proposed by the listing rules of the stock exchange on which the Company's shares are listed, including but not limited to the functions proposed in the relevant principles and code provisions of Rule C.3 of Code on Corporate Governance Practices of Appendix 14 of Hong Kong Listing Rules.

The detailed functions of the audit committee of the Board and other relevant matters are set out in the manual for the audit committee of the Board of Lingbao Gold Company Ltd..

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Article 17 The majority of the members of the nomination committee of the Board shall be independent directors who act as convenors.

It shall be mainly responsible for:

- (1) Making recommendations to the Board in respect of the size and composition of the Board in accordance with the business activities, assets size and shareholding structure of the Company;
- (2) Making recommendations to the Board in respect of studying and formulating the selection criteria, procedures and methods of directors, general manager and other senior management staff;
- (3) Review the candidates for the positions of directors, general manager and other senior management staff and to make recommendations to the Board;
- (4) Openly identifying eligible candidates for the positions of directors, general manager and other senior management staff, and submitting proposals and recommendations of nurturing of talents to the Board;
- (5) Other powers or authorities authorized by the board of directors.

The detailed functions of the nomination committee of the Board and other relevant matters are set out in the manual for the nomination committee of the Board of Lingbao Gold Company Ltd..

Article 18 The majority of the members of the compensation and evaluation committee of the Board shall be independent directors who act as convenors.

It shall be mainly responsible for:

- (1) Formulating remuneration packages or proposals according to the major areas, duties and importance of the management position of directors and senior management and the remuneration for relevant positions of other relevant enterprises, the remuneration packages or proposals including but not limited to criteria, procedures and major assessment system for performance assessment and major proposals and systems for awards and punishments;
- (2) Reviewing the performance of duties and conducting annual performance assessment of the Company's Directors (non-independent directors) and senior management;
- (3) Monitoring the implementation of the Company's remuneration system;

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- (4) Other functions exercisable by the compensation and evaluation committee specified in or proposed by the listing rules of the stock exchange on which the Company's shares are listed, including but not limited to the functions proposed in the relevant principles and code provisions of Rule B. of Code on Corporate Governance Practices of Appendix 14 of Hong Kong Listing Rules;
- (5) Undertaking other tasks as delegated by the Board.

The detailed functions of the compensation and evaluation committee of the Board and other relevant matters are set out in the manual for the compensation and evaluation committee of the Board of Lingbao Gold Company Ltd..

Article 19 The Board shall have one secretary, who is a senior executive of the Company and shall be nominated by the chairman and appointed or dismissed by the Board.

The Board secretary shall chiefly be responsible for the preparations for general meetings and Board meetings, keeping of documentation and shareholders' data, handling of matters relating to information disclosure, management of investor relations, equity management of the Company, etc.

Article 20 The Company shall formulate separate rules on the work of the Board secretary, which rules shall specify the qualifications, work methods, work procedure, evaluation, awards and punishments of the Board secretary and shall take effect upon approval by the Board.

Chapter 4 Proceedings of Board Meetings

Article 21 Board meetings include regular meetings and provisional meetings. The Board shall hold at least four regular meetings every year, approximately once every three months.

Before serving the notice of regular meeting of the Board, the office of the Board shall adequately consult with the directors, and shall accordingly formulate a preliminary proposal for meeting and submit the same to the chairman of the Board for consideration.

Before deciding a proposal, the chairman may, where necessary, seek opinions of the general manager and other senior executives.

Article 22 In any of the following circumstances, the Board shall hold a provisional meeting:

- (1) deemed necessary by the chairman of the Board;
- (2) proposed by shareholders representing more than 10% of the voting rights;

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- (3) jointly proposed by more than one-third of the directors;
- (4) jointly proposed by half of the independent directors;
- (5) proposed by the general manager;
- (6) proposed by the Supervisory Committee;
- (7) required by the securities regulating authority;
- (8) in any other circumstance so specified in the laws, administrative regulations and Articles of Association.

Article 23 A proposal for convening a provisional Board meeting as specified in the preceding article shall be in written form and affixed with the signature (seal) of the proposer and submitted through the office of the Board or directly to the chairman. A written proposal shall specify:

- (1) name of the proposer;
- (2) reason or objective circumstance for the proposal;
- (3) time or duration, venue or form of the meeting proposed;
- (4) well-defined and specific motions;
- (5) means to contact the proposer, date of proposal, etc.

The contents of the written proposal shall be within the terms of reference of the Board specified in the Articles of Association, and the documents relating to the proposal shall be submitted together with the proposal itself.

The Board office shall transfer to the chairman the aforesaid proposal and related documents promptly after receipt of the same. The chairman shall convene and preside over a Board meeting within 10 days after receipt of the proposal or requirement of the securities regulatory authority.

Where the chairman deems the contents of the proposal as not well-defined, specific or complete, the chairman may require the proposer to modify or supplement the proposal and shall convene and preside over a meeting within 10 days after receipt of the modified or supplemented proposal.

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Article 24 Board meetings shall be convened and presided over by the chairman; where the chairman cannot or does not fulfill the duty thereof, the vice chairman shall convene and preside; where even the vice chairman cannot or does not fulfill the duty thereof, more than half of the directors may elect a director to convene and preside.

Article 25 The Board office shall send the written notice of meeting bearing the seal of the Board office to all the directors, supervisors and other non-voting representatives by email, fax, express, registered mail or personal delivery 14 days and 5 days before a regular Board meeting and a provisional Board meeting respectively. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.

Article 26 Where a provisional Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting. Notice of the meeting may not be restricted by the requirement of 5 days' prior notice provided that the notice is effectually delivered to the directors on time.

Article 27 A written notice of Board meeting shall at least include:

- (1) time, date and venue of the meeting;
- (2) the form of the meeting;
- (3) duration of the meeting;
- (4) reasons of convening meeting and topics for discussion;
- (5) convener and presider of the meeting, proposer of and written proposal for the provisional meeting;
- (6) documents needed for voting of directors;
- (7) requirements for the directors to attend the meeting in person or by proxy;
- (8) contact person and means of contact;
- (9) date on which the notice is sent.

A verbal notice of meeting shall at least include (1) and (2) above, and explanation for a provisional meeting of the Board in emergency.

Article 28 If, after the notice of a regular Board meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or cancel proposals to the meeting, a written notice of change shall be sent 3 days before the original designated date for convening the meeting, to explain why and provide contents and documents relating

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to the new proposals. Where the notice of change is sent in less than 3 days in advance, the date of meeting shall be postponed accordingly or approved by all the attending directors.

If, after the notice of a provisional Board meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or cancel proposal for the meeting, then it shall be necessary to seek the prior consent of all the attending directors and make relevant records.

Article 29 A Board meeting shall be attended by more than half of the directors.

Supervisors may attend Board meetings without voting rights; the general manager and Board secretary shall attend Board meetings without voting rights. The presider may, where he deems necessary, notify other relevant non-director persons to attend Board meetings without voting rights.

Article 30 In principle, the directors shall attend Board meetings in person. Where a director is unable to attend a meeting for any reason, he shall peruse the meeting documents in advance, form definite opinions, and appoint another director in writing to attend the meeting on his behalf.

The power of attorney shall specify:

- (1) the names of the principal and proxy;
- (2) outline opinions of the principal on respective proposals;
- (3) the principal's scope of authorization and instructions about voting intent in relation to respective proposals;
- (4) signature of the principal and proxy, date, etc.

Where any director signs the regular reports by proxy, the said director shall specify such authorization in the power of attorney.

The proxy director shall present the written power of attorney to the presider, and explain proxy attendance in the attendance book.

Any director failing to attend the directors' meeting in person or by proxy twice in succession shall be considered as a director lacking the capacity for his duties. The board of directors shall suggest that the meeting of shareholders remove him from the post.

Article 31 A director attending a Board meeting in proxy shall exercise the right of a director within the scope of authorization. In the event that a director fails to attend a Board meeting and entrusts a delegate to attend, the absent director shall be deemed as having abandoned his/her vote at the meeting in question.

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Article 32 Proxy attendance at Board meetings shall follow the principles below:

- (1) Where connected transactions are considered, a non-connected director shall not appoint a connected director to attend the meeting on his behalf, and a connected director shall also not accept the appointment of a non-connected director;
- (2) An independent director shall not appoint a non-independent director to attend the meeting on his behalf, and a non-independent director shall also not accept the appointment of an independent director;
- (3) A director shall not give any other director carte blanche to attend the meeting and vote on his behalf without providing his own opinions and voting intent on the proposals, and the relevant director shall also not accept the carte blanche or any appointment not well defined;
- (4) One director shall not accept appointment by more than two directors, and a director shall also not appoint any other director who has been appointed by two other directors to attend the meeting and vote on his behalf.

Article 33 Board meetings shall generally be held onsite, or where necessary, via videoconference, conference call, fax or email voting provided that the directors can adequately express their views and the convener (presider) and proposer grant approval. Board meetings may also be held onsite and off-site simultaneously.

Where a Board meeting is held offsite, the number of attending directors shall be counted according to the directors shown at the videoconference, the directors expressing their views at the conference call, valid votes such as faxes or emails received within the prescribed period, or written acknowledgements submitted after the meeting by the directors for attending the meeting.

Article 34 Provisional Board meetings may be held in emergency, on condition that the attending directors fully express their opinions and subject to approval by the chairman, and may pass resolutions by voting by telecommunication, with the resolutions signed by the directors.

Chapter 5 Procedure and Resolutions of Board Meetings

Article 35 The presider of the meeting shall ask the attending directors to provide definite opinions on respective proposals.

For any proposal requiring prior acknowledgements of independent directors, the presider shall, before discussing the relevant proposal, appoint one independent director to read out the written acknowledgements of independent directors.

For any director who disturbed the normal order of the meeting or interfered with any other directors to present their opinions, the presider shall take measures to prevent the director to conduct such actions in a timely manner.

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The Board meeting shall not vote on any proposal not included in the notice of the meeting unless with the unanimous consent of the attending directors. A proxy director shall not vote on any proposal not included in the notice of the meeting.

Article 36 The directors shall carefully read documents relating to the meeting and shall express well-informed, independent and discreet opinions.

The directors may, before the meeting, learn and inquire about information needed for decision making from relevant persons or institutions such as the convener of the meeting, senior executives, special committees, the accounting firm and the law firm, or may, while the meeting is underway, suggest to the presider that the aforesaid persons or institutions appear at the meeting to make relevant explanations.

Where any director needs to obtain opinions from an independent agency institution in order to correctly fulfil the said director's obligations to the Company, the said director may submit the relevant reasonable request to the Board, and the Board may through a resolution provide the said director the opinions of the agency institution and the Company shall bear the relevant agency fees.

Article 37 After adequate discussion of each proposal, the presider shall submit it to voting by the attending directors.

Each attendant shall cast one vote by open ballot.

Article 38 The voting intent of a director may be pro, con or abstention. Every attending director shall choose one out of the aforesaid intents. Where any director does not make any option or makes two or more options, the presider shall require the said director to make an option again, otherwise the said director shall be deemed as having abstained from voting; any director who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

If the pros and cons are the same, the chairman of the Board shall be entitled to an additional vote.

Article 39 Where more than half of the attending directors or more than two independent directors think they cannot make judgments on relevant issues because the relevant proposal is not clear or specific or the meeting documents are inadequate, the presider shall require the meeting to suspend voting on the said proposal.

The director proposing suspension of voting shall provide definite requirements for the conditions to be met for resubmitting the said proposal for deliberation.

Article 40 After voting of the attending directors, the Board office staff shall responsibly collect ballots cast by the directors, which ballots shall be counted by the Board secretary under supervision of a supervisor or independent director.

Article 41 Where the meeting is held onsite, the presider shall announce the statistics onsite; in other circumstances, the presider shall require the Board secretary to announce the voting result within a workday after the prescribed voting deadline.

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Article 42 The ballots cast by directors after the presider announces the voting result or after the prescribed voting deadline shall not be counted.

Article 43 Saved as specified in Article 45 of these Rules, adoption of or resolution on any proposal shall be subject to approval of more than half of all the directors of the Company.

Where the relevant laws, administrative regulations and Articles of Association have any provisions on approval of more directors, such provisions shall apply.

Any resolution made by the Board on any guarantee within its scope of authority in accordance with Articles of Association shall be subject to the approval of more than half of all the directors of the Company and more than two thirds of the attending directors. Where the listing rules at the location where the shares of the Company are listed have special requirements for disclosure of guarantee related matters, such requirements shall apply.

If different resolutions conflict with each other in contents and meanings, the resolutions formed later in time shall prevail.

Article 44 Where a Board meeting is held onsite, the Board secretary shall arrange Board office staff to form draft resolutions onsite based on the voting results. Save in special circumstances, draft resolutions of the meeting shall be examined by the attending directors and signed onsite before conclusion of the meeting. The meeting minutes shall record failures of directors to sign the resolutions of the meeting.

Where the listing rules at the location where the shares of the Company are listed have special requirements for disclosure of Board meetings, such requirements shall apply.

Article 45 In any of the following circumstances, the directors shall abstain from voting on the relevant proposals:

- (1) The listing rules of the stock exchange with which the company is listed provide for abstention of the directors from voting;
- (2) The directors themselves think they should abstain from voting;
- (3) The directors are connected with the enterprises involved by the proposals and shall therefore abstain from voting pursuant to Articles of Association.

Where any director is required to abstain from voting, the director shall not vote on the related resolution or vote on behalf of other director and shall not be included into the quorum attending the related meeting. The relevant Board meeting may be held when more than half of the non-connected directors attend the meeting, and the resolutions made shall be passed by more than half of the non-connected directors. If the number of non-connected attending directors is less than 3, the relevant proposal shall not be voted on but shall be submitted to the general meeting for deliberation.

APPENDIX III PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR THE BOARD
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Resolutions made by the Board in relation to connected transactions of the Company shall not be effective unless signed by the independent directors. The independent directors' opinions shall be set out in the resolutions of the Board meetings.

Article 46 The directors shall act as authorized by the general meetings and Articles of Association, and shall not make any resolution beyond authority.

Article 47 Where the issues relating to profit distribution need to be resolved at the Board meeting, the profit distribution proposal to be submitted to the Board may first be submitted to the certified public accountants, who shall be required to produce a draft audit report (all financial data except those involving profit distribution have been determined). After resolving on profit distribution, the Board shall require the certified public accountants to produce a formal audit report, according to which the Board shall resolve on other relevant issues in the regular report.

Where the listing rules at the location where the shares of the Company are listed have special requirements for Board meetings needing to resolve on profit distribution of the Company or other Board meetings, such requirements shall apply.

Article 48 Where any proposal is not passed, any Board meeting shall not deliberate any proposal with the same contents within one month if the relevant conditions and factors have not changed significantly.

Article 49 Where more than half of the attending directors or more than two independent directors think they cannot make judgments on relevant issues because the relevant proposal is not clear or specific or the meeting documents are inadequate, the presider shall require the meeting to suspend voting on the said proposal. The director proposing suspension of voting shall provide definite requirements for the conditions to be met for resubmitting the said proposal for deliberation.

Chapter 6 Administration of Minutes, Summaries and Documents of Board Meetings

Article 50 The Board secretary shall arrange Board office staff to record the minutes of the Board meeting. Minutes shall be signed by all attending directors, Board secretary and the person taking the minutes.

The minutes shall include the following information:

- (1) the serial number, time, venue and form of the meeting;
- (2) sending of the notice of meeting;
- (3) convener and presider of the meeting;
- (4) the agenda of the meeting;

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- (5) the names of the attending directors and the directors (proxies) attending the meeting on behalf of others;
- (6) the proposals considered at the meeting, chief comments and opinions of directors on relevant issues, voting intent in relation to respective proposals;
- (7) the voting method and result for each resolution (the voting result shall set out the numbers of pros, cons and abstentions and names of voters);
- (8) other issues that the attending directors think should be recorded.

Article 51 Where a Board meeting is held onsite, the Board secretary shall organize Board office staff to serve the meeting minutes to the attending directors within three days after conclusion of the meeting. Where a Board meeting is held offsite, the Board secretary shall organize Board office staff to finish sorting out the meeting minutes and forming resolutions within three days after conclusion of the meeting and send the minutes and resolutions to the attending directors.

The directors shall sign the minutes and resolutions after receipt of the same and shall within three days send the same to the Board secretary.

Where the listing rules at the location where the shares of the Company are listed have special requirements for Board Meetings, such requirements shall apply.

Article 52 In addition to the minutes of the meeting, when necessary, the Secretary to the Board may organize the staff of the Board Secretariat to make a summary of the minutes of the meeting.

Article 53 The attending directors shall sign the minutes, resolutions and summary of the meeting in person or on behalf of the directors appointing them to attend the meeting. Where the directors disagree over the minutes, resolutions and summary of the meeting, they may attach written remarks when signing the same.

Article 54 Where any director neither signs as per the preceding paragraph nor provides his different opinions in writing, reports to the regulatory authority or announces public statement, the said director shall be deemed as agreeing with the minutes, resolutions and summary of the meeting.

Article 55 The directors shall be responsible for the resolutions passed at Board meetings. Any director who votes for a resolution which runs counter to the relevant laws, regulations or Articles of Association, thereby causing serious losses to the Company, shall be liable for compensation. A director who has been proved as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting may be exempt from liability. Abstention from voting does not exempt the relevant director from his responsibility to the resolution of the Board.

APPENDIX III PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR THE BOARD
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If any director does not attend a Board meeting either in person or by proxy or lodge a written objection to the matters to be discussed on or before the day on which the meeting is held, the said director shall be deemed as having abstained from voting and shall not be exempt from liability.

Article 56 Archives of Board meetings including notices of meeting, meeting documents, attendance book, powers of attorney for proxy directors, meeting recordings, votes, meeting minutes signed by the attending directors, meeting summaries, resolutions, announcements of the resolutions, etc. shall be kept by the Board secretary.

Archives of Board meetings shall be kept for at least 10 years. Where any director needs to refer to the said archives, the Board secretary shall provide the relevant archives for reference by the said director within a reasonable time after receipt of the reasonable notice of the said director.

Chapter 7 Implementation of and Feedback on Resolutions of Board Meetings

Article 57 The chairman shall urge the relevant personnel to execute the resolutions of the Board, supervise such execution, and report at Board meetings how the resolutions are executed.

After resolutions are passed at Board of meetings, the general manager shall implement the resolutions which fall within the scope of the authority of the general manager or which the Board authorizes the general manager to handle, and shall make regular written report to the Board on the implementation of the resolutions. The chairman may appoint other director to examine and supervise implementation of the resolutions.

Chapter 8 Information Disclosure of Board Meetings

Article 58 Resolutions made by the Board shall be announced by the Board secretary pursuant to the listing rules of the stock exchange with which the Company is listed. Before announcement of the resolutions, the attending directors, other attendants, and the recording and service staff shall fulfill the confidentiality obligation.

Article 59 The specific matters relating to information disclosure of Board meetings shall be governed by information disclosure regulations formulated by the Company.

APPENDIX III PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR THE BOARD
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Chapter 9 Supplementary Provisions

Article 60 Matters not covered herein or conflicts between these Rules and laws and regulations promulgated or amended after the effective date of these Rules, listing rules of the stock exchange with which the Company's Shares are listed or Articles of Association shall be governed by the laws and regulations, listing rules of the stock exchange with which the Company's Shares are listed and Articles of Association.

Article 61 The figure itself shall be included if Article 34 of these rules refer to any such words as "above" or "within"; the figure itself shall not be included if these rules refer to any such words as "exceed", "lower than", "more than" or "before".

Save otherwise specified, the terms used in these Rules shall have the same meanings as identical terms in the Articles of Association.

Article 62 These Rules shall take effect upon adoption through a resolution at the general meeting and the public offering and listing of A Shares of the Company, and shall be an appendix to the Articles of Association, and the former rules shall lapse automatically.

The amendment of these rules shall be made by the Board and shall be submitted to the general meeting for approval.

Article 63 The Rules shall be subject to the interpretation of the Board.

The English version of this Appendix is an unofficial translation of its Chinese version prepared for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The proposed amended version of the Rules and Procedures for Meeting of the Supervisory Committee are set out below:

Chapter 1 General Provisions

Article 1 To further regulate the rules of procedure and decision-making of the Supervisory Committee of Lingbao Gold Company Ltd. (“the Company”), make the supervisors and the Supervisory Committee effectively perform their supervisory duties, and improve the governance structure of the Company, these Rules are formulated pursuant to Company Law of the People’s Republic of China (Company Law), Securities Law of the People’s Republic of China, Standards for the Governance of Listed Companies, Articles of Association of Lingbao Gold Company Ltd. (“Articles of Association”) and relevant listing rules of the place where the shares of the Company are listed.

Article 2 The Supervisory Committee of the Company shall be accountable and report to the general meeting. The Supervisory Committee shall supervise the financial operations of the Company and the legality of the fulfillment of duties of the Company’s directors, general manager and other senior executives to protect the legitimate rights and interests of the Company and its shareholders.

Article 3 The Company shall take measures to guarantee the supervisors’ right to know and responsively provide the supervisors with necessary information to enable the Supervisory Committee to effectively supervise, inspect and evaluate the financial position and operations management of the Company.

The supervisors may attend Board meetings without voting rights and may make inquiries or suggestions pertaining to the resolutions of the meetings of the Board of Directors.

If necessary, attend meetings of the general manager’s office without voting rights.

Article 4 The supervisory records of the Supervisory Committee and the results of financial inspections or other special inspections shall be important basis for evaluating the performance of directors, general manager and other senior executives.

Article 5 The general manager shall, as required by the Supervisory Committee, report to the Supervisory Committee on the conclusion and performance of important contracts, the use of funds, and losses and profits of the Company. The general manager shall undertake that such report is true to the fact.

Article 6 The Supervisory Committee shall formulate separate rules of the work based on the Company Laws, the Articles of Association and these rules.

Chapter 2 Composition and Office of the Supervisory Committee

Article 7 The Supervisory Committee of the Company consists of five supervisors, including three representatives of the shareholders and two representatives of the employees.

The Supervisory Committee shall have one chairman. The chairman of the Supervisory Committee shall be elected by the votes of more than two thirds (inclusive) of the members of the Supervisory Committee.

Directors, general manager and other senior executives of the Company shall not serve as supervisors.

Article 8 A supervisor shall serve a term of three years, and may seek reelection upon expiry of the said term. Shareholder supervisors shall be elected or replaced at general meetings, and employee representative supervisors shall be elected or removed through democratic election at employee representatives' meetings, employees' meetings or in other forms by the employees of the Company.

Article 9 A supervisor may tender a resignation before expiry of his term of office. In resigning his duties, a supervisor shall tender a written resignation to the Supervisory Committee.

The stipulations in the Articles of Association in relation to the resignation of directors shall be applicable to the supervisors. If the term of office of a supervisor expires but reelection is not made responsively or if any supervisor resigns during his term of office so that the membership of the Supervisory Committee falls short of the quorum, the said supervisor shall continue fulfilling the duties as supervisor pursuant to relevant laws, administrative regulations and the Articles of Association until a new supervisor is elected.

Article 10 Apart from complying with qualifications stipulated in Company Law, Articles of Association and relevant listing rules of the place where the shares of the Company are listed, a supervisor shall also have professional knowledge and working experience in such areas as law, accounting, auditing and macro economy.

Article 11 The Supervisory Committee shall set an office for handling the daily affairs of the Supervisory Committee.

The chairman of the Supervisory Committee shall assume the position of the person-in-charge of the Board office, and shall take custody of the seals of the Supervisory Committee.

Article 12 The chairman of the Supervisory Committee may appoint financing and auditing staff or other staff to help handle the daily affairs of the Supervisory Committee provided that such appointment does not conflict with the duties specified in the Articles of Association.

Chapter 3 Functions and Powers of the Supervisory Committee

Article 13 The Supervisory Committee shall exercise the following functions and powers according to law:

- (1) to examine the regular reports of the Company prepared by the Board and produce written opinions thereon;
- (2) to review the financial affairs of the Company;
- (3) to supervise the work of the directors, general manager and senior executives of the Company, and propose dismissal of directors and senior executives who have violated laws, administrative rules or the Articles of Association;
- (4) if any act of the directors, general manager, and other senior executives of the Company damages the interests of the Company, to require them to rectify such act accordingly;
- (5) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings in accordance with Company Law, to convene and preside the general meetings;
- (6) to present motions to general meetings;
- (7) to propose to convene a provisional Board meeting;
- (8) to initiate legal proceedings against the directors or senior management personnel in accordance with Company Law;
- (9) if there are any unusual circumstances in the Company's operations, to conduct investigation, and, if necessary, to engage an accounting firm, law firm or other professionals to assist in their work at the costs of the Company;
- (10) to exercise other functions and powers stipulated by laws, regulations and the Articles of Association.

Article 14 The Supervisory Committee usually inspects the Company for one to two times regularly every year, and may irregularly carry out special inspections on the Company in light of actual needs.

Article 15 The Supervisory Committee may carry out inspections as follows:

- (1) listen to reports relating to the financial and asset positions and operations management, and convene meetings relating to the inspection matters;

- (2) refer to financial and accounting documents like financial reports, accounting vouchers and accounting books, and other materials relating to business operations;
- (3) check up relevant financial and asset positions, and make explanations to relevant person in charge if necessary;
- (4) inquire auditing department etc fulfilling supervisory duty on the Company about the financial position and business operations of the Company.

The Company shall regularly and promptly send the Supervisory Committee the financial and accounting reports, economic activity analysis reports, internal audit reports and relevant documents.

Article 16 The Supervisory Committee shall, upon completion of inspection on the Company each time, promptly write an inspection report which shall be subject to discussion among members of the Supervisory Committee and then be signed by the chairman of the Supervisory Committee, and if necessary, be submitted to the general meeting for consideration.

Article 17 At an annual general meeting, the Supervisory Committee shall read the special reports relating to supervision on the Company in the previous year, including:

- (1) verification of the financial position of the Company;
- (2) implementation of relevant laws, regulations, the Articles of Association and resolutions of the general meeting by directors, general manager and other senior executives of the Company;
- (3) the Supervisory Committee's evaluation on the integrity and diligence of the directors, general manager and other senior executives of the Company in performing their duties;
- (4) other material events to be reported to the general meeting as deemed necessary by the Supervisory Committee.

The Supervisory Committee may, if it thinks necessary, comment on motions reviewed by the general meeting, and file an independent report accordingly.

Article 18 To exercise its powers, the Supervisory Committee shall have the right to freely engage lawyers, certified public accountants and practicing auditors to provide professional assistance at reasonable expenses which shall be borne by the Company.

Reasonable expenses of supervisors for daily work and attendance in meetings of the Supervisory Committee shall be borne by the Company. The said expenses cover traffic fees from the location of the supervisors to the venue (not the same as the location of the supervisors) of the meeting, room and board fees, the rent of the venue and local traffic fees during the meeting.

Article 19 The chairman of the Supervisory Committee shall exercise the following functions and powers:

- (1) to convene and preside over meetings of the Supervisory Committee;
- (2) to organize fulfillment of the duties of the Supervisory Committee;
- (3) to review and sign the report and other important documents of the Supervisory Committee;
- (4) to report, on behalf of the Supervisory Committee, to the general meeting on its work;
- (5) to fulfill other duties according to law or as specified in the Articles.

Where the chairman of the Supervisory Committee cannot or does not fulfill the duty thereof, more than half of the supervisors may elect a supervisor to convene and preside over the meetings of the Supervisory Committee.

Article 20 Where, in performing its supervisory duty, the Supervisory Committee discovers any non-compliance in the financial operations of the Company or any act committed by any director, general manager or other senior executive against the laws, regulations or Articles of Association, the Committee may report to the Board or general meeting, or report directly to the securities regulatory authority of the State Council or other relevant authority.

Article 21 Supervisors shall observe laws, administrative regulations and the Articles of Association, and fulfill the obligation of integrity and diligence.

Article 22 The other departments of the Company shall support the work and normal operation of the Supervisory Committee. The Company shall formulate specific methods, procedures, etc. for the relevant functional departments and staff to support the work of the Supervisory Committee.

Chapter 4 Proceedings of Meetings of Supervisory Committee**Section 1 Regular and Provisional Meetings of the Supervisory Committee**

Article 23 Meetings of the Supervisory Committee include regular meetings and provisional meetings.

Article 24 Regular meetings of the Supervisory Committee shall be held once every 6 months, and such meeting shall be called by the chairman of the Supervisory Committee.

In any of the following circumstances, the chairman of the Supervisory Committee shall hold a provisional meeting within 10 days:

- (1) proposed by any of the supervisors to convene a meeting;
- (2) The general meeting or board meeting has passed any resolution which runs counter to the relevant laws, regulations, rules, various provisions and requirements of the regulatory authorities, the Articles of Association, resolutions of the general meeting of the Company or any other relevant provisions;
- (3) if there has been or is significant loss of assets of the Company and the interests of the shareholders are harmed;
- (4) if any directors, general manager and other senior executives of the Company may seriously harm or adversely affect the Company;
- (5) The shareholders lodge a legal action against the Company or directors, supervisors or senior executives of the Company;
- (6) The Company, directors, supervisors or senior executives of the Company are punished by the regulatory authority or condemned in public by the stock exchange;
- (7) if the securities regulatory authority requires holding such a meeting;
- (8) if any other circumstance so specified in the Articles of Association occurs.

Section 2 Motions to Regular Meetings

Article 25 Before sending the notice of regular meeting of the Supervisory Committee, the office of the Supervisory Committee shall collect proposals from all the supervisors and shall spend at least two days seeking opinions from the staff of the Company. In collecting proposals and seeking opinions, the office of the Supervisory Committee shall state that the Supervisory Committee focuses on supervising the operations of the Company and the conduct of the directors and senior executives, not on making decisions on the operations and management of the Company.

Section 3 Procedure for Proposing Provisional Meetings

Article 26 Any proposal of any supervisor for convening a provisional meeting of the Supervisory Committee shall be made in written form, affixed with the signature of the said supervisor and submitted via the office of the Supervisory Committee or submitted to the chairman of the Supervisory Committee directly. A written proposal shall specify:

- (1) the name of the proposing supervisor;
- (2) reason or objective circumstance for the proposal;
- (3) time or time limit, venue or form of the meeting proposed;
- (4) well-defined, specific motions;
- (5) means to contact the proposing supervisor, date of proposal, etc.

Article 27 The office of the Supervisory Committee shall transfer to the chairman of the Supervisory Committee the aforesaid proposal and related documents promptly after receipt of the same. The chairman of the Supervisory Committee shall serve a notice of a provisional meeting of the Supervisory Committee within 3 days after receipt of the proposal or requirement of the securities regulatory authority.

Where the chairman of the Supervisory Committee deems the contents of the proposal as not well-defined, specific or complete, the chairman may require the proposer to modify or supplement the proposal and serve a notice of a provisional meeting of the Supervisory Committee within 3 days after receipt of the modified or supplemented proposal.

If the Supervisory Committee office delays in serving the notice of meeting, the proposing supervisor shall report to the regulatory authorities in due course.

Section 4 Convening and Presiding of Meetings

Article 28 Meetings of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee; where the chairman of the Supervisory Committee cannot or does not fulfill the duty thereof, more than half of the supervisors may elect a supervisor to convene and preside.

Section 5 Notice of Meeting

Article 29 The office of the Supervisory Committee shall send the written notice of meeting affixed with the seal of the Supervisory Committee to all the supervisors and relevant presiders by direct delivery, fax, email or other means 10 days and 5 days before a regular meeting and a provisional meeting of the Supervisory Committee respectively. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.

Where a provisional meeting of the Supervisory Committee needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

Article 30 A written notice of meeting shall at least include:

- (1) time, venue and duration of the meeting;
- (2) issues (proposal for meeting) for discussion to be considered;
- (3) convener and presider of the meeting, proposer of and written proposal for the provisional meeting;
- (4) documents needed for voting of supervisors;
- (5) the requirement for the supervisor to attend the meeting in person;
- (6) contact person and means of contact;
- (7) date on which the notice is sent;
- (8) and other items should be stated.

A verbal notice of meeting shall at least include (1) and (2) above, and explanation for a provisional meeting of the Supervisory Committee in emergency.

Section 6 Form of Meeting

Article 31 Meetings of the Supervisory Committee shall be held onsite.

Where necessary, via fax, videoconference, conference call, provided that the supervisors can adequately express their views and the convener (presider) and proposer grant approval. Meetings of the Supervisory Committee may also be held onsite and off-site simultaneously.

Where a meeting of the Supervisory Committee is held offsite, the number of attending supervisors shall be counted according to the supervisors shown at the videoconference, the supervisors expressing their views at the conference call, valid votes such as faxes received within the prescribed period, or written acknowledgements submitted after the meeting by the supervisors for attending the meeting.

In the case of voting by correspondence, the supervisors shall fax to the office of the Supervisory Committee their written and signed opinions and voting intents on the matters to be considered. The supervisors shall not merely provide voting opinions without expressing their written opinions or reasons for voting.

Section 7 Convening of Meeting

Article 32 Supervisors shall in principle attend the meeting of the supervisory committee in person. Where a supervisor is unable to attend a meeting for any reason, he shall pursue the meeting documents in advance, form definite opinions, and appoint another supervisor in writing to attend the meeting on his behalf.

The proxy form shall specify the reason of absence of the supervisor, the names, identity number of the proxy, outline opinions of the principal on respective motions, the principal's range of authorization and instructions about voting intent in relation to respective motions, and the signatures of the principal and proxy.

The proxy supervisor shall present the written proxy form to the president, and explain proxy attendance in the attendance book.

The proxy supervisor should exercise his rights within the scope of authorization. Where a supervisor does not present in a meeting without appointing a proxy, he will be regarded to give up his voting right in the meeting.

Any supervisor failing to attend the Supervisory Committee's meeting in person or by proxy twice in succession shall be considered as a supervisor lacking the capacity for his duties. The Supervisory Committee shall suggest that the general meeting remove him from the post.

Article 33 A meeting of the Supervisory Committee shall be attended by more than two thirds of the supervisors. Where any relevant supervisor refuses or fails to attend the meeting so that the number of attendees falls short of the quorum required for convening the meeting, other supervisors shall responsively report to the regulatory authority.

The secretary of the Board and the securities affair representative shall be present at meetings of the supervisory committee as non-voting representatives.

Article 34 The Supervisory Committee may, when considering relevant motions and reports, require the relevant professionals such as directors, general manager, deputy general manager, chief financial officer, internal and external auditors, lawyer, certified public accountant and so on to attend meetings as non-voting representatives to give necessary explanations to and answer any questions raised by the Supervisory Committee.

Section 8 Agenda of Meeting

Article 35 The presider of the meeting shall ask the attending supervisors separately to provide definite opinions on respective proposals.

Article 36 The presider may, as proposed by supervisors, require directors, senior executives, other members of staff of the Company or relevant agency institution to stand on inquiry.

Article 37 The president shall stop any supervisor from affecting the speech of other supervisors or hindering the normal progress of the meeting where he makes repetitive speech or exceed the range of the motion.

The meeting of the Supervisory Committee shall not vote on any motion not included in the notice of the meeting unless with the unanimous consent of all attending supervisors.

Section 9 Resolutions of Supervisory Committee

Article 38 At meetings of the Supervisory Committee, each attendant shall cast one vote, by open ballot or in writing or otherwise. The attendants of the meeting of Supervisory Committee only have the right to speak but have no right to vote.

After voting of the attending supervisors, the Supervisory Committee office staff shall responsively collect ballots cast by the supervisors, which ballots shall be counted under supervision of a supervisor.

Where the meeting is held onsite, the presider shall announce the statistics onsite; in other circumstances, the presider shall announce the voting result within a workday after the prescribed voting deadline.

The ballots cast by supervisors after the presider announces the voting result or after the prescribed voting deadline shall not be counted.

When a proposal is connected with a supervisor, the supervisor shall abstain from voting.

Article 39 The voting intent of a supervisor may be pro, con or abstention. Every attending supervisor shall choose one out of the aforesaid intents. Where any supervisor does not make any option or makes two or more options, the presider shall require the said supervisor to make an option again, otherwise the said supervisor shall be deemed as having abstained from voting; any supervisor who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

Article 40 Resolutions of the meeting of the Supervisory Committee shall be approved by more than two thirds of the supervisors.

Section 10 Taping of meetings

Article 41 Meeting of the Supervisory Committee may be fully taped wherever necessary and filed.

Section 11 Meeting Minutes

Article 42 Office clerks of the Supervisory Committee shall keep minutes of onsite meetings. The minutes shall include the following information:

- (1) the time, venue and form of the meeting;
- (2) sending of the notice of meeting;
- (3) convener and presider of the meeting;
- (4) attendance of the meeting;
- (5) procedure and process of the meeting;
- (6) the proposals considered at the meeting, chief comments and opinions of supervisors on relevant issues, voting intent in relation to respective proposals;
- (7) the voting method and result for each proposal (the voting result shall set out the respective numbers of pros, cons and abstentions);
- (8) other issues that the attending supervisors think should be included into the minutes.

For a meeting held by correspondence, the office of the Supervisory Committee shall sort out the meeting minutes as per the preceding provision.

Section 12 Signatures of Supervisors

Article 43 The attending supervisors shall sign and confirm the minutes, summary and resolutions of the meeting.

Article 44 If any supervisor has different opinions on the minutes, summary and resolutions of the meeting, the said supervisor may make a written explanation when signing them and may have an explanatory note made in the minutes regarding his speech at the meeting. Where necessary, they shall responsively report to the regulatory authority or announce public statements.

Article 45 Where any supervisor neither signs as per the preceding provision nor provides his different opinions in writing, reports to the regulatory authority or announces public statement, the said supervisor shall be deemed as agreeing with the minutes, summary or resolutions of the meeting.

Section 13 Information Disclosure of Meetings of Supervisory Committee

Article 46 The Supervisory Committee must strictly comply with the information disclosure requirements of the stock exchange and the regulatory authority at the location where the shares of the Company are listed, and shall disclose matters or resolutions considered or adopted at the meetings of the Supervisory Committee timely and precisely. The specific operation procedure shall be subject to relevant regulations of the Company.

Article 47 Announcement of resolutions and information disclosure of the Supervisory Committee shall be made by the Board secretary pursuant to the relevant provisions of the stock exchange with which the Company's shares are listed.

Article 48 Before announcement of the resolutions and the proposals by the Company in accordance with the legal procedure, the attending directors, other attendants, and the recording and service staff shall fulfill the confidentiality obligation.

**Section 14 Implementation of and Feedback on Resolutions of Meetings
of Supervisory Committee**

Article 49 The chairman of the Supervisory Committee shall urge relevant staff to execute the resolutions of the Supervisory Committee and report at future meetings of the Supervisory Committee how the resolutions are executed.

Article 50 The office of the Supervisory Committee shall, under the leadership of the Supervisory Committee and chairman thereof, proactively collect information about execution of relevant resolutions, and responsively report and make suggestions to the Supervisory Committee and chairman thereof.

Article 51 Where any resolution made by the Supervisory Committee involves a proposal for convening an extraordinary Board meeting or an extraordinary general meeting or a temporary proposal to the annual general meeting, the Supervisory Committee shall submit written detailed proposals to the Board and make sure that the said proposals comply with the relevant laws, regulations and the Articles of Association.

Section 15 Keeping of Meeting Archives

Section 52 Archives of meetings of the Supervisory Committee including notices of meeting, meeting documents, attendance book, meeting recordings, votes, meeting minutes signed by the attending supervisors, summaries of meetings, records and announcements of the resolutions, etc., shall be kept by a person designated by the chairman of the Supervisory Committee.

Section 53 Archives of meetings of the Supervisory Committee shall be kept for at least 10 years.

Chapter 5 Supplementary Provisions

Article 54 In the event matters are not dealt with by these Rules or these Rules are in contradiction to the laws and regulations promulgated or amended after the effective date of these Rules, the listing rules of the Stock Exchange(s) where the shares of the Company are listed or the Articles of Association, the applicable laws and regulations, the listing rules of the Stock Exchange(s) where the shares of the Company are listed and the Articles of Association shall prevail.

Article 55 Save otherwise specified, the terms used in these Rules shall have the same meanings as identical terms in the Articles of Association.

The figure itself shall be included if these rules refer to any such words as “above”.

Article 56 These rules are the appendix to the Articles of Association and shall come into effect after the approval of the general meeting and the public offering and listing of A Shares of the Company. The Supervisory Committee may amend these rules and submit the amendment to the General Meeting for approval, and the former rules shall lapse automatically.

Article 57 These Rules shall be subject to the interpretation of the Supervisory Committee.

The English version of this Appendix is an unofficial translation of its Chinese version prepared for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The proposed amended version of the Independent Directors Rules are set out below:

Chapter 1 General Provisions

Article 1 In order to further improve the corporate governance structure and enhance the standardized operation of Lingbao Gold Company Limited (the “Company”) and ensure the performance of the duties of Independent Directors, the Company formulated the Rules in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Guiding Opinions on the Establishment of a System of Independent Directors by Listed Companies (the “Guiding Opinions”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), Listing Rules of Shares on the Shanghai Stock Exchange (Revision 2008) (the “SSE Listing Rules”), the Guidelines for the Governance of Listed Companies, and the relevant requirements set out in the Articles of Association of Lingbao Gold Company Limited (the “Articles of Association”).

Article 2 Independent Directors of the Company refers to Directors who do not hold any position in the Company other than a Directorship, and have no relationship with the Company and its major shareholders (referring to the shareholders individually or jointly holding not less than 5% of the Company’s total number of shares with voting rights) that may hinder such Directors’ ability to make independent and objective judgments. Independent Directors referred to in these Rules shall also meet the requirements in relation to independent non-executive director as provided under the Hong Kong Listing Rules.

Article 3 Except otherwise specified in these Rules, the provisions of the Articles of Association in relation to Directors apply to Independent Directors.

Chapter 2 Qualification Requirements for Independent Directors

Article 4 Independent Directors referred to in Article 1 shall fulfil the basic conditions set forth below:

- (1) being qualified to hold the position of director in a listed company in accordance with the laws, administrative rules and regulations and other relevant rules of the jurisdictions where the Company’s shares are listed;
- (2) being independent as required by Article 6 contained herein;
- (3) having basic knowledge of the operation of listed companies and being familiar with the relevant laws, administrative rules and regulations, departmental rules and regulations;

- (4) having no less than five years' experience in the legal or economic field, or other work experience necessary for performing the duties and responsibilities of an Independent Director;
- (5) such other conditions as may be specified in the Articles of Association.

Article 5 At least one third of the Board members shall be Independent Directors, and the number shall not be less than three, of which at least one must be an accounting professional.

At least one Independent Director of the Company is ordinarily resident in Hong Kong.

Chapter 3 Independence of Independent Directors

Article 6 Independent Directors must possess independence and comply with the requirements concerning the independence of Independent Directors under the Guiding Opinions, as well as the provisions concerning the independence of independent non-executive directors under the Hong Kong Listing Rules or otherwise required by the Hong Kong Stock Exchange. The following persons shall not hold the position of Independent Director:

- (1) persons who are employed by the Company or its subsidiaries (excluding Independent Directors), and direct relatives and major social relationships thereof (direct relatives shall mean spouses, parents, and children; and major social relationships shall include siblings, fathers-in-law and mothers-in-law, daughters-in-law and sons-in-law, brothers-in-law and sisters-in-law, and the siblings of the spouses);
- (2) shareholders who are natural persons and who directly or indirectly hold more than 1% of the issued shares of the Company, or are among the top ten shareholders of the Company, and the direct relatives thereof;
- (3) persons employed by corporate shareholders which directly or indirectly hold more than 5% of the issued shares of the Company or are among the top five shareholders of the Company, and the direct relatives thereof;
- (4) persons who fell under any of the above three sub-clauses in the past one year;
- (5) persons who provide financial, legal or consultation services to the Company or any of its subsidiaries;
- (6) such other persons as may be specified in the Articles of Association;
- (7) such other persons as may be decided by the China Securities Regulatory Commission and the Hong Kong Stock Exchange.

Chapter 4 Nomination, Election and Replacement of Independent Directors

Article 7 The nomination and election procedures for Independent Directors are set forth below:

- (1) The Board of Directors, a supervisory committee, or shareholders individually or jointly holding not less than 1% of issued shares of the Company are entitled to nominate candidates for Independent Directors to be elected at the general meetings;
- (2) The nominator of an Independent Director shall have the prior approval of the proposed candidate before making a nomination. The nominator shall have adequate knowledge of the profession, education, job titles and detailed working experience of the candidate as well as the status of all his part-time jobs, and give an opinion on his qualifications and independence in relation to the position of Independent Director. The candidate shall make a public declaration disclaiming any relationship between himself and the Company that will affect his independent judgment;
- (3) Prior to the general meeting for elections of Independent Directors, the Board of Directors of the Company shall announce the above information in accordance with the relevant provisions;
- (4) Before convening a general meeting for the election of Independent Directors, a listed company shall submit the relevant materials of all candidates to the stock exchange on which the Company's shares are listed. Where there is any dissenting opinion of the Board of Directors of the Company with regard to the relevant conditions of any candidate, it shall also be submitted in written form at the same time;
- (5) The stock exchange will review the qualifications and independence of the Independent Director candidates within five trading days upon receipt of the materials as mentioned in the preceding paragraphs. Where the stock exchange has any objection to the nomination of any person, such person may not be elected to be an Independent Director at a general meeting of the Company. At the general meetings for the elections of Independent Directors, the Board of Directors shall state the details of whether or not the Independent Directors candidates have been objected by the Shanghai Stock Exchange.

Article 8 The term of office of an Independent Director shall be identical to that of the other Directors of the Company. An Independent Director is eligible for election for successive terms, which may not exceed six years.

Article 9 The Board of Directors shall propose to a general meeting to replace the Independent Director who falls under any of the following situations:

- (1) where an Independent Director fails to attend in person the meetings of the Board of Directors for three times in succession;

- (2) where an Independent Director fails to issue independent opinion for three times in succession or which is being proved as inconsistent with the facts;
- (3) where an Independent Director fails to report any circumstances which may affect his independence.

Article 10 An Independent Director shall not be dismissed without a justified cause before the expiration of his term, unless under the above circumstances and any of the conditions specifying the disqualification of a Director under the Company Law has occurred. If an Independent Director is dismissed before expiry of his term, the Company shall specifically disclose the dismissal. If the Independent Director being dismissed believes that his dismissal is unreasonable, he may make a public announcement.

Article 11 An Independent Director may tender resignation prior to the expiry of his term. A resigning Independent Director shall submit to the Board of Directors a written resignation report, which shall contain explanations on matters related to his resignation or any other matters that he may consider necessary to be brought to the attention of the shareholders and creditors of the Company.

If the proportion of Independent Directors in the Board of Directors is lower than the minimum number required under the Guiding Opinions due to the resignation of an Independent Director, the Board of Directors shall convene a general meeting for the election of an Independent Director to fill the vacancy within three months upon the resignation of the Independent Director. The resignation report of such Independent Director shall become effective only when his vacancy has been filled by a new Independent Director.

Article 12 If an Independent Director does not meet the independence qualifications or there are other circumstances which render him unsuitable to perform the duties of an Independent Director, and in turn result in the number of Independent Directors of the Company falling below that required by the Guiding Opinions and the Hong Kong Listing Rules, the Company shall make up the number of Independent Directors according to relevant provisions, and inform the Shanghai Stock Exchange and the Hong Kong Stock Exchange, issue an announcement and engage another Independent Director.

Chapter 5 Terms of Reference of Independent Directors

Article 13 In order to bring Independent Directors' functions into full play, besides the authorities endowed by the Company Law, the Hong Kong Listing Rules, the SSE Listing Rules and other relevant laws and regulations, the Company shall delegate the following specific authorities to Independent Directors:

- (1) major connected transactions shall be submitted to the Board of Directors for consideration upon approval by Independent Directors; before making a judgment, Independent Directors can appoint intermediaries to prepare an

independent financial adviser's report as the basis of their judgment; when the Board of Directors resolves on any matters regarding connected transaction of the Company, the Independent Directors' opinions shall be set out in the Board resolution;

- (2) proposing to the Board of Directors with respect to the engagement or dismissal of accounting firms;
- (3) proposing to the Board of Directors with respect to the holding of extraordinary general meetings;
- (4) proposing the holding of the meetings of the Board of Directors;
- (5) independently engaging external auditing or consultancy firms;
- (6) openly soliciting and collecting voting rights from shareholders prior to general meetings.

Independent Directors shall obtain the unanimous consents of not less than one half of all Independent Directors before exercising the aforesaid powers. The expenses incurred by the Independent Directors in the engagement of intermediaries and other expenses necessary for the exercise of their powers shall be borne by the Company.

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

Article 14 The Company has set up an audit committee, a nomination committee and a remuneration and assessment committee under the Board of Directors, which shall comprise mainly of Independent Directors, one of whom shall act as the convener. At least one Independent Director in the audit committee shall possess appropriate professional qualifications or expertise as required by the relevant regulatory rules of the jurisdictions where the Company's shares are listed.

Article 15 In addition to performing the aforesaid duties, Independent Directors shall also perform the duties set out in Code Provision A.5.2 of Appendix 14 to the Hong Kong Listing Rules, and express their independent opinions to the Board of Directors or the general meetings on the following matters:

- (1) the nomination, appointment or removal of Directors;
- (2) the engagement or dismissal of senior management members;
- (3) the remuneration of the Company's Directors and senior management members;
- (4) current or proposed significant loans or other investment amount by the shareholders of the Company, the de factor controller or other associate

- entities (determined according to the standards issued from time to time by the relevant regulatory authorities of the jurisdictions where the Company's shares are listed), and whether or not the Company has adopted effective procedures for repayment of such debt;
- (5) matters that, in the opinion of the Independent Directors, may impair the rights and interests of the small and medium shareholders;
 - (6) The Independent Directors of the Company shall make specific statements and provide independent opinions on the accumulated and current external guarantees and the compliance of governing documents, such as the relevant laws and regulations, in their work report at annual general meetings;
 - (7) Independent Directors shall give their independent opinions regarding the proposed repayment of debt with assets by the connected persons of the Company;
 - (8) When the Company purchases, sells or swaps substantial assets, the Independent Directors shall provide independent opinion as to whether such asset transaction is beneficial to the interests of the Company and the shareholders as a whole, and shall point out whether or not the reorganization of the Company would lead to issues such as connected transaction or competition;
 - (9) The share option incentive scheme of the Company;
 - (10) If a cash dividend distribution proposal is not proposed in the annual report of the Company, the Independent Directors shall issue an independent opinion on this matter;
 - (11) Other issues provided in the Articles of Association and the listing rules and other relevant laws and regulations of the jurisdictions where the Company's shares are listed.

Article 16 Independent Directors shall express one of the following categories of opinions in respect of the aforesaid matters set out in Article 15 herein except those set out in (6), (7) and (8): consent; qualified opinions and the reasons thereof; dissent and the reasons thereof; or unable to express an opinion and its hindrance.

Article 17 If the issues set out in Article 15 herein are issues required to be disclosed in accordance with the listing rules of the jurisdictions where the Company's shares are listed, the Company shall make a public announcement disclosing the Independent Directors' opinions. If the Independent Directors have diverse opinions and cannot reach consensus, the Board of Directors shall disclose opinions of each Independent Director separately.

Chapter 6 Obligations of Independent Directors

Article 18 Independent Directors owe the duty of faithfulness and diligence to the Company and its shareholders as a whole. Independent Directors shall perform their duties earnestly in accordance with the requirements under relevant laws and regulations, the Guiding Opinions, the Hong Kong Listing Rules and the Articles of Association; protect the interests of the Company as a whole; and pay attention to ensure that the legal rights and interests of small and medium shareholders are not harmed.

Article 19 Independent Directors shall perform their duties and responsibilities independently, without being affected by the major shareholders and de facto controllers of the Company, or other entities or individuals who may be interested in the Company.

If the Independent Director finds that circumstances which may affect his independence on the matter he is considering exist, he shall make report the same to the Company and abstain from voting.

Independent Directors shall maintain their independence during their terms of office. If there are circumstances which materially affect the independence of an Independent Director, he shall notify the Company within two working days. The Independent Director who fails to meet the requirement of independence shall tender his resignation to the Company and if such Independent Director has not tendered his resignation, the Board of Directors shall propose a replacement of such Independent Director at a general meeting.

Article 20 Independent Directors shall not concurrently hold the position of Independent Director in more than five listed companies (inclusive of the Company).

Independent Directors shall ensure that they have sufficient time and energy to effectively perform their duties and responsibilities as Independent Directors.

Article 21 Independent Directors shall attend the Board meetings as scheduled, understand the production and operating conditions of the Company, and, on their own initiative, carry out such investigations and obtain such information as may be necessary for decision making.

Article 22 Independent Directors shall submit annual work reports at the annual general meeting of the Company and explain the performance of their duties.

Article 23 Independent Directors shall comply with the provisions of Appendix 10, The Model Code for Securities Transactions by Directors of Listed Issuers, to the Hong Kong Listing Rules.

Chapter 7 Protection for Independent Directors in the Performance of Duties

Article 24 For the purpose of effective execution of the duties of the Independent Directors, the Company shall provide the Independent Directors with necessary working conditions.

Article 25 The office of Board of Directors shall pass the relevant materials to the Independent Directors five days in advance if the Company requires the Independent Directors to express their independent opinions on specific matters.

Article 26 When an Independent Director perform his duties, the management and relevant staff of the Company shall provide relevant support without refusal, intervention or withholding, and shall not interfere with his independent performance of duties.

Article 27 The secretary to the Board of Directors and the office of the Board of Directors shall be responsible for the coordination among relevant functions and departments upon request by Independent Directors and providing Independent Directors with true and adequate background information so that they can give a reasonable basis for their independent judgments and opinions.

Article 28 The Company shall ensure that Independent Directors have the same right to know the facts as other directors do. The secretary to the Board of Directors shall positively provide assistance to enable Independent Directors to carry out their duties, such as updating them of the Company's affairs proactively, providing them with complete information, organizing on-site visits for Independent Directors whenever necessary and facilitating communications among Independent Directors.

The secretary to the Board of Directors shall arrange announcements with the stock exchange of the jurisdictions where the Company's shares are listed in a timely manner if any independent opinion, proposal and written explanation issued by Independent Directors shall be announced.

Article 29 Materials provided by the Company to Independent Directors shall be maintained by the Company and the Independent Directors respectively for at least five years.

Article 30 The Company shall reasonably arrange the time appointed for the holding of the Board meetings, urge Independent Directors to attend the Board meetings in person and provide necessary working conditions to Independent Directors for the performance of their duties.

Article 31 From the delivery of notice to the holding of meeting, the secretary to the Board of Directors shall be responsible for or make arrangement for communication and contact with all Independent Directors, obtain their views or suggestions on the proposals to be considered and transfer the said views or suggestions to those who submit the proposals timely so that they can improve the said proposals.

The secretary to the Board of Directors shall also arrange for providing the supplemental materials which are required for the Independent Directors to make decisions on the proposals to be considered at the meetings, including the background information relating to the subject of the resolution and other information that may be helpful for the Independent Directors to make sensible, prompt and prudent decisions.

Article 32 If the Independent Directors consider the said information being inadequate, they may request for supplementary information. Where two or more Independent Directors hold that the information is inadequate or the proofs are indefinite, they may jointly propose in writing to the Board of Directors to postpone the Board meeting or postpone the consideration of the matters in question prior to the time appointed for the holding of the meeting, and the Board of Directors shall accept such proposal.

Article 33 If Independent Directors need to appoint intermediaries for professional opinions in considering major connected transactions or special issues, the Company may provide Independent Directors a list of intermediaries to choose from. The costs arising from the appointment of intermediaries and the performance of duties by Independent Directors shall be borne by the Company.

Article 34 Independent Directors shall have the right to propose to the Board of Directors to hold an extraordinary general meeting. In respect of such proposal by the Independent Directors, the Board of Directors shall, in accordance with laws, administrative rules and regulations and the Articles of Association, make a written response as to whether or not it agrees to hold an extraordinary general meeting, within 10 days upon receipt of such proposal. If the Board of Directors agrees to hold an extraordinary general meeting, a notice of such meeting shall be dispatched within five days after the date of the relevant Board resolution. If the Board of Directors refuses to hold an extraordinary general meeting, it shall give an explanation and issue an announcement accordingly.

Article 35 The Company shall offer appropriate allowances to Independent Directors. The rate of such allowances shall be proposed by the Board of Directors for consideration and approval by general meetings, and disclosed in the Company's annual report.

Apart from the above mentioned allowances, the Independent Directors shall acquire no other additional and undisclosed interests from the Company, its major shareholders or any interested institutions and individuals.

Chapter 8 Legal Liabilities of Independent Directors

Article 36 Any of the following situations shall constitute a major dereliction of duties by Independent Directors:

- (1) Leakage of the Company's confidential commercial information, resulting in damage to the Company's legal interests;
- (2) Accepting illicit benefits during the course of performance of duties, or seeking personal profits by taking advantage of their positions as Independent Directors;
- (3) Refrain from raising objection to Board resolutions that, within their knowledge, violate the laws, administrative rules and regulations or the Articles of Association;

- (4) Independent Directors have not exercised their veto power under the situation where any connected transactions result in major losses to the Company.

Article 37 Where an Independent Director commits the serious misconduct listed in Article 36 or where an Independent Director engages in illegal acts prohibited by the Company Law and other relevant laws, regulations and governing documents, resulting in great losses to the Company, he shall be liable for payment of compensation for the losses according to law.

CHAPTER 9 Supplementary Provisions

Article 38 Unless otherwise stated, the terms used in these Rules shall have the same meaning as those used in the Articles of Association.

Article 39 These Rules shall be prepared by the Board of Directors of the Company and shall be considered and passed at a general meeting. These Rules shall become effective upon the initial public offering and listing of the A Shares of the Company, and the former rules shall lapse automatically. Amendment to the proposal shall be made by the Board of Directors of the Company and shall be submitted to a general meeting for approval.

Article 40 In the event of any matters not addressed in the Rules or in case of any conflicts between the Rules and the provisions of the laws, regulations or the Articles of Association to be promulgated and amended in future, the provisions of the laws and regulations or the Articles of Association of the Company shall prevail.

Article 41 These Rules are subject to interpretation by the Board of Directors.

The English version of this Appendix is an unofficial translation of its Chinese version prepared for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The Use of Proceeds Rules are set out below:

Chapter I General Provisions

Article 1 In order to regulate the management and use of the proceeds raised by Lingbao Gold Company Limited (the “Company”) and protect the interests of investors, the Rules are formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the “Listing Rules”), the Regulations for the Management of Proceeds by Listed Companies on Shanghai Stock Exchange (the “Regulations for the Management of Proceeds”) and other laws and regulations for listing within the PRC based on the actual circumstances of the Company.

Article 2 For the purpose of the Rules, the term “proceeds” refers to the proceeds raised by the Company through public offering of securities (including the initial public offering, placing, secondary offering, issue of convertible corporate bonds and issue of detachable convertible corporate bonds and warrants, etc.) and private placement to the investors, excluding any proceeds raised by the Company through share incentive scheme.

The Rules are only applicable to the management of proceeds raised from the public offering of securities and non-public offering of securities by the Company within the PRC. The Company’s management of the proceeds raised from the H share market shall be conducted under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant regulations.

Article 3 If information disclosure is involved in the use of proceeds, the information shall be disclosed in compliance with relevant laws and regulations and Lingbao Gold Company Limited’s Information Disclosure Management System. The Company shall use the proceeds based on the disclosed investment purposes in accordance with the resolution and approval procedures of general and board meetings and shall disclose the use of proceeds and its effects as required.

Article 4 The Company’s directors, supervisors and senior management staff shall, with due diligence and responsibility, oversee the Company in regulating the use of proceeds and consciously safeguard the safety of the Company’s assets and shall not participate in, assist or connive at the Company’s unauthorized or disguised change in the use of proceeds.

Article 5 Sponsor(s) appointed by the Company shall, in the period of continuous supervision, bear the responsibility of sponsorship with respect to the management of the Company's proceeds and perform continuous supervision on the management of Company's proceeds in accordance with relevant provisions of the Administrative Measures on Sponsorship for Securities Issuance and Listing.

Chapter II Deposit of Proceeds

Article 6 The Company's proceeds shall be deposited in a centralized way to facilitate supervision and management.

The Company's proceeds shall be deposited into a designated account ("designated account for proceeds") as opened by the board of directors for centralized administration. No fund other than the proceeds or for other purposes shall be deposited into the designated account for proceeds.

The finance department of the Company shall open a designated account for proceeds prior to the receipt of proceeds and, on the day when the account is opened, inform the board office in writing which shall report it to the board of directors.

Article 7 If it is deemed by the Company that there is the need to open a designated account at more than one bank given the relatively big amount of proceeds and based on the credit arrangements of investment projects, under the principles of adhering to centralized deposit and facilitating supervision, the Company may open a designated account for proceeds at more than one bank upon approval of the board of directors. Proceeds for the same investment project shall be deposited into the same designated account for proceeds and the number of designated account for proceeds shall not exceed the number of investment projects financed by proceeds.

Article 8 The Company shall comply with the following provisions at the time of deposit of proceeds:

- (I) Upon receipt of proceeds, the finance department of the Company shall carry out capital verification procedures and ensure that proceeds are deposited into the designated account. A tripartite regulatory agreement with respect to the deposit at the designated account for proceeds shall be signed between the Company, the sponsor(s) and the commercial bank in which the proceeds are deposited within 2 weeks upon receipt of the proceeds. The agreement shall at least include the following details:
 - (1) The Company shall deposit the proceeds into the designated account for proceeds in a centralized way;
 - (2) The commercial bank shall provide the Company with bank statements of the designated account for proceeds on a monthly basis and make copies to the sponsor(s);

- (3) If the Company withdraws an amount of more than RMB50 million from the designated account for proceeds once or at multiple times within 12 months and that the amount reaches 20% of the total amount of proceeds net of issuance expenses (“net proceeds”), the Company shall notify the sponsor(s) promptly;
 - (4) The sponsor(s) may make inquiries to the commercial bank on the designated account for proceeds at any time;
 - (5) Breach of contract by the Company, the commercial bank and the sponsor(s).
- (II) If the above agreement is terminated before the expiration of its effective terms due to the change of sponsor or commercial bank or other reasons, the finance department of the Company shall, within 2 weeks upon the termination of the agreement, enter into a new agreement with relevant parties.

The finance department of the Company shall inform the board office on the day of signing or re-signing of the tripartite regulatory agreement and the board office shall, within 2 trading days, file with the Shanghai Stock Exchange and make an announcement to the public thereon.

- (III) Sponsor(s) shall, in the period of continuous supervision, pay close attention to the use of proceeds and the implementation of investment projects at the Company and the Company shall support and coordinate with the sponsor(s) to perform the duties. If the sponsor discovers that the Company or the commercial bank fails to perform the above agreement as agreed, the sponsor shall inform the board office within 2 days and report to the Shanghai Stock Exchange in writing.

Chapter III Use of Proceeds

Article 9 The use of proceeds shall be in strict compliance with relevant approval and resolution procedures as specified in the Rules and relevant regulations of the Company and information disclosure obligations as specified in relevant regulations.

Article 10 The Company’s investment projects financed by proceeds (“investment projects financed by proceeds”) shall be organized and implemented in accordance with the proposed schedule committed in the Company’s offering application documents to ensure that all tasks can be accomplished as scheduled and shall be reported to the board of directors on a regular basis. The progress of implementation of investment projects shall be disclosed to the public.

Article 11 The proceeds shall be invested in investment projects in strict compliance with the schedule committed in the Company's offering application documents. If there is an event that seriously affects the normal progress of schedule, the Company shall file with the Shanghai Stock Exchange promptly and make an announcement to the public thereon.

Article 12 If any of the following events occurs to an investment project financed by proceeds, the Company shall assess the feasibility and estimated profitability of such project to decide if it should proceed with its implementation, and disclose the progress of the project, reasons for the abnormalities and the adjusted project (if any) in its latest periodic report:

- (I) Any material change in the market environment in which the investment project financed by proceeds is involved;
- (II) Suspension of the investment project financed by proceeds for over 1 year;
- (III) Failure to meet the deadline specified in the previous plan of the investment project financed by proceeds and less than 50% of the proposed investment amount has been actually contributed; or
- (IV) Other abnormalities of the investment project financed by proceeds.

Article 13 None of the following shall be involved in the use of the Company's proceeds:

- (I) Investment projects financed by proceeds shall not be used for held-for-trading financial assets or available-for-sale financial assets, or loans to others or entrusted asset management or other financial investment. Such projects shall not cater to, directly or indirectly, companies with core businesses in the trading of marketable securities;
- (II) The Company shall not make use of the proceeds in pledge, entrusted loan or for other investment purposes in disguised form;
- (III) Controlling shareholder(s), de facto controller(s) and other associate shall not misappropriate the proceeds or use them for other purposes or obtain illegitimate interests from projects financed by proceeds.

Article 14 If it is disclosed by the Company in the offering application documents that the proceeds would be used to replace pre-invested self-financing funds and that the amount of pre-investments is confirmed, the Company shall assign an accounting firm to conduct a special audit and issue an assurance report and may proceed provided that such replacement is considered and approved by the board of directors after receiving independent opinions with explicit consent from the independent directors, the supervisory committee and the sponsor(s). The board of directors shall file with the Shanghai Stock Exchange within 2 trading days upon completion of the replacement and make an announcement to the public thereon.

Article 15 In order to prevent proceeds from being idle and to achieve efficiency in the use of proceeds, proceeds can be used temporarily as replenishment of working capital of the Company as long as it is permitted by laws, regulations and regulatory documents and subject to the following conditions:

- (I) There shall not be any disguised change in the use of proceeds and the normal progress of the investment projects financed by proceeds shall not be affected;
- (II) The amount of each single funding of supplementary working capital shall not exceed 50% of the net proceeds;
- (III) Each single funding of supplementary working capital shall not last for more than 6 months;
- (IV) The previous temporary allocation of proceeds as supplementary working capital (if applicable) has been reimbursed upon maturity.

If idle proceeds are used temporarily as replenishment of working capital of the Company, the Company shall, upon consideration and approval by the board of directors after receiving independent opinions with explicit consent from the independent directors, the sponsor(s) and the supervisory committee, file with the Shanghai Stock Exchange within 2 trading days and make an announcement to the public thereon. Replenishing working capital with more than 10% of the proceeds shall be considered and approved by general meetings, as well as providing the option of online voting in accordance with relevant provisions.

The Company shall return part of the proceeds used for replenishment of working capital to the designated account for proceeds before such proceeds fall due, and report to the Shanghai Stock Exchange and make an announcement within 2 trading days after such amount has been fully paid.

Idle proceeds shall only be used temporarily as replenishment of working capital for the purpose of production and management relating to core businesses and shall not be used, through direct or indirect arrangements, in the placing and subscription of new shares, or the trading of equities and their derivatives, convertible corporate bonds and others.

Article 16 Upon completion of any single investment project financed by proceeds, the Company is allowed to use the remaining proceeds (including interest income) for other purposes provided that such use is considered and approved by the board of directors after taking into comments from the independent directors, the sponsor(s) and the supervisory committee into account.

If the remaining proceeds (including interest income) are less than RMB1 million or less than 5% of the agreed investment of the proceeds of the project, the Company may be exempt from the procedures in the preceding paragraph but is required to disclose such use in its annual report.

If the remaining proceeds (including interest income) of any single investment project financed by proceeds are used for purposes other than the investment projects financed by proceeds (including replenishment of working capital), the Company shall perform corresponding procedures and disclosure obligations with reference to the changes in investment projects financed by proceeds.

Article 17 Upon completion of all investment projects financed by proceeds, if the remaining proceeds (including interest income) is more than 10% of the net proceeds, the Company may use the remaining proceeds provided that such use is considered and approved by the board of directors and the general meeting after taking into comments from the independent directors, the sponsor(s) and the supervisory committee into account.

If the remaining proceeds (including interest income) are less than 10% of the net proceeds, the Company may use the remaining proceeds provided that such use is considered and approved by the board of directors and the general meeting after taking into comments from the independent directors, the sponsor(s) and the supervisory committee into account.

If the remaining proceeds (including interest income) are less than RMB5 million or less than 5% of the net proceeds, the Company may be exempt from the procedures in the preceding paragraph but is required to disclose such use in its latest periodic report.

Article 18 When the Company invests in an investment project financed by proceeds, the capital expenditure incurred shall undergo review and approval procedures in strict accordance with the Company's relevant provisions governing the use of currency funds. All expenses involving the proceeds shall be applied by the department concerned based on to the proposed use of funds and the progress of investment projects. The application shall be considered and approved by the finance department of the Company and payment procedures shall be undertaken upon the consent of relevant management after the authority to review and approve has been authorized in accordance with the amount of payment. Meanwhile, relevant departments in charge of project implementation shall provide the Company's finance department with information on the progress of projects on a regular basis.

Chapter IV Changes in the Investment of Proceeds

Article 19 Investment projects financed by proceeds shall be consistent with projects committed in the Company's prospectus, offering memorandum and other disclosure documents and, in principle, this shall not be changed. If there is the need to change the use of proceeds due to market changes, the Company shall disclose the actual circumstances to the public, give specific reasons for the change and submit the matter to the general meeting for review and approval in accordance with the statutory procedures upon the consideration of the board of directors.

If only the location of an investment project financed by proceeds is changed, the Company may be exempt from the procedures in the preceding paragraph but is required to file with the Shanghai Stock Exchange within 2 trading days and make an announcement to the public on the reasons for the change and the opinion of the sponsor(s) upon the consideration and approval of the board of directors.

Article 20 If any of the following changes occurs when comparing the use of the Company's proceeds with the original purposes, the change is regarded as a change in the use of proceeds:

- (I) Abandon or increase an investment project financed by proceeds;
- (II) Change in the entity of an investment project financed by proceeds;
- (III) Change in the location of an investment project financed by proceeds;
- (IV) Change in the usage of an investment project financed by proceeds;
- (V) Change in the investment amount of an investment project financed by proceeds by more than 20%;
- (VI) Other circumstances as deemed relevant by the China Securities Regulatory Commission or the Shanghai Stock Exchange.

Article 21 An altered investment project financed by proceeds shall be engaged in the core businesses.

The Company shall implement a feasibility analysis of the new investment project financed by proceeds in a scientific and prudent manner to ensure that the investment project has a relatively positive market outlook and earnings capability which is capable of effectively preventing investment risk and improving efficiency in the use of proceeds.

Article 22 If the Company intends to change an investment project financed by proceeds, the Company shall report to the Shanghai Stock Exchange and make an announcement containing the following information within 2 trading days upon submission to the board of directors for consideration:

- (I) The basic status of the original investment project and specific reasons for such change;
- (II) An overview, a feasibility analysis and a risk warning regarding the new investment project financed by proceeds;
- (III) Investment plan of the new investment project financed by proceeds;
- (IV) Explanations on approvals obtained or to be obtained from relevant authorities for the new investment project financed by proceeds (if applicable);

- (V) The opinions of the independent directors, supervisory committee and the sponsor(s) in respect of the reorientation of the investment project financed by proceeds;
- (VI) A statement specifying that the changes in the investment project financed by proceeds are subject to the consideration of the general meeting;
- (VII) Such other information as required by the Shanghai Stock Exchange.

If the new investment project financed by proceeds involves connected transactions, purchase of assets and foreign investment, the Company shall disclose the matter in accordance with relevant laws, regulations, regulatory documents and other related rules of the Company.

Article 23 If an investment project financed by proceeds is reoriented to acquire assets (including equity) of the Company's controlling shareholder(s) or de facto controller(s), the Company shall ensure that it can effectively avoid peer competition after an acquisition and can reduce connected transactions.

Article 24 Any proposed external transfer or replacement of investment projects financed by proceeds by the Company (excluding the complete external transfer or replacement of investment projects financed by proceeds during a substantial reorganization of the listed company's assets) shall be reported to the Shanghai Stock Exchange and an announcement containing the following information shall be made within 2 trading days after such proposal is submitted to the board of directors for consideration:

- (I) Specific reasons for the external transfer or replacement of investment projects financed by proceeds;
- (II) The amount of proceeds already invested in the project;
- (III) The progress and realized benefits of the project;
- (IV) An overview, a feasibility analysis and a risk warning regarding the substitute project (if applicable);
- (V) The basis of pricing of the transfer or replacement, and underlying benefits;
- (VI) The opinions of the independent directors, supervisory committee and the sponsor(s) in respect of the transfer or replacement of investment projects financed by proceeds;
- (VII) A statement specifying that the transfer or replacement of investment projects financed by proceeds is subject to the consideration of the general meeting;

(VIII) Such other information as required by the Shanghai Stock Exchange.

The finance department of the Company shall timely gather statistics in respect of the collection and use of the transfer price, the changes in the ownership of the substitute assets and the continued operation of the substitute assets, and report to the board office to perform necessary information disclosure obligations.

Chapter V Supervision and Management of Proceeds

Article 25 The board of directors of the Company shall conduct a thorough audit on the progress of the investment projects financed by proceeds on a semi-annual basis, and a Special Report of the Deposit and Actual Use of Proceeds shall be issued in respect of the state of the deposit and use of proceeds.

The Special Report of the Deposit and Actual Use of Proceeds is subject to the consideration and approval of the board of directors and supervisory committee, and shall be reported to the Shanghai Stock Exchange and announced accordingly within 2 trading days after such report has been submitted to the board of directors for consideration.

Article 26 Sponsor(s) shall implement a site inspection in respect of the deposit and use of the proceeds at least once every half year. If the sponsor discovers any major non-compliance or risk in the management of proceeds by the Company during the inspection, the sponsor shall promptly inform the Shanghai Stock Exchange.

After the close of each fiscal year, sponsor(s) shall issue a special audit report in respect of the Company's deposit and use of proceeds during the year, and shall submit it to the Shanghai Stock Exchange at the time of release of annual report by the Company. The audit report shall include the following information:

- (I) The deposit and use of proceeds and the status of the remaining amount in the designated account;
- (II) The progress of investment projects financed by proceeds, including differences with the proposed schedule on the investment of proceeds;
- (III) Status of the use of proceeds for replacement of self-financing funds already invested in investment projects financed by proceeds (if applicable);
- (IV) Status and effect of the use of idle proceeds for replenishment of working capital (if applicable);
- (V) Status of changes in the use of proceeds (if applicable);

- (VI) A conclusive opinion on whether the deposit and use of proceeds of the Company is compliant or not;
- (VII) Such other information as required by the Shanghai Stock Exchange.

At the end of each fiscal year, the board of directors shall disclose the conclusive opinion of the special audit report of the sponsor(s) in the Special Report of the Deposit and Actual Use of Proceeds.

Article 27 A certified public accountant may be appointed by the audit committee of the board of directors of the Company, the supervisory committee, or more than one half of the independent directors, to conduct a special audit on the deposit and use of the proceeds and issue a special audit report. The finance department and the board of directors of the Company shall provide active support to the audit and the Company shall bear all necessary expenses.

The board of directors shall report to the Shanghai Stock Exchange and make an announcement accordingly within 2 trading days upon the receipt of the special audit report issued by the certified public accountant.

Should the certified public accountant consider that there is any non-compliance of the management of proceeds by the Company in the special audit report, the finance department of the Company shall, within 2 days, prepare an analysis specifying the non-compliance of the deposit and use of proceeds, any incurred or potential consequences thereof and measures already adopted or proposed to be adopted, and report it to the board office on the day when the analysis is completed. The board office shall report it to the board of directors and an announcement shall be made accordingly.

Chapter VI Supplementary Provisions

Article 28 As to the investment projects financed by proceeds which are implemented through the Company's subsidiaries or other entities controlled by the Company, the Company shall ensure compliance with the Rules by such subsidiaries or such other entities controlled by the Company.

Article 29 Unless otherwise stated, the terms used in the Rules have the same meaning with such terms in the Articles of Association of Lingbao Gold Company Limited (the "Articles of Association").

Article 30 In case of any matters not addressed in the Rules or any conflicts between the Rules and the provisions of the laws and regulations to be promulgated or amended in future, the Listing Rules, the Proceeds Management System or the Articles of Association, performance shall be carried out in accordance with the provisions of the laws, regulations, the Listing Rules, the Proceeds Management System and the Articles of Association.

Article 31 The Rules shall be drawn out by the board of directors and are subject to the passing of resolution by the general meeting. The Rules shall take effect upon the initial public offering and listing of A shares of the Company.

Article 32 The Rules are subject to amendment by the general meeting and interpretation by the board of directors.

The English version of this Appendix is an unofficial translation of its Chinese version prepared for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The Guarantee Rules are set out below:

Chapter I General Provisions

Article 1 With the aim of protecting the legitimate interests of investors, strengthening the credit and guarantee management of Lingbao Gold Company Limited (the “Company”) and avoiding and reducing the business risk of the Company, the Rules are formulated in accordance with the Company Law of the People’s Republic of China, the Guarantee Law of the People’s Republic of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited – subject to amendments made occasionally (the “Hong Kong Listing Rules”), other relevant laws, regulations, rules and regulatory documents in China (“China’s laws and regulations”), the Articles of Association of Lingbao Gold Company Limited (the “Articles of Association”) and other relevant provisions.

Article 2 The Rules are applicable to the Company, the Company’s wholly-owned and shareholding subsidiaries (“subsidiaries”) and other enterprises as included in the Company’s consolidated financial statements.

If an investee of the Company has provided an external guarantee as referred to in the Rules that may produce a relatively substantial impact on the trading prices of shares, bonds and other derivatives of the Company, the Company shall exercise its rights based on the articles of association of the investee and its relevant systems upon performance of corresponding review and approval procedures in accordance with the provisions of the Rules.

Article 3 The term “external guarantee” as referred to in the Rules means that, the Company provides guarantee for a third party, including subsidiaries of the Company, and takes joint and several responsibility for debt that the guaranteed party fails to repay, in the form of a surety, mortgage, pledge, lien, deposit and so forth. Guarantee provided by the Company for its own debts or financing is not subject to the Rules.

Article 4 The external guarantee of the Company shall comply with the provisions of national laws and regulations, industrial policies and the Articles of Association as well as the requirements of the Company’s development strategy and industry planning and shall be conducive to the sustainable development of the Company. The Company shall keep guarantee risk in strict control under the principles of legitimacy, prudence, mutual benefits and security.

Article 5 No guarantee shall be provided to external parties by the Company, except to subsidiaries.

Article 6 The Company shall implement a centralized management of external guarantee.

- (I) Unless otherwise approved or authorized by the board of directors or the general meeting, the Chairman and General Manager of the Company are not allowed to make decision on the provision of external guarantee.
- (II) Unless otherwise approved by the Company, subsidiaries are not allowed to provide guarantee to external parties or for each other and request external parties to provide guarantee for them.
- (III) Unless otherwise authorized by the Company, the departments of the Company and their branches are not allowed to engage in guarantee business.

Article 7 If the Company provides guarantee for another party, the Company shall adopt counter-guarantee measures and other necessary measures to prevent risk and the counter guarantor shall have the actual ability to assume the responsibility.

Article 8 All the directors of the Company shall cautiously treat and strictly control debt risks arising from external guarantee and shall be held jointly and severally liable for damages as a result of illegal or improper external guarantee in accordance with the laws.

The independent directors of the Company shall make special note and express independent opinions in respect of the Company's accumulated and current external guarantee in the annual report.

The independent directors shall express independent opinions at the time when the external guarantee issue is being considered by the board of directors. When necessary, an accounting firm may be appointed to conduct an audit for the Company's accumulated and current external guarantee. In the event of any abnormalities, the Company shall timely report to the board of directors and the regulatory department and make an announcement accordingly.

Chapter II Scope of External Guarantee

Article 9 The external guarantee of the Company shall be considered by the board of directors or the general meeting of the Company.

Article 10 Any of the following external guarantees provided by the Company shall be submitted to the general meeting for consideration and approval after it has been reviewed and passed by the board of directors:

- (I) Any guarantee provided after the total amount of external guarantee provided by the Company and its subsidiaries has reached or exceeded 50% of the latest audited net assets;
- (II) Guarantee provided to a target with an asset liability ratio of more than 70%;

- (III) Guarantee with the amount of single guarantee exceeding more than 10% of the latest audited net assets;
- (IV) Guarantee that has exceeded 30% of the latest audited total assets of the Company based on the accumulated guarantee amount within any consecutive 12-month period;
- (V) Guarantee that has exceeded 50% of the latest audited net assets of the Company based on the accumulated guarantee amount within any consecutive 12-month period and that the absolute amount of the guarantee has exceeded RMB50 million;
- (VI) Other external guarantees that shall be decided by the general meeting pursuant to the provisions of China's laws and regulations and the Articles of Association;
- (VII) Guarantee provided to shareholders, de facto controller(s) and other connected parties.

The guarantee as specified in aforesaid item (IV) shall be passed by special resolution in the general meeting.

Article 11 An external guarantee that is submitted to the general meeting for consideration and approval shall be first reviewed and passed by the board of directors.

If a connected transaction is involved in the consideration of the general meeting in respect of an external guarantee, performance shall be carried out in accordance with China's laws and regulations, the rules of securities exchange of the listed location, the Articles of Association and relevant rules governing the management of connected transactions of the Company.

Article 12 Except guarantees that have been considered and approved by the general meeting, all guarantee matters shall be dealt with in accordance with relevant provisions of the Articles of Association upon the consideration and approval of the board of directors.

An external guarantee that is submitted to the board of directors for consideration and approval shall be approved by more than two-third of the directors present, except for guarantee that shall be passed by a majority of all of the directors.

In the event that a director is connected to such matter to be considered, the director who has a conflict of interest in the matter concerned shall refrain from voting on the matter. The board meeting concerned may be convened once a majority of the directors who are not associated with the matter are present and resolutions of the board meeting shall be passed by two-third of all of the directors who are not associated with the matter. If there are less than three directors who are not associated with the matter present at the board, the matter shall be submitted to the general meeting for consideration.

Article 13 The Company may appoint an external professional institution to assess the risk arising from the implementation of external guarantee so as to serve as the basis for the decision making of the board of directors or the general meeting.

Chapter III Disclosure of External Guarantee

Article 14 Any external guarantee matter of the Company shall be considered and approved by the board of directors or the general meeting and shall be timely disclosed in accordance with the provisions of listing rules of the location where the shares of the Company are listed. Information to be disclosed includes resolutions of the board of directors or the general meeting, the total amount of external guarantee provided by the Company and its subsidiaries as of the date of disclosure of information, the total amount of guarantee provided by the Company to subsidiaries and the proportion of the aforesaid amounts in the latest audited net assets of the Company respectively.

Article 15 The disclosure of information on external guarantee by the Company shall satisfy the requirements of the Hong Kong Listing Rules, including but not limited to the following provisions:

- (I) For financial assistance provided to affiliated companies by the Company and guarantee provided as financing for affiliated companies by the Company, the following information shall be disclosed when the sum of the two has exceeded 8% of the assets ratio as defined in No. 14.07(1) of the Hong Kong Listing Rules:
 - (a) Analysis by individual affiliated company as follows: Amount of financial assistance provided to the affiliated company by the Company, amount of capital committed for injection and the amount of guarantee provided for financing the affiliated company;
 - (b) Terms of financial assistance, including interest rate, method of repayment, maturity and collaterals (if any);
 - (c) Source of capital committed for injection;
 - (d) Amount of financing received from the bank by the affiliated company as guaranteed by the Company which has been spent.

- (II) If the Company's controlling shareholder pledges the interests of his/her shares held in the Company as a surety of the Company's debt or as a surety for the Company to obtain guarantee or support in terms of other responsibilities, the Company shall disclose the following information in details:
 - (a) Number and types of shares pledged;
 - (b) Amount of debt for the pledge and the amount of guarantee or support;
 - (c) Any other details as deemed to be necessary in understanding such arrangement.

- (III) Any external guarantee that is categorized under “transaction” as referred in Chapter 14 of the Hong Kong Listing Rules and that the consequences of the transaction in any of the five percentage ratio tests, namely assets, consideration, revenue, profit and equity capital, is equivalent to or greater than 25%;
- (IV) Any external guarantee that involves a transaction with a “connected person” as referred in Chapter 14A of the Hong Kong Listing Rules or a financial assistance transaction and that such transaction has been approved by the independent shareholders or an announcement made not in accordance with the exemption provisions of Rule 14A.65 of the Hong Kong Listing Rules.

The term “affiliated company” as referred in this Article means a company which is recorded in an entity’s financial statements using the equity method of accounting in accordance with the Hong Kong Accounting Standards, including joint venture companies and jointly controlled entities as defined in such standards.

The term “independent shareholder” as referred in this Article means a shareholder that is not required to abstain from voting when a connected transaction is being voted at any general meeting. The term “financial assistance” refers to the extension of credit and loans, the provision of surety or guarantee for loans and others.

Article 16 When any of the following circumstances occurs to a disclosed guarantee, relevant departments and officers shall inform the board secretary promptly so that the Company can perform information disclosure obligations in a timely manner:

- (I) The guaranteed party fails to perform repayment obligations within 15 working days after the debt is due;
- (II) The guaranteed party undergoes bankruptcy, liquidation or other circumstances that seriously affect its solvency;
- (III) The debtor requests for the performance of guarantee obligations.

Article 17 Prior to the disclosure of the guarantee information concerned in accordance with the laws, the insiders of the Company are obliged to keep the information confidential and relevant departments shall adopt necessary measures to keep insiders within the minimum range.

Chapter IV Management of External Guarantee

Article 18 The finance department of the Company, being the department in charge of external guarantee operations, is responsible for the management of external guarantee operations.

Article 19 As far as external guarantee operations are concerned, the finance department of the Company is primarily responsible for the following duties:

- (I) Investigate and assess the credit of the guaranteed party;
- (II) Review the external guarantee operations of the Company and make recommendations;
- (III) Handle specific guarantee and counter-guarantee procedures and establish guarantee ledger accounts;
- (IV) Supervise the performance and implementation of provisions under the guarantee contract and matters as required by the board of directors and the general meeting of the Company upon commencement of the external guarantee;
- (V) Follow and monitor the risks of the guaranteed party or project and the status of implementation of the guarantee, study the business and financial conditions of the guaranteed party on a regular basis, gather relevant information and set up files of the guaranteed party;
- (VI) Respond properly to unforeseen circumstances occurred in the course of guarantee operations, keep risk in effective control and make timely reports;
- (VII) Ensure that files relating to the guaranteed enterprise are being well managed;
- (VIII) Provide the auditor of the Company with truthful information on all of the Company's external guarantee matters in a timely manner;
- (IX) Deal with other guarantee-related matters.

Article 20 The guarantee applicant shall submit the application and relevant materials to the finance department of the Company 30 working days in advance (at least 45 working days in advance when the consideration and approval by the general meeting is required).

Article 21 A review, assessment and risk prediction in respect of external guarantee shall be implemented by the finance department of the Company, in conjunction with relevant departments, based on the guarantee terms of the Company, specifying details including but not limited to the following items:

- (I) Review the guarantee concerned to see if it conforms to relevant national laws and regulations and the development strategy and business needs of the Company;
- (II) Assess the credit conditions of the applicant, including but not limited to the applicant's background, existing debt and guarantee, assets quality, business conditions, industry outlook, solvency and credit conditions;
- (III) Explanations on the necessity, purpose and amount of financing;

- (IV) Impact of the financing on the applicant's future businesses and financial affairs and measures for the repayment of loans and the lifting of guarantee;
- (V) For guarantee provided for project financing, details such as the legitimacy of the project, the governance structure and partners of the project, the financial evaluation of investments of the project, the risk assessment of the project and measures for risk aversion, shall also be included.

The finance department of the Company shall submit guarantee proposals in writing to the board of directors of the Company for review and approval after they have been considered and passed by the general manager office.

Article 22 Based on the approval and opinions of the board of directors or the general meeting, the finance department of the Company shall enter into a guarantee contract in accordance with prescribed procedures. Prior to the signing of the contract, the opinions of the securities legal department of the Company shall be consulted to ensure that the terms of the contract conform to the laws and the rules of the Company. When necessary, the contract may be passed to a legal firm appointed by the Company for review or issuance of legal opinion. The guarantee contract shall provide clearly the agreement on the scope of guarantee, quota, approach, maturity, breach of contract and other matters as deemed necessary by both parties.

Article 23 The guarantee contract shall not be modified at will. If there is the need to modify the contents of the contract due to some special reasons, the contract has to undergo a new round of consideration and approval.

Article 24 The finance department of the Company shall manage the guarantee contract and relevant original materials well and eliminate any loopholes in managing the contract. The guarantee contract, the counter guarantee contract, the mortgage and pledge certificates and other relevant original materials shall stored properly and managed in a strict manner. The department concerned shall crosscheck with banks and other relevant institutions on a regular basis and pay attention to the expiration of the guarantee. An inspection and clearance shall be implemented once every quarter, with the results recorded in writing. In the event of any abnormalities that have not been approved in accordance with the review and approval procedures of the board of directors or the general meeting found in the contract, the department concerned shall inform the board of directors and the supervisory committee promptly.

Article 25 When any of the following circumstances occurs, the finance department of the Company shall timely inform the guaranteed side and the beneficiary and terminate the guarantee contract:

- (I) Expiry of guarantee;
- (II) Modification of guarantee contract;

- (III) Termination of guarantee contract on the request of the guaranteed side or the beneficiary;
- (IV) Other matters as agreed.

Article 26 The audit department of the Company is responsible to implement regular supervision and inspection of the guarantee operations of the Company. When a problem is found in the course of supervision and inspection, the department concerned shall supervise related parties or departments to promptly identify the causes and adopt measures for remedy and improvement. A written report shall be prepared each time and shall be submitted to the Company's management in charge of finance or audit and the finance department of the Company. In the event of any abnormalities that have not been approved in accordance with the review and approval procedures of the board of directors or the general meeting found in the contract, the department concerned shall inform the board of directors and the supervisory committee promptly.

The supervision and inspection of guarantee operations mainly include the following items:

- (I) Staffing: Focus on the investigation to check if there is any mixing of incompatible duties in the guarantee operations.
- (II) Mechanism for the consideration and approval of guarantee operations and the status of implementation: Focus on the investigation to check if the evaluation of guarantee operations is scientific and reasonable and if the consideration and approval procedures are compliant and if there is any ultra vires activities.
- (III) Status of implementation of guarantee terms: Focus on the investigation to check if the guarantee target is compliant and if the guarantee contract is complete.
- (IV) Records of the guarantee operations and status of implementation of the system for property taken into custody: Focus on the investigation to check if records and files of the guarantee operations are complete and if proofs for properties and rights are properly stored and if the security and integrity of properties under counter guarantee are safeguarded.
- (V) Query on the handling of termination procedures in a timely manner at the expiration of the guarantee contract.
- (VI) In case of serious deterioration in the business conditions of the guaranteed party or major events including the dissolution and split-off of the company, the board of directors shall be informed promptly. The board of directors is obliged to adopt effective measures to minimize loss.

Article 27 The board of directors of the Company shall organize relevant financial officers to conduct self-inspection of the Company's external guarantees and prepare self-inspection reports. When necessary, a certified public accountant may be appointed for verification.

If it is deemed by the board of directors of the Company that some major external guarantees of the Company are relatively risky upon implementation of self-inspection as provided in the first paragraph of this Article, the board shall consider to submit the self-inspection report to the general meeting for consideration and shall disclose the major issue in the latest annual report.

Article 28 If the Company needs to extend and continue with the provision of a guarantee upon expiration of the guaranteed debt, the guarantee concerned shall be treated as a new external guarantee and shall undergo a new round of guarantee consideration and approval procedures.

Article 29 The Company shall assign someone to pay continuous and close attention to the conditions of the guaranteed party (including but not limited to the production and business conditions, the financial position, major changes in assets, liabilities or contingent liabilities, increase/decrease in registered capital, merger, split-off, dissolution, bankruptcy and liquidation, major reorganization of assets, claims and debts, changes in legal representative, major changes in equity and the status of repayment of debt due) and study the business conditions and the use and return of capital of the guaranteed party. The Company shall make regular inquiries to the guaranteed party and creditors on the repayment of debt and gather financial information from the guaranteed party on a regular basis to implement various financial analyses so as to accurately capture the underlying financial position of the guaranteed party.

In case of serious deterioration in the business conditions of the guaranteed party or major events including the dissolution and split-off of the company, the parties concerned shall promptly report to the CFO and the board secretary and make recommendations for countermeasures. In the event of any transfer of properties or other actions taken by the guaranteed party to avoid debts, the parties concerned shall join hands with the securities legal department of the Company to implement risk prevention measures in advance. The CFO and the board secretary shall report to the board of directors when necessary. The board of directors is obliged to adopt effective measures to minimize loss.

Chapter V Qualifications of Guaranteed Party

Article 30 The guaranteed party shall meet the following conditions:

- (I) Being an enterprise legal person duly incorporated and validly existing without the possibility of closure;
- (II) Qualified as a lender with its loans and use of funds conforming to relevant provisions of national laws and regulations and bank lending policies;
- (III) With relatively good credit, relatively strong capital strength, favorable business conditions and financial position and a stable cash flow or positive development prospect;

- (IV) With relatively strong business management capability and projects financed by the loans have higher economic efficiency;
- (V) With assets of good liquidity, relatively strong short-term solvency and abundant cash flow during the period of repayment of principal and interests of the guaranteed loans;
- (VI) Without any major litigation, arbitration, administrative penalties or other foreseeable legal risks;
- (VII) Financial information provided is true, complete and effective;
- (VIII) For a guaranteed party that was provided with a guarantee previously, no circumstances where the creditor requested the guaranteed party for actual performance of joint and several liability;
- (IX) Other conditions as deemed to be necessary by the Company.

Article 31 Prior to the decision on the provision of guarantee for another party or submission to the general meeting for voting, the board of directors of the Company shall have a good understanding of the credit conditions of the debtor and implement a comprehensive analysis of the interests and risks in respect of the guarantee concerned.

Article 32 Information on the credit conditions of the guarantee applicant shall at least include the following details:

- (I) Background information of the enterprise, including business license, copies of the enterprise's articles of association, identity certificates of the legal representative and other relevant information reflecting the company's connected relations and other relations;
- (II) Guarantee application form, with details including but not limited to the method, maturity and amount of guarantee;
- (III) Audited financial reports and solvency analysis for the past three years;
- (IV) Copies of the main contract relating to the loan and its related information;
- (V) Terms of counter guarantee provided by the guarantee applicant and relevant information;
- (VI) Explanations on the absence of potential and ongoing major litigation, arbitration or administrative penalty;
- (VII) Other important information.

Article 33 The Company shall organize an investigation and verification on the guarantee applicant's business and financial conditions, project conditions, credit conditions and industry outlook based on the background information provided. Relevant information shall be submitted to the board of directors or the general meeting of the Company for consideration and approval in accordance with the contract consideration and approval procedures.

Article 34 The board of directors or the general meeting of the Company shall consider and vote on the materials presented and keep the voting results in record. If any of the following circumstances occurs or the information provided is not complete, no guarantee shall be provided:

- (I) Funds are not invested pursuant to national laws and regulations or national industrial policies;
- (II) Presence or provision of false information in the financial and accounting documents for the most recent three years;
- (III) Where the Company has provided the applicant with a guarantee previously, presence of outstanding payments or failure to implement effective countermeasures as a result of bank loan overdue, default in interest payments and other circumstances at the time of this application;
- (IV) Deterioration in business conditions, poor reputation and the absence of any signs for improvement;
- (V) Failure to put valid property into use for counter guarantee;
- (VI) Other circumstances as deemed by the board of directors.

Article 35 Counter guarantee or other effective risk preventive measures as provided by the guarantee applicant shall correspond with the amount of guarantee. If the properties set for counter guarantee by the guarantee applicant are properties that are prohibited for distribution or transfer by the laws and regulations, no guarantee shall be provided.

Article 36 The chairman of the Company or other duly authorized officers shall sign the guarantee contract or counter guarantee contract on behalf of the Company in accordance with the resolution of the board of directors or the general meeting of the Company. No party shall sign the guarantee contract on behalf of the Company without the approval and authorization by the general meeting or the board of directors of the Company.

Chapter VI Liabilities

Article 37 All the directors of the Company shall review the external guarantees of the Company in strict compliance with the Rules and relevant laws, regulations and regulatory documents and shall be held jointly and severally liable for damages arising from illegal or improper external guarantees in accordance with the laws.

Article 38 When actual damages have caused to the Company as a result of unauthorized signing of external guarantee contracts by relevant departments and staff or other senior management officers of the Company as involved in the Rules not in accordance with prescribed procedures or their negligence of duties, the relevant officers in charge shall be held responsible.

Article 39 If the Company or a director, supervisor and senior management officer of the Company violates the provisions of the Rules or relevant laws and regulations, the China Securities Regulatory Commission shall order for remedy and impose punishment in accordance with the laws. Where a crime is suspected, the party concerned shall be transferred to the judiciary for handling.

Chapter VII Supplementary Provisions

Article 40 Apart from the provisions of the Rules, the Company shall strictly comply with relevant external guarantee provisions in the listing rules of locations where the shares of the Company are listed, domestic and abroad.

Article 41 In case of any matters not addressed in the Rules, performance shall be carried out in accordance with the provisions of the laws, regulations and the Articles of Association. In the event of any conflicts between the Rules and the laws and regulations and the Articles of Association (including its amendments made occasionally), performance shall be carried out in accordance with the provisions of the laws, regulations and the Articles of Association and that the Rules shall be amended accordingly.

Article 42 The Rules are subject to interpretation by the board of directors.

Article 43 The Rules and its amendments shall be drawn out by the board of directors and are subject to the passing of resolution by the general meeting. The Rules shall take effect upon the initial public offering and listing of A shares of the Company.



LINGJIN

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Lingbao Gold Company Ltd.

靈寶黃金股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 3330)

**NOTICE OF EXTRAORDINARY GENERAL MEETING AND
CLASS MEETINGS FOR HOLDERS OF
DOMESTIC SHARES AND H SHARES**

NOTICE IS HEREBY GIVEN that the following meetings of Lingbao Gold Company Ltd. ("Company") will be held at 2nd floor of the registered office of the Company at Xin Village, Yinzhuang Town, Daonan Industrial Area, Lingbao, Henan, the PRC on 30 December 2011:

- (1) the extraordinary general meeting ("EGM") will be held at 9:00 a.m. on 30 December 2011;
- (2) the class meeting for holders of domestic shares ("**Domestic Shares**") of the Company will be held immediately as soon as the conclusion of the EGM as stated in (1) above or the adjourned meeting thereof; and
- (3) the class meeting for holders of overseas listed foreign shares ("**H Shares**") of the Company will be held immediately as soon as the conclusion of the Domestic Shares class meeting as stated in (2) above or the adjourned meeting thereof.

Unless otherwise indicated, capitalized terms used herein shall have the same meaning as those defined in the circular of the Company dated 14 November 2011 (the "**Circular**").

These meetings are to be held for the following purposes of considering and, if thought fit, passing the following resolutions:

EGM

Special Resolutions

1. **"THAT**
 - (A) subject to (i) the approval of the CSRC and other regulatory authorities; and (ii) the approval of the Shanghai Stock Exchange as to the listing of

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS

and dealing in the A Shares issued and allotted, the allotment and issue of A Shares by the Company and each of the following terms and conditions of the Proposed A Share Issue be approved and confirmed:

Type of Securities to be issued	A Shares
Place of Listing	Shanghai Stock Exchange
Number of A Shares to be issued	Not more than 300,000,000 A Shares. The final number of A Shares to be issued and the structure of the issue is subject to the approval by the Relevant Authorities and the adjustments (if any) made by the Board as authorized by the Shareholders at the EGM and the Class Meetings.
Nominal value	RMB0.20 per A Share
Target subscribers	Qualified price consultation participants, PRC natural person and institutional investors (including qualified foreign institutional investors recognized in the PRC) having "A" Share accounts with the Shanghai Stock Exchange, except those prohibited under the PRC laws or regulations and other regulatory requirements from participating in the Proposed A Share Issue.
Rights attached to A Shares	The A Shares are listed Domestic Shares and except as otherwise provided for in the applicable laws, rules and regulations and the Articles of Association, will rank pari passu with the existing Domestic Shares and H Shares in all respects. Once the Proposed A Share Issue is completed, both new and existing Shareholders will be entitled to share the accumulated retained earning at the time of the Proposed A Share Issue in accordance to their respective shareholding in the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS

Basis for determining the issue price	<p>The issue price of the Proposed A Share Issue will be determined on the basis of market condition, the conditions prevailing in the PRC securities market at the time of the Proposed A Share Issue by way of customary market consultation and such other ways as approved by CSRC and in accordance with the relevant requirements issued by the CSRC, relevant PRC regulations and the Listing Rules. Upon publication of the prospectus for initial public offering of A Shares and the relevant announcement, the issue price range will be determined by making preliminary price consultations with qualified price consultation participants, and the issue price will be determined within the issue price range based on the cumulative bidding price consultations (or by other means of determining the issue price recognized by the CSRC). Thus, the amount of funds to be raised from the Proposed A Share Issue cannot be confirmed at this stage, but the offer price for the Proposed A Share Issue will not be lower than 90% of the average closing price of the Company's H Shares on the Stock Exchange for the 20 Trading Days preceding the date of the prospectus in connection with the Proposed A Share Issue.</p>
Method of issue	<p>The issue will be conducted by a combination of placement of A Shares to participants through offline price consultation and a public offering of A Shares through online subscriptions or such other methods as approved by CSRC.</p>
Use of proceeds	<p>The amount of funds to be raised from the Proposed A Share Issue cannot be confirmed at this stage. However, subject to the sufficiency of the funds raised, the Company intends to apply the proceeds from the Proposed A Share Issue in the following manners:</p> <ul style="list-style-type: none">(i) approximately RMB454,732,000 to be used for financing the construction of the facilities for smelting;(ii) approximately RMB729,393,000 to be used for financing the development of the gold ores in Kyrgyzstan;

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS

- (iii) approximately RMB221,219,000 to be used for exploration activities in Henan and the Inner Mongolia; and
- (iv) approximately RMB400,000,000 to be used for general working capital and for repayment of the bank borrowings of the Group.

If the amount of funds raised from the Proposed A Share Issue is insufficient for funding all of the above, such shortfall shall be funded from the Group's internal resources. If there is any surplus of the funds raised from the Proposed A Share Issue, such surplus will be used for general working capital of the Group.

- (B) the relevant resolution in relation to this issue is valid within 12 months from the date of the passing of the resolutions approving this issue at the EGM and the Class Meetings.
- (C) the Board is authorized to determine matters and deal with, at its discretion and with full authority, matters in relation to the Proposed A Share Issue, including but not limited to the following matters:
 - (a) to determine the detailed plan for the Proposed A Share Issue (including but not limited to place of listing, time of issue, manner of issue, issue price, par value of A Shares and issue quantity);
 - (b) to adjust the plan for the Proposed A Share Issue taking into consideration the implementation conditions of the aforesaid plan, the market conditions, adjustments of policies and opinions from the Relevant Authorities and to implement such plan in compliance with relevant regulations;
 - (c) to adjust, on the basis of funding conditions of proceeds and within the framework of the aforesaid manners, the line of the investment quota of each manner of use of proceeds and to determine and adjust the use of net proceeds from the Proposed A Shares Issue subject to the opinions of the Relevant Authorities;
 - (d) to deal with the application procedures and other formalities with respect to the Proposed A Share Issue with the Relevant Authorities, and to sign, implement, modify, complete or approve each of the documents and contracts relating to the Proposed A Share Issue (including but not limited to the letter of intent, the prospectus, the sponsoring agreement, the underwriting agreement, listing agreement, and all types of announcements);
 - (e) to engage relevant professional parties and to approve their fees;

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS

- (f) to determine the matters relating to the strategic investors, if any, including but not limited to identifying the strategic investors, negotiating and entering into agreements with the strategic investors;
 - (g) to deal with the registration procedures in respect of the consequences of the public issue;
 - (h) to deal with the matters relating to the amendments to the Article of Associations and other rules of the Company; and
 - (i) to deal with other matters which are necessary, appropriate or expedient for the purpose of the Proposed A Share Issue.”
2. “**THAT** subject to the passing of the above special resolution 1, and conditional upon the completion of the Proposed A Share Issue, (a) the amendments to the Articles of Association as set out in Appendix I to the Circular be and hereby approved; and (b) the Board be and hereby authorized to make further amendments which in its opinion may be necessary, desirable and expedient in accordance with the mandatory requirements of the applicable laws and regulations and as may be required by the Relevant Authorities. The amended Articles of Association as referred to in this special resolution shall become effective upon listing of A shares on the Shanghai Stock Exchange. The Board is also authorized to deal with the relevant application, approval, registration, filing procedures and other related issues arising from the amendments to the Articles of Association.”
3. “**THAT** subject to the passing of the above special resolution 1 and conditional upon the completion of the Proposed A Share Issue, the amendments to the Rules and Procedures for Shareholders General Meeting as set out in Appendix II to the Circular be and is hereby approved. The Board is also authorized to make further amendments to the Rules and Procedures for Shareholders General Meeting which in its opinion may be necessary, or required by the Relevant Authorities.”
4. “**THAT** subject to the passing of the above special resolution 1 and conditional upon the completion of the Proposed A Share Issue, the amendments to the Rules and Procedures for the Board as set out in Appendix III to the Circular be and is hereby approved. The Board is also authorized to make further amendments to the Rules and Procedures for the Board which in its opinion may be necessary, or required by the Relevant Authorities.”
5. “**THAT** subject to the passing of the above special resolution 1 and conditional upon the completion of the Proposed A Share Issue, the amendments to the Rules and Procedures for the Supervisory Committee as set out in Appendix IV to the Circular be and is hereby approved. The Board is also authorized to make further amendments to the Rules and Procedures of the Supervisory Committee which in its opinion may be necessary, or required by the Relevant Authorities.”

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS

Ordinary Resolutions

6. “**THAT** subject to the passing of the above special resolution 1 and conditional upon the completion of the Proposed A Share Issue, the amendments to the Independent Directors Rules as set out in Appendix V to the Circular be and is hereby approved. The Board is also authorized to make further amendments to the Independent Directors Rules which in its opinion may be necessary, or required by the Relevant Authorities.”
7. “**THAT** subject to the passing of the above special resolution 1 and conditional upon the completion of the Proposed A Share Issue, the adoption of the Use of Proceeds Rules as set out in Appendix VI to the Circular be and is hereby approved. The Board is also authorized to make further amendments to the Use of Proceeds Rules which in its opinion may be necessary, or required by the Relevant Authorities.”
8. “**THAT** subject to the passing of the above special resolution 1 and conditional upon the completion of the Proposed A Share Issue, the adoption of the Guarantee Rules as set out in Appendix VII to the Circular be and is hereby approved. The Board is also authorized to make further amendments to the Guarantee Rules which in its opinion may be necessary, or required by the Relevant Authorities.”

Class Meeting for holders of Domestic Shares

Special Resolution

1. “**THAT**
 - (A) subject to (i) the approval of the CSRC and other regulatory authorities; and (ii) the approval of the Shanghai Stock Exchange as to the listing of and dealing in the A Shares issued and allotted, the allotment and issue of A Shares by the Company and each of the following terms and conditions of the Proposed A Share Issue be approved and confirmed:

Type of Securities to be issued	A Shares
Place of Listing	Shanghai Stock Exchange
Number of A Shares to be issued	Not more than 300,000,000 A Shares. The final number of A Shares to be issued and the structure of the issue is subject to the approval by the Relevant Authorities and the adjustments (if any) made by the Board as authorized by the Shareholders at the EGM and the Class Meetings.
Nominal value	RMB0.20 per A Share

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS

Target subscribers	Qualified price consultation participants, PRC natural person and institutional investors (including qualified foreign institutional investors recognized in the PRC) having “A” Share accounts with the Shanghai Stock Exchange, except those prohibited under the PRC laws or regulations and other regulatory requirements from participating in the Proposed A Share Issue.
Rights attached to A Shares	The A Shares are listed Domestic Shares and except as otherwise provided for in the applicable laws, rules and regulations and the Articles of Association, will rank pari passu with the existing Domestic Shares and H Shares in all respects. Once the Proposed A Share Issue is completed, both new and existing Shareholders will be entitled to share the accumulated retained earning at the time of the Proposed A Share Issue in accordance to their respective shareholding in the Company.
Basis for determining the issue price	The issue price of the Proposed A Share Issue will be determined on the basis of market condition, the conditions prevailing in the PRC securities market at the time of the Proposed A Share Issue by way of customary market consultation and such other ways as approved by CSRC and in accordance with the relevant requirements issued by the CSRC, relevant PRC regulations and the Listing Rules. Upon publication of the prospectus for initial public offering of A Shares and the relevant announcement, the issue price range will be determined by making preliminary price consultations with qualified price consultation participants, and the issue price will be determined within the issue price range based on the cumulative bidding price consultations (or by other means of determining the issue price recognized by the CSRC). Thus, the amount of funds to be raised from the Proposed A Share Issue cannot be confirmed at this stage, but the offer price for the Proposed A Share Issue will not be lower than 90% of the average closing price of the Company’s H Shares on the Stock Exchange for the 20 Trading Days preceding the date of the prospectus in connection with the Proposed A Share Issue.

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS

Method of issue The issue will be conducted by a combination of placement of A Shares to participants through offline price consultation and a public offering of A Shares through online subscriptions or such other methods as approved by CSRC.

Use of proceeds The amount of funds to be raised from the Proposed A Share Issue cannot be confirmed at this stage. However, subject to the sufficiency of the funds raised, the Company intends to apply the proceeds from the Proposed A Share Issue in the following manners:

- (i) approximately RMB454,732,000 to be used for financing the construction of the facilities for smelting;
- (ii) approximately RMB729,393,000 to be used for financing the development of the gold ores in Kyrgyzstan;
- (iii) approximately RMB221,219,000 to be used for exploration activities in Henan and the Inner Mongolia; and
- (iv) approximately RMB400,000,000 to be used for general working capital and for repayment of the bank borrowings of the Group.

If the amount of funds raised from the Proposed A Share Issue is insufficient for funding all of the above, such shortfall shall be funded from the Group's internal resources. If there is any surplus of the funds raised from the Proposed A Share Issue, such surplus will be used for general working capital of the Group.

- (B) the relevant resolution in relation to this issue is valid within 12 months from the date of the passing of the resolutions approving this issue at the EGM and the Class Meetings.

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS

- (C) the Board is authorized to determine matters and deal with, at its discretion and with full authority, matters in relation to the Proposed A Share Issue, including but not limited to the following matters:
- (a) to determine the detailed plan for the Proposed A Share Issue (including but not limited to place of listing, time of issue, manner of issue, issue price, par value of A Shares and issue quantity);
 - (b) to adjust the plan for the Proposed A Share Issue taking into consideration the implementation conditions of the aforesaid plan, the market conditions, adjustments of policies and opinions from the Relevant Authorities and to implement such plan in compliance with relevant regulations;
 - (c) to adjust, on the basis of funding conditions of proceeds and within the framework of the aforesaid manners, the line of the investment quota of each manner of use of proceeds and to determine and adjust the use of net proceeds from the Proposed A Shares Issue subject to the opinions of the Relevant Authorities;
 - (d) to deal with the application procedures and other formalities with respect to the Proposed A Share Issue with the Relevant Authorities, and to sign, implement, modify, complete or approve each of the documents and contracts relating to the Proposed A Share Issue (including but not limited to the letter of intent, the prospectus, the sponsoring agreement, the underwriting agreement, listing agreement, and all types of announcements);
 - (e) to engage relevant professional parties and to approve their fees;
 - (f) to determine the matters relating to the strategic investors, if any, including but not limited to identifying the strategic investors, negotiating and entering into agreements with the strategic investors;
 - (g) to deal with the registration procedures in respect of the consequences of the public issue;
 - (h) to deal with the matters relating to the amendments to the Article of Associations and other rules of the Company; and
 - (i) to deal with other matters which are necessary, appropriate or expedient for the purpose of the Proposed A Share Issue."

Class Meeting for holders of H Shares

Special Resolution

1. **“THAT**

- (A) subject to (i) the approval of the CSRC and other regulatory authorities; and (ii) the approval of the Shanghai Stock Exchange as to the listing of and dealing in the A Shares issued and allotted, the allotment and issue of A Shares by the Company and each of the following terms and conditions of the Proposed A Share Issue be approved and confirmed:

Type of Securities to be issued	A Shares
Place of Listing	Shanghai Stock Exchange
Number of A Shares to be issued	Not more than 300,000,000 A Shares. The final number of A Shares to be issued and the structure of the issue is subject to the approval by the Relevant Authorities and the adjustments (if any) made by the Board as authorized by the Shareholders at the EGM and the Class Meetings.
Nominal value	RMB0.20 per A Share
Target subscribers	Qualified price consultation participants, PRC natural person and institutional investors (including qualified foreign institutional investors recognized in the PRC) having “A” Share accounts with the Shanghai Stock Exchange, except those prohibited under the PRC laws or regulations and other regulatory requirements from participating in the Proposed A Share Issue.
Rights attached to A Shares	The A Shares are listed Domestic Shares and except as otherwise provided for in the applicable laws, rules and regulations and the Articles of Association, will rank pari passu with the existing Domestic Shares and H Shares in all respects. Once the Proposed A Share Issue is completed, both new and existing Shareholders will be entitled to share the accumulated retained earning at the time of the Proposed A Share Issue in accordance to their respective shareholding in the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS

Basis for determining the issue price	<p>The issue price of the Proposed A Share Issue will be determined on the basis of market condition, the conditions prevailing in the PRC securities market at the time of the Proposed A Share Issue by way of customary market consultation and such other ways as approved by CSRC and in accordance with the relevant requirements issued by the CSRC, relevant PRC regulations and the Listing Rules. Upon publication of the prospectus for initial public offering of A Shares and the relevant announcement, the issue price range will be determined by making preliminary price consultations with qualified price consultation participants, and the issue price will be determined within the issue price range based on the cumulative bidding price consultations (or by other means of determining the issue price recognized by the CSRC). Thus, the amount of funds to be raised from the Proposed A Share Issue cannot be confirmed at this stage, but the offer price for the Proposed A Share Issue will not be lower than 90% of the average closing price of the Company's H Shares on the Stock Exchange for the 20 Trading Days preceding the date of the prospectus in connection with the Proposed A Share Issue.</p>
Method of issue	<p>The issue will be conducted by a combination of placement of A Shares to participants through offline price consultation and a public offering of A Shares through online subscriptions or such other methods as approved by CSRC.</p>
Use of proceeds	<p>The amount of funds to be raised from the Proposed A Share Issue cannot be confirmed at this stage. However, subject to the sufficiency of the funds raised, the Company intends to apply the proceeds from the Proposed A Share Issue in the following manners:</p> <ul style="list-style-type: none">(i) approximately RMB454,732,000 to be used for financing the construction of the facilities for smelting;

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS

- (ii) approximately RMB729,393,000 to be used for financing the development of the gold ores in Kyrgyzstan;
- (iii) approximately RMB221,219,000 to be used for exploration activities in Henan and the Inner Mongolia; and
- (iv) approximately RMB400,000,000 to be used for general working capital and for repayment of the bank borrowings of the Group.

If the amount of funds raised from the Proposed A Share Issue is insufficient for funding all of the above, such shortfall shall be funded from the Group's internal resources. If there is any surplus of the funds raised from the Proposed A Share Issue, such surplus will be used for general working capital of the Group.

- (B) the relevant resolution in relation to this issue is valid within 12 months from the date of the passing of the resolutions approving this issue at the EGM and the Class Meetings.
- (C) the Board is authorized to determine matters and deal with, at its discretion and with full authority, matters in relation to the Proposed A Share Issue, including but not limited to the following matters:
 - (a) to determine the detailed plan for the Proposed A Share Issue (including but not limited to place of listing, time of issue, manner of issue, issue price, par value of A Shares and issue quantity);
 - (b) to adjust the plan for the Proposed A Share Issue taking into consideration the implementation conditions of the aforesaid plan, the market conditions, adjustments of policies and opinions from the Relevant Authorities and to implement such plan in compliance with relevant regulations;
 - (c) to adjust, on the basis of funding conditions of proceeds and within the framework of the aforesaid manners, the line of the investment quota of each manner of use of proceeds and to determine and adjust the use of net proceeds from the Proposed A Shares Issue subject to the opinions of the Relevant Authorities;

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS

- (d) to deal with the application procedures and other formalities with respect to the Proposed A Share Issue with the Relevant Authorities, and to sign, implement, modify or complete approve each of the documents and contracts relating to the Proposed A Share Issue (including but not limited to the letter of intent, the prospectus, the sponsoring agreement, the underwriting agreement, listing agreement, and all types of announcements);
- (e) to engage relevant professional parties and to approve their fees;
- (f) to determine the matters relating to the strategic investors, if any, including but not limited to identifying the strategic investors, negotiating and entering into agreements with the strategic investors;
- (g) to deal with the registration procedures in respect of the consequences of the public issue;
- (h) to deal with the matters relating to the amendments to the Article of Associations and other rules of the Company; and
- (i) to deal with other matters which are necessary, appropriate or expedient for the purpose of the Proposed A Share Issue."

By order of the Board
Lingbao Gold Company Ltd.
Xu Gaoming
Chairman

Lingbao, Henan, the PRC

14 November 2011

Notes:

1. The register of members of the Company will be closed from Thursday, 1 December 2011 to Friday, 30 December 2011 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending the forthcoming EGM and relevant Class Meetings, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Share) or the registered office address of the Company (for holders of domestic shares), no later than 4:30 p.m. on Wednesday, 30 November 2011.
2. Holders of Domestic Shares and H Shares whose names appear on the H Share register of members of the Company at the close of business on Thursday, 1 December 2011 are entitled to attend and vote at the EGM and the relevant Class Meetings and may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a member of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS

3. In order to be valid, the proxy form must be deposited by hand or post, for holders of H Share of the Company, to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the meeting or any adjournment thereof. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
4. Shareholders or their proxies shall produce their identity documents when attending the meeting(s).
5. Shareholder who intend to attend the EGM and/or the relevant Class Meetings should complete and return the reply slip and return it by hand or by post to the share registrar of the Company (for holders of H Share) or to the registered office address of the Company (for holders of domestic shares) on or before Friday, 9 December 2011.
6. The registered office address of the Company is as follows:

Xin Village
Yinzhuang Town
Daonan Industrial Area
Lingbao
Henan
The People's Republic of China

Tel: 86 398 8862220
Fax: 86 398 8860166
7. The EGM and the Class Meetings are expected to take half a day. Shareholders attending the EGM and/or the relevant Class Meetings shall be responsible for their own travel and accommodation expenses.
8. The Board confirms that there is no other matter which should be brought to the attention of the shareholders.
9. All resolutions as set out above will be determined by way of poll.
10. As at the date of this notice, the Board comprises five executive Directors, namely Xu Gaoming, Jin Guangcai, Liu Pengfei, Zhang Guo and He Chengqun; one non-executive Director, namely Wang Yumin; and four independent non-executive Directors, namely Niu Zhongjie, Wang Han, Yan Wanpeng and Du Liping.