

China Suntien Green Energy Corporation Limited

新天綠色能源股份有限公司

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

Articles of Association (Effective upon the Listing of A Shares)

These Articles of Association are prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

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China Suntien Green Energy Corporation Limited

Articles of Association

Chapter 1 General Principles

Article 1 In order to safeguard the lawful rights and interests of China Suntien Green Energy Corporation Limited (hereinafter referred to as the “Company”) and its shareholders and creditors, regulate the Company’s organization and behaviour, the Articles of Association are stipulated in accordance with the “Company Law of the People’s Republic of China” (hereinafter referred to as the “Company Law”), the “Securities Law of the People’s Republic of China” (hereinafter referred to as the “Securities Law”), the “Guidelines for Articles of Association of Listed Companies” (hereinafter referred to as the “Guidelines for Articles of Association”), the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (hereinafter referred to as the “Hong Kong Listing Rules”), the “Rules Governing the Listing of Stocks on the Shanghai Stock Exchange” (hereinafter referred to as the “SSE Listing Rules”) and other relevant requirements.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law and other relevant laws and administrative regulations of the PRC.

The Company was established by way of promotion with the approval of the State-owned Assets Supervision and Administration Commission of the People’s Government of Hebei Province under Circular Ji Guo Zi Fa Gai Ge Fa Zhan [2009] No. 198, registered with Commerce and Administration Bureau in Hebei Province on 9 February 2010.

The promoters of the Company are: Hebei Construction & Investment Group Co., Ltd. and HECIC Water Investment Co., Ltd.

With the authorisation of the China Securities Regulatory Commission, the Company conducted initial public offering of 1,238,435,000 RMB ordinary shares to the public on 1 September 2010, which became listed on the Main Board of the Hong Kong Stock Exchange on 13 October 2010.

With the approval of the China Securities Regulatory Commission, the Company conducted initial public offering of 134,750,000 RMB ordinary shares to the public on 28 May 2020, which became listed on the Shanghai Stock Exchange on 29 June 2020.

Article 3 Registered Chinese name of the Company: 新天綠色能源股份有限公司

Registered English name of the Company: China Suntien Green Energy Corporation Limited

Article 4 The Company’s Address: No.9 Yuhua West Road, Shijiazhuang City
Postcode: 050051
Telephone: 0311-85288876
Fax: 0311-85288876

Article 5 The president of the Company is the legal representative of the Company.

Article 6 The Company is a joint stock limited company of perpetual existence.

The Company is an independent legal entity with independent legal properties, enjoys legal property rights, enjoys civil rights and is liable to civil responsibilities according to the law.

All the capital of the Company shall be divided into equal shares. Shareholders of the Company are liable to the extent of their capital contribution, and the Company is liable for its debts to the extent of all of its assets.

Article 7 The Articles of Association shall become effective on the date when a special resolution of the general meeting of the Company is passed.

Once the Articles of Association have become effective, it shall become a legally binding document to standardize the organization and activities of the Company, the rights and obligations between the Company and its shareholders, and among its shareholders.

Article 8 The Articles of Association shall have binding effect on the Company and its shareholders, directors, supervisors, president and other senior management, and the aforesaid personnel shall be entitled to assert their rights on matters in relations to the Company in accordance with the Articles of Association.

Shareholders may institute legal proceedings against the Company in accordance with the Articles of Association; shareholders may institute legal proceedings against the other shareholders in accordance with the Articles of Association; shareholders of the Company may institute legal proceedings against the directors, supervisors, president and other senior management of the Company in accordance with the Articles of Association; The Company may institute legal proceedings against its shareholders, directors, supervisors, president and other senior management in accordance with the Articles of Association.

“Other senior management” mentioned in the preceding paragraph includes vice president, chief accountant, general engineer, and secretary of board of directors.

Article 9 Subject to the approval of the relevant governmental authority, the Company shall set up subsidiaries, branches, representative office and offices out of the PRC and in Taiwan, the special administrative regions such as Hong Kong and Macau based on the business requirement of the Company itself.

Article 10 The Company may invest in other enterprises. However, unless it is otherwise provided for by any law, it shall not become a capital contributor that shall bear several and joint liabilities for the debts of the enterprises in which it invests.

Article 11 In accordance with the requirements of the “Constitution of the Communist Party of China”, an organisation of the Communist Party of China shall be established and play the leadership role of the Company, providing direction, managing the overall situation and ensuring implementation. A working committee of the Party shall be established within the Company, and shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organisation.

Chapter 2 Purpose and Scope of Business

Article 12 The Company’s business purpose is: based on the growing requirement for electricity due to healthy, stable and sustainable development of domestic economy, rely on both domestic and foreign advanced technology and modernized management experience, to invest and exploit new energy such as wind and solar energy, so as to provide clean electric power for the society; to invest in project of natural gas exploiting facility, to promote the utilization and development of clean energy, to participate in the creation of social prosperity and promotion of social progress, to build an outstanding corporate image with health, excellence and a sense of social responsibility.

Article 13 The scope of business of the Company shall be based on the projects approved by the company examination and approval department and examined by the industry and commerce administrative authorities.

The principle business of the Company include: investing in projects of new energy such as wind, solar and nuclear energy, investing in project of manufacturing environmental friendly electricity facility, investing in project of exploiting natural gas, liquefied natural gas, compressed natural gas, coal gas and coal bed methane (other than the projects restricted or eliminated by the State); providing technical development of new energy and clean energy, technical service and technical consultation.

The Company is allowed to adjust the scope of business based on the demands of both domestic and international markets, the development capability and business requirement of the Company itself.

Chapter 3 Shares, Transfer of Shares and Registered Capital

Article 14 The Company may, at any time, issue ordinary shares. The Company may issue other types of shares in accordance with relevant national laws, administrative regulations, and the relevant provisions of the China Securities Regulatory Commission (the “CSRC”) and other regulatory

Article 15 The shares of the Company may take the form of share certificate. Shares issued by the Company shall have a par value, the nominal value of each share shall be RMB 1.

RMB as mentioned in the preceding paragraph shall refer to the legal currency of the People’s Republic of China (the “PRC”).

Article 16 The share of the Company shall be issued in accordance with the open, fair and impartial principles that each share of the same class shall enjoy equal rights.

The issue terms and price of each share of the same class shall be the same when issued at the same time; the paid up amount of each subscription share as subscribed by any unit or individual shall carry the same price.

Article 17 Where the Company issues shares to domestic and overseas investors, it should fulfill the registration or filing procedures with the CSRC or other regulatory authorities in accordance with the law.

“Overseas investors” as mentioned in the preceding paragraph shall refer to investors from foreign countries or from Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; “domestic investors” shall refer to investors within the territory of the PRC other than the aforesaid regions who subscribe for shares issued by the Company.

Article 18 Shares issued by the Company in RMB to domestic investors are called domestic shares. Shares issued by the Company to overseas investors and subscribed in foreign currency are called foreign invested shares. Foreign invested shares which are listed overseas are called foreign invested shares listed overseas.

“Foreign currency” as mentioned in the preceding paragraph shall refer to other countries’ or regions’ legal currencies approved by the national competent department in charge of foreign exchange and payable for the Company’s shares other than renminbi.

The foreign listed shares of the Company listed in Hong Kong are called H shares. H share represents the share to be listed on the Hong Kong Stock Exchange after approval, with nominal value in renminbi, subscribed and traded in Hong Kong dollars.

Article 19 Subject to the approval by the company examination and approval authority as authorised by the State Council, the Company issued 2,000,000,000 shares of ordinary shares to the promoters since establishment, amongst other, Heibi Construction & Investment Group Co., Ltd. has subscribed for and is holding 1,600,000,000 shares (representing 80% of the total issued ordinary shares) and HECIC Water Investment Co., Ltd. has subscribed for and is holding 400,000,000 shares (representing 20% of the total issued ordinary shares).

After the Company has been established and subject to the approval by the CSRC, the Company is allowed to issue foreign listed shares. At the same time of issuance of foreign listed shares, the state-owned shareholder of the Company has transferred not more than 123,844,000 state-owned shares to the National Social Security Fund Council in accordance with the relevant national requirement in relation to reduction of holding of state-owned shares.

After completion of the issuance of the aforesaid foreign invested shares listed overseas, the Company's equity capital structure was: Hebei Construction & Investment Group Co., Ltd. held 1,500,924,800 shares, accounting for 46.35% of all the ordinary shares; HECIC Water Investment Co., Ltd. held 375,231,200 shares, accounting for 11.59% of all the ordinary shares; the National Social Security Fund Council held 123,844,000 shares, accounting for 3.82% of all the ordinary shares; shareholders of H shares held 1,238,435,000 shares, accounting for 38.24% of all the ordinary shares.

In January 2014, as approved by the CSRC, the Company issued an additional 476,725,396 foreign invested shares listed overseas to no more than 10 overseas investors by way of private placing. After completion of such issuance of shares, the Company's equity capital structure is: Hebei Construction & Investment Group Co., Ltd. holds 1,500,924,800 shares, accounting for 40.40% of all the ordinary shares; HECIC Water Investment Co., Ltd. holds 375,231,200 shares, accounting for 10.10% of all the ordinary shares; the National Social Security Fund Council holds 123,844,000 shares, accounting for 3.33% of all the ordinary shares; shareholders of H shares hold 1,715,160,396 shares, accounting for 46.17% of all the ordinary shares.

In July 2015, as approved by the State-owned Assets Supervision and Administration Commission of the State Council, HECIC Water Investment Co., Ltd. transferred 375,231,200 domestic shares of the Company to its controlling shareholder Hebei Construction & Investment Group Co., Ltd. by administrative allocation at nil consideration. After completion of such transfer of shares, the Company's equity capital structure is: Hebei Construction & Investment Group Co., Ltd. holds 1,876,156,000 shares, accounting for 50.50% of all the ordinary shares; shareholders of H shares hold 1,839,004,396 shares, accounting for 49.50% of all the ordinary shares.

With the approval of the China Securities Regulatory Commission, the Company conducted initial public offering of 134,750,000 RMB ordinary shares to the public on 28 May 2020. After completion of such issuance, the Company's equity capital structure is: the Company has a total share capital of 3,849,910,396 shares, including 2,010,906,000 A Shares, representing 52.23% of the total share capital of the Company and 1,839,004,396 H Shares, representing 47.77% of the total share capital of the Company.

With the approval of the China Securities Regulatory Commission, the Company conducted non-public offering of 337,182,677 RMB ordinary shares on 19 August 2021. After completion of such issuance, the Company's equity capital structure is: the Company has a total share capital of 4,187,093,073 shares, including 2,348,088,677 A Shares, representing 56.08% of the total share capital of the Company and 1,839,004,396 H Shares, representing 43.92% of the total share capital of the Company.

Article 20 The registered capital of the Company is RMB4,187,093,073.00.

The domestic shares issued by the Company are centrally deposited with the China Securities Depository and Clearing Corporation Limited. The foreign invested shares listed overseas issued by the Company are deposited in accordance with Article 41 of the Articles of Association.

Article 21 The Company or a subsidiary of the Company (including an affiliated company of the Company) shall not provide any financial assistance in the form of gifts, advances, guarantees, indemnities, or loans to a person who is purchasing or proposing to purchase shares of the Company.

Article 22 The Company may, in accordance with the requirements of its business operations and development, increase its capital in the following ways based on the provisions of laws and regulations and by separate resolution of the general meeting:

- (1) public offering of shares;
- (2) non-public offering of shares;
- (3) conduct a bonus issue of shares to the existing shareholders;

- (4) conversion of capital reserve; or
- (5) other methods as approved by laws, administrative regulations and the CSRC.

Article 23 The Company shall not accept its shares as subject matter of pledge.

Article 24 Shares of the Company held by the promoters shall not be transferred within one (1) year commencing from the date of incorporation of the Company. Shares of the Company that are already in issue prior to their public offering shall not be transferred within one (1) year commencing from the date on which the shares of the Company were listed and traded on a stock exchange.

The directors, supervisors and senior officers of the Company shall report to the Company the number of shares held by them in the Company and the subsequent changes in their shareholdings. The number of shares which a director, supervisor or senior officer may transfer every year during his term of office shall not exceed 25% of the total number of the Company's shares in his or her possession; and shares of the Company in his or her possession shall not be transferred within one (1) year commencing from the date on which the shares of the Company were listed and traded on a stock exchange. Such personnel shall not transfer the Company's shares in their possession within six (6) months after they have terminated their employment with the Company.

Article 25 Any gains from the sale of shares or other securities with the nature of equity interests of the Company by any Company's director, supervisor, senior management or shareholders holding 5% or more of the shares in the Company within six (6) months after purchasing such shares or other securities, or any gains from repurchasing such shares or other securities in the Company within six (6) months after the sale thereof, shall be vested in by the Company. The board of the Company shall seize such gains from the abovementioned parties, except for the circumstance where a securities company underwrites the unsold shares and then holds more than 5% of the shares, and other circumstances stipulated by the CSRC or the stock exchange in the place where the Company's shares are listed..

The shares or other securities with the nature of equity interests held by directors, supervisors, senior management and individual shareholders as referred to in the preceding paragraph include the shares or other securities with the nature of equity interests held by their spouse, parents, and children in their own name and under others' accounts.

If the board of directors fails to comply with the provision set forth in the first paragraph, the shareholders shall have the right to request the board to do so within 30 days. If the board fails to comply within the aforesaid period, the shareholders shall be entitled to bring legal actions directly to the court in their own names for the interest of the Company.

If the board of directors fails to comply with the first paragraph, the responsible directors shall bear the joint and several liabilities according to law.

Chapter 4 Reduction of Capital and Buyback of Shares

Article 26 The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be dealt with in accordance with the Company Law, other related regulations and provisions of the Articles of Association.

Article 27 When the Company reduces its registered capital, it shall prepare a balance sheet and inventory of assets.

Within ten (10) days after the resolution of proposing a reduction of registered capital, the Company shall notify the creditors and a public announcement shall be made in the press as recognized by the stock exchange where the Company's shares are listed within thirty (30) days. A creditor shall, within thirty (30) days of receipt of such a notice or within forty-five (45) days of the public announcement where the creditor has not received the notice, have the right to request the Company to settle its claim or provide a relevant debt repayment guarantee.

The registered capital after its reduction shall not be less than the statutory minimum amount.

Article 28 The Company may not acquire shares of the Company. Nonetheless, there is an exception for one of the following circumstances::

- (1) when reducing its registered capital;
- (2) when merging with other companies which hold the Company's shares;
- (3) to utilize shares in the employee share ownership plan or for share incentive;
- (4) when a shareholder opposing the Company's merger or division during the shareholders' meeting requests the Company to buy back his shares;
- (5) to utilise the shares for conversion of corporate bonds issued by the Company that are convertible into shares; and
- (6) where it is necessary for the Company to safeguard the value of the Company and the interests of its shareholders.

Article 29 Acquisition of the Company's shares by the Company may be carried out through open and centralised trading or in other ways recognised by laws, administrative regulations and the CSRC.

If the Company acquires its own shares under the circumstances described in items (3), (5) and (6) of Article 28 of these Articles, it shall conduct such buybacks through centralized public transaction.

Article 30 If the Company acquires its own shares under the circumstances described in (1) and (2) of Article 28 of these Articles, it shall obtain approval of the general meeting by way of resolution; if the Company acquires its own shares in (3), (5) and (6) of Article 28 of these Articles, it shall obtain approval by way of resolution at the board meeting attended by more than two-thirds directors.

After the Company acquires its own shares according to Article 28 of these Articles, it shall cancel the shares it has acquired within 10 days after the acquisition if such acquisition is made under the circumstances as described in (1) of Article 28; if the acquisition is made under the circumstances as described in (2) or (4) of Article 28, it shall transfer or cancel the shares it has acquired within 6 months after the acquisition. In case of the circumstances as stated in (3), (5) or (6) of Article 28, the total shares of the Company held by the Company shall not exceed 10% of its total shares in issue and the shares it has acquired shall be transferred or cancelled within 3 years after the acquisition. However, if laws, administrative regulations, departmental regulations, and the rules governing the listing of securities on securities exchanges requires otherwise, such provisions shall apply.

Chapter 5 Share Certificates and Shareholders Register

Article 31 The share certificates of the Company shall adopt the form of registered share certificates.

Other than the Company Law, matters to be stated in Company's shares shall include other matters as required by securities exchange where the Company's shares are listed.

During the period when H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure that all documents of title in relation to all securities of the Company listed on the Hong Kong Stock Exchange (including the share certificates of H shares) include the statements stipulated below and shall instruct and cause its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any individual holder unless and until such holder delivers to such share registrar a signed form in respect of such shares bearing statements to the following effect:

- (1) The acquirer of shares agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with the Company Law, other related laws and administrative regulations and the Articles of Association of the Company.

(2) The acquirer of shares agrees with the Company, each shareholder, director, supervisor, president and other senior management of the Company, and the Company acting for itself and on behalf of each director, supervisor, president and other senior management agrees with each shareholder to submit all disputes and claims arising from the Articles of Association or any disputes or claims arising from any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations and in relation to the affairs of the Company to arbitration in accordance with the Articles of Association, and any submission to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive.

(3) The acquirer of shares agrees with the Company and each shareholder of the Company that shares in the Company are freely transferable by the holder thereof.

(4) The acquirer of shares authorises the Company to enter into a contract on his behalf with each director, president and other senior management whereby such directors, president and other senior management undertake to observe and comply with their obligations to shareholders stipulated in the Articles of Association.

Article 32 A shareholder register shall be established by the Company to record the following items:

- (1) the name, address (or residence) and occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid for or amount payable for shares held by each shareholder;
- (4) the serial numbers of shares held by each shareholder;
- (5) the date on which the party registered as a shareholder; and
- (6) the date on which the party ceased to be a shareholder.

The shareholder register shall be sufficient evidence to verify that a shareholder holds the Company's shares; except where evidence to the contrary exists.

All the activities or transfer of foreign invested shares listed overseas shall be registered in the register of foreign invested shares listed overseas as maintained at the place of listing in accordance with the Articles of Association.

When two or more people are registered as joint holders of any shares, they shall be deemed as common owners, and shall subject to the following clauses:

- (1) the Company should not register for joint shareholders of more than four people;
- (2) all joint holders of any shares shall jointly and severally assume responsibilities of paying for related shares;

(3) in the case where one of the joint shareholders passes away, only the remaining joint shareholders are deemed as having the ownership of the related shares, however the board of directors shall have the rights to demand for related shareholder's death certificate it deems appropriate in respect of the alteration of shareholders register; and

(4) in respect of joint holders of any shares, only joint shareholders ranking the first in the shareholders register shall be entitled to receive the share certificates of related stocks and notices from the Company, attending or exercising part or all the voting rights of related shares in shareholders' general meeting, any notices being sent to such persons shall be deemed as to have served to all joint holders of related shares.

Article 33 In accordance with the mutual understanding and agreement reached between the CSRC and the overseas securities authority, the original of the Company's shareholders register of foreign invested shares listed overseas shall be maintained overseas and managed by an overseas agent entrusted by the Company. The original of the Company's shareholders register of foreign invested shares listed overseas that are listed in Hong Kong shall be maintained in Hong Kong.

A duplicate of the Company's shareholders register of foreign invested shares listed overseas shall be kept at the business premises of the Company, which is available for inspection to shareholders of the Company, except when the register of H shareholders is closed by the Company in accordance with provisions equivalent to section 632 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The entrusted overseas agent shall ensure the consistency of the original and duplicate of the shareholders register of foreign invested shares listed overseas at all times.

In the event of any inconsistency between the original and duplicate of the shareholders register of foreign invested shares listed overseas, the original shall prevail.

Article 34 The Company shall maintain a complete shareholders register.

A shareholders register shall consist of the following:

- (1) the shareholders register other than those stipulated in items (2) and (3) of this paragraph to be kept at the business premises of the Company;
- (2) the Company's shareholders register of foreign invested shares listed overseas to be kept at the location of the overseas stock exchange where the foreign invested shares listed overseas is listed; and
- (3) the shareholders register to be kept in another place designated by the board of directors for the purpose of the listing of the Company's shares.

Article 35 There shall be no overlap between the various parts of the shareholders register. In the event of assignment of shares registered in a certain part of the shareholders register, those shares shall not be registered in another part of the shareholders register during the period when the registration of such shares subsists.

Alteration or correction of any part of a shareholders register shall be carried out in accordance with the law prevailing in the places at which those parts of the shareholders register are kept.

Article 36 The foreign invested shares listed overseas that are listed in Hong Kong with all the capital being fully paid shall be assigned freely in accordance with the Articles of Association. However, unless the following conditions are satisfied, the board of directors may refuse the admission of any instrument of transfer without giving any reasons:

- (1) paying to the Company a fee of HK\$2.50 (per instrument of transfer) or such higher fee as the Hong Kong Stock Exchange may agree, for the registration of instrument of transfer and other documents relating to or potentially affecting the share ownership;
- (2) the instrument of transfer shall only be associated with the foreign invested shares listed overseas which are listed in Hong Kong;
- (3) the duty stamp payable has been paid for any instrument of transfer;

(4) the related share certificate and the evidence substantiating the transferor's right to transfer the shares shall be provided as reasonably required by the board of directors;

(5) where the shares are intended to be transferred to joint holders, then the number of joint holders shall be limited to four;

(6) no lien of any Company shall be attached to such shares;

(7) no share is permitted to be transferred to the underage, mentally incompetent and other legally incapacitated person.

If the Company refuses the registration of share transfer, it should give the transferor and transferee a written notice for such refusal within 2 months from the date on which the transfer application was formally made.

Article 37 H shares of the Company listed in Hong Kong shall be transferred in writing by an instrument of transfer in the usual or common form or in a form acceptable to the stock exchange or in a form acceptable to the board of directors. Such instrument of transfer may also be executed by hand or, if the transferor or transferee is a recognised clearing house within the meaning of the relevant ordinances from time to time in force under the laws of Hong Kong and the rules governing the regulation of securities in the place where the shares of the Company are listed (the "recognised clearing house") or its nominee, by machine imprinted signature.

All instrument of transfer shall be maintained at the legal address of the Company or any place as instructed by the board of directors from time to time.

Article 38 Where laws, administrative regulations, departmental rules, regulatory documents and the relevant stock exchange or the regulatory authority of the place where the Company's shares are listed stipulate on the period of closure of the register of members prior to the convening of a general meeting or the benchmark date of the Company for determination of dividend distribution, such provisions shall prevail.

Article 39 When the Company convenes a general meeting of shareholders, distributes dividends, is in liquidation or conducts other activities involving the confirmation of shareholders' identity, the convener of the meeting of the board of directors or the general meeting shall confirm a date as the record date. At the end of the record date, shareholders registered in the shareholders register shall be the shareholders entitled to such rights and interests.

Article 40 Any party which raises objection to a shareholders register and requests its name to be registered in the shareholders register or requests that its name be deleted from the shareholders register may apply to the court having jurisdiction to amend that shareholders register.

Article 41 Any shareholders registered in the shareholders register or any party who requests that its name be registered in the shareholders register may apply to the Company for the issue of replacement certificates (i.e. "corresponding certificates") if its share certificates (i.e. "original share certificates") have been lost.

In the case of a domestic shareholder losing its share certificate and applying for the issue of a replacement certificate, this shall be handled in accordance with the related provisions of the Company Law.

In the case of a holder of foreign invested shares listed overseas losing its share certificate and applying for the issue of a replacement certificate, this shall be handled in accordance with the law of the place where the original shareholders register of foreign invested shares listed overseas is kept, the rules of the stock exchange or other relevant regulations.

If a holder of foreign invested shares listed overseas that are listed in Hong Kong has lost its share certificate and applies for the issue of a replacement certificate, the issue of a replacement certificate shall be in compliance with the following requirements:

(1) The applicant shall lodge an application according to the standard format designated by the Company and shall attach a notarial certificate or document of legal declaration. The contents of the notarial certificate or legal declaration shall include reasons for the application, details and evidence of the loss of the share certificate and a declaration that no other party can request the registration of such shares as a shareholder.

(2) No declaration has been made by any party other than the applicant requesting the registration of those shares as a shareholder before the Company makes a decision on issue of a replacement certificate.

(3) Where the Company decides to issue a replacement certificate, a public announcement of the intended issue of the replacement certificate shall be published in newspaper(s) designated by the board of directors; the period for a public announcement shall be ninety (90) days and the public announcement shall be published at least once every thirty (30) days.

(4) Before publication of a public announcement of the intended issue of a replacement share certificate, a duplicate copy of the public announcement to be published shall be submitted to the stock exchange where the Company's shares are listed. The public announcement may then be published after receipt of a reply from the stock exchange confirming the display of the public announcement in the stock exchange has occurred. The period for display of a public announcement in the stock exchange shall be ninety (90) days.

If an application for the issue of a replacement share certificate is made without the consent of a shareholder registered in the shareholders register who holds the relevant shares, the Company shall send the shareholder a copy of the public announcement intending to be posted by way of post.

(5) Upon the expiration of the ninety (90) day period for a public announcement or display as stipulated in items (3) and (4) of this Article and where no objection against issue of a replacement share certificate has been raised by any party, the replacement share certificate may be issued pursuant to the application.

(6) When making the issue of a replacement share certificate pursuant to the provisions of this Article, the Company shall promptly cancel the original share certificate and shall record such cancellation and issue of the replacement share certificate on the shareholders register.

(7) All expenses incurred by the Company in the cancellation of the original share certificate and the issue of the replacement share certificate shall be borne by the applicant. The Company shall have the right to refuse to take any action before an applicant provides a reasonable guarantee.

Article 42 After a replacement share certificate has been issued by the Company in accordance with the provisions of the Articles of Association, a bona fide purchaser who obtains the said new shares or a shareholder (if a bona fide purchaser) who later registers as owner of the said shares shall not be permitted to have its name deleted from the shareholders register.

Article 43 The Company shall not bear liability to compensate for any loss incurred by any party as a result of cancellation of the original share certificate or issue of the replacement share certificate unless the party concerned can prove that the Company has committed fraud.

Chapter 6 Shareholders' Rights and Obligations

Article 44 A shareholder of the Company shall be person who lawfully hold the Company's shares and whose names is entered in the shareholders register.

The Company establishes the register of shareholders in accordance with the certificates provided by the securities registrar, and the register of shareholders is sufficient evidence of shareholders' ownership of the Company's shares. A shareholder shall enjoy rights and assume obligations pursuant to the class and quantity of shares held; holders of the same type of shares shall enjoy equal rights and assume equal obligations. The Company's shareholders of different classes shall rank *pari passu* over dividends or any forms of distribution.

Article 45 Holders of ordinary shares of the company shall have the following rights:

- (i) to receive dividends and other forms of profit distribution in proportion to their respective shareholdings;
- (ii) to legally request, convene, host, attend or authorize a proxy to attend and speak at general meetings and to exercise relevant voting rights;
- (iii) to supervise the operation of the Company and to give advice or raises inquiries;
- (iv) to transfer, give or pledge the shares held by them pursuant to the provisions of laws, administrative regulations and the Articles of Association;
- (v) shareholders' right to inspect these Articles of Association, the register of shareholders, the bond stubs of the Company, the minutes of the general meeting, the resolutions of the board of directors' meeting, the resolutions of the supervisory committee's meeting, and the published and disclosed financial accounting reports;

When a shareholder requests to inspect the relevant information described above or demands for information, he/she shall provide a written document of the class and number of the Company's shares held by him/her. The Company shall provide such information and data at the request of the shareholder after verification of his/her shareholder identity.

- (vi) to participate in, upon the Company's termination or liquidation, the distribution of the Company's remaining assets in proportion to their respective shareholdings;
- (vii) to request the Company to acquire their shares when shareholders disagree on the resolutions passed at the general meeting with regard to the Company's merger or division; and
- (viii) other rights conferred by laws, administrative regulations, departmental rules and the Articles of Association.

Article 46 If the content of the resolutions of the Company's meeting of shareholders or board of directors contravenes the law or administrative regulation, the shareholders can request the People's Court to void the resolutions.

If the convening procedure or voting method of a shareholder's meeting or board of director's meeting contravenes the law, administrative regulation or these Articles, or if the contents of the resolutions contravene the Articles, the shareholders can request the People's Court to cancel the resolutions within 60 days.

Article 47 If a director or a senior management personnel contravenes the law, administrative regulation, or these Articles when carrying out his duties in the Company, resulting in losses to the Company, shareholders individually or together holding 1% or more of shares for 180 days continuously, can request the supervisory board in writing to start litigation in the People's Court. If a supervisory board contravenes the law, administrative regulation or these Articles, when carrying out his duties in the Company, resulting in losses to the Company, the shareholders can request the board of directors in writing to start litigation in the People's Court.

If the supervisory board or board of directors refuses to start litigation after receiving the shareholder's written request under the preceding paragraph, or does not start litigation within 30 days of receiving the request, or the situation is so urgent that without an immediate litigation will lead to irreparable losses suffered by the Company, the shareholder under the previous paragraph can litigate directly at the People's Court under his own name, for the interest of the Company.

If any person intervenes with the legal interests of the Company, resulting in losses suffered by the Company, a shareholder under the first paragraph can start litigation at the People's Court in accordance with the two preceding paragraphs.

Article 48 If a director or senior management personnel contravenes the law, administrative regulation, or these Articles, thereby damaging a shareholder's interests, the shareholder can start litigation in the People's Court.

Article 49 A holder of ordinary shares of the Company shall assume the following obligations:

- (1) to abide by the Articles of Association;
- (2) to pay funds pursuant to the quantity of subscribed shares and the method of subscription;
- (3) cannot give up those shares except as prescribed by the law or administrative regulations;
- (4) cannot abuse his rights as a shareholder to damage the Company's or other shareholder's interests; cannot abuse the legal personality of the Company and the limited liability of the shareholders to damage the interests of creditors;
- (5) other obligations as stipulated in laws, administrative regulations and the Articles of Association. Apart from the conditions accepted at the time of subscribing to shares, a shareholder shall not bear liability for any additional share capital.

A shareholder who abuses his shareholders' rights, resulting in losses to the Company and other shareholders should compensate according to the law.

Shareholders of the Company who abuse the legal personality of the Company and limited liability of shareholders, in order to escape from liability, thereby seriously damaging the interests of its creditors, should be jointly and severally responsible to bear the Company's debts.

Article 50 The controlling shareholder or actual controller of the Company cannot use his associated relationship to damage the Company's interests. If this requirement is contravened, resulting in damage to the Company, he should be responsible to compensate.

Any shareholder holding 5% or more of the voting rights in the Company and pledging his/her/its shares shall report in writing to the Company on the date of such pledge.

The controlling shareholder and actual controller have a duty of honesty towards the Company and shareholders holding the public community shares of the Company. The controlling shareholder should strictly exercise his rights as a provider of capital. The controlling shareholder cannot make use of methods such as the distribution of profits, restructuring of assets, external investment, misappropriation of assets, borrowing or providing guarantee, in order to damage the legal interest of the Company and shareholders of public community shares. He cannot make use of his controlling position to damage the legal interest of the Company and shareholders of public community shares.

Chapter 7 General Meeting

Article 51 General meeting of shareholders shall be the Company's authority and shall exercise its powers of office in accordance with the law.

Article 52 A general meeting of shareholders shall exercise the following powers of office:

- (1) determining the Company's business policies and investment plans;
- (2) election and replacement of directors who are not staff representatives and determining matters concerning the remuneration of those directors;
- (3) election and replacement of supervisors who are not staff representatives and determining matters concerning the remuneration of those supervisors;

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- (4) discussion and approval of reports compiled by the board of directors;
 - (5) discussion and approval of reports compiled by the supervisory committee;
 - (6) discussion and approval of the Company's annual budget and final accounting plans;
 - (7) discussion and approval of the Company's profit distribution and loss recovery plans;
 - (8) passing resolutions on matters such as increase or reduction of the Company's registered capital;
 - (9) passing resolutions on the issue of corporate bonds, other bonds and programs of listing;
 - (10) passing resolutions on matters such as merger, demerger, dissolution, liquidation or changing the form of the Company;
 - (11) amending the Articles of Association;
 - (12) passing resolutions on matters such as engagement of the accounting firm;
 - (13) reviewing guarantee providing which should be decided by shareholder's meetings as required by the law, administrative regulations and these Articles;
 - (14) discussing and approving any acquisition or disposal after the value of the acquisition or disposal of material assets for the last one year reaches 30% or more of the latest audited total assets;
 - (15) reviewing share incentive plans and employee share ownership plan;
 - (16) discussing proposals raised by the shareholders who represent more than 3% (including 3%) of the Company's shareholders with voting rights;
 - (17) reviewing and approving the change of use of proceeds raised;
 - (18) reviewing the external guarantees stipulated under Article 53 of the Articles of Association;
 - (19) reviewing other matters which should be decided by shareholder's meetings as required by the law, administrative regulations and these Articles.

Without breach of law, regulations and the mandatory clause of the regulations at the place of listing, the shareholders at the general meeting can authorize or entrust the board of directors to handle the authorization or entrust matters.

Article 53 The following external guarantees to be provided by the Company shall be reviewed and passed at the general meeting:

- (1) any external guarantee to be provided after the total amount of guarantees provided by the Company and its holding subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (2) any external guarantee to be provided after the total amount of guarantees provided by the Company has exceeded 30% of the latest audited total assets of the Company;
- (3) based on the principle of aggregation of guarantees within 12 consecutive months, any external guarantee to be provided after the total amount of guarantees provided by the Company has exceeded 30% of the Company's latest audited total assets;
- (4) any guarantee to be provided for a party which has a gearing ratio in excess of 70%;
- (5) any guarantee with a single guarantee amount in excess of 10% of the Company's latest audited net assets;

(6) based on the principle of aggregation of guarantees within 12 consecutive months, any guarantee to be provided after the total amount of guarantees provided by the Company has reached or exceeded 50% of the Company's latest audited net assets, with the absolute amount exceeding RMB50 million;

(7) any guarantee to be provided in favour of shareholders, actual controller and their related parties (as defined in the SSE Listing Rules);

(8) other guarantees required by the stock exchange on which the shares of the Company are listed and the Articles of Association to be considered and approved by the shareholders at general meetings.

The guarantee mentioned in item (3) of the preceding paragraph shall be approved by more than two-thirds of the voting rights held by shareholders present at the meeting. Where the general meeting is reviewing a resolution on guarantees to be provided to shareholders, actual controller and their related parties, such shareholders, or shareholders under the control of such actual controller, shall abstain from voting. Such resolution is subject to the approval of more than half of the voting rights held by the other shareholders present at the meeting.

External guarantees other than above shall be reviewed and approved by the board of directors under authorisation, but shall be reviewed, agreed and resolved by more than two-thirds of the directors present at the meeting of the board of directors and passed by more than half of all directors of the Company.

Article 54 Except for under special circumstances such as the Company's in crisis, without the approval of a general meeting of shareholders by way of a special resolution, a company shall not be permitted to enter into a contract with a person other than a director, president or other senior management where such contract grants responsibility to that person for the management or major business activities of the Company.

Article 55 General meeting of shareholders shall be separated into annual and extraordinary meetings. A general meeting of shareholders shall be convened by the board of directors. An annual general meeting of shareholders shall be held once a year within six (6) months after the end of the previous financial year.

The Company shall convene an extraordinary general meeting of shareholders within two (2) months from the date of occurrence of any of the following circumstances:

(1) where the number of directors does not meet the number stipulated in the Company Law or is less than two-thirds of the number required in the Articles of Association;

(2) where the Company's losses which have not yet been offset account for one-third of the total number of actual share capital;

(3) where shareholders holding more than 10% (including 10%) of the issued shares of the Company with voting rights make written request for the convening of an extraordinary general meeting of shareholders;

(4) the board of directors believes it is necessary or the supervisory committee proposes that an extraordinary general meeting of shareholders be convened;

(5) where more than half (including half) independent directors request to convene an extraordinary general meeting; or

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

Article 56 The venue to hold a shareholder's meeting of the Company is: the Company's domicile or other specified place notified by convener of the general meeting.

The shareholder's meeting should provide a venue for holding the meeting in the form of on-the-spot meeting. The Company shall also provide online voting and other means as permitted by the listing rules of the place where the shares of the Company are listed for the convenience of shareholders attending the meeting. Shareholders attending the shareholder's meeting using the above method are considered present at the meeting.

The starting time of voting in the general meeting convened through online or other forms shall not be earlier than 3:00 pm on the day before the on-site general meeting and shall not be later than 9:30 am on the day of the on-site general meeting. The ending time shall not be earlier than 3:00 pm on the day of the on-site general meeting.

Article 57 When convening an annual general meeting, written notification shall be made to the shareholders registered in the shareholders register twenty (20) days (or (when convening an extraordinary general meeting, then) fifteen (15) days) before the convening of the meeting of those matters to be discussed at the meeting and the date and location of the meeting. Where laws, administrative regulations, departmental rules, regulatory documents and the relevant stock exchange or the regulatory authority of the place where the Company's shares are listed stipulate otherwise on the notice period of annual general meeting and/or extraordinary general meeting, such provisions shall prevail.

The date of meeting shall not be included in the calculation of the period for issuing such notice.

Article 58 When the Company convene a general meeting, the board of the directors, the supervisory committee and the shareholder(s) individually or collectively holding more than 3% of the shares of the Company shall have the right to put forward proposals to the Company. Shareholders who individually or collectively hold more than 3% of the Company's shares shall have the right to submit provisional proposals in writing to the Company and submit them in writing to the convener, the convener shall add the provisional proposals which relate to the scope of duties of the general meeting to agenda of the meeting.

Shareholders individually or collectively holding more than 3% (including 3%) of the total number of shares of the Company carrying voting right may put forward a provisional proposal and submit it in writing to the convener ten (10) days prior to the convening of the general meeting or before the period of issuance of a supplementary circular of the general meeting as required by the Hong Kong Listing Rules, whichever is the earlier. The convener shall issue a supplementary circular or notice of the general meeting with the content of such provisional proposal within two (2) days upon receipt of the proposal and in accordance with the Hong Kong Listing Rules.

Except as provided in the preceding paragraph, the convener shall not amend the proposals already set forth in the notice of the general meeting or add new proposals after the notice of the general meeting has been issued.

The provisional proposals as raised by the shareholders shall fulfill the following conditions:

- (1) the contents should not be in breach of laws and regulations and be within the business scope of the Company and the scope of duties of the shareholders' meetings;
- (2) should have a clear topic and have concert resolutions; and
- (3) should be submitted or delivered to the board of directors in writing pursuant to item (2) of this Article.

Article 59 Proposals which are not contained in the notice of the extraordinary general meeting or which do not comply with the relevant provisions of these Articles of Association shall not be voted upon and resolved at the general meeting.

Article 60 The notice of a shareholders' general meeting shall be made in writing, and contain the following:

- (1) the location, time and duration of the meeting;
- (2) those matters and proposals to be proposed for consideration at the meeting;
- (3) specify the date of share registration which the shareholder is entitled to attend the general meeting;

- (4) unequivocally state in clear language that all common shareholders (including preferred shareholders whose voting rights have been restored) are entitled to attend the general meeting, and may, in writing, entrust agents to attend the meeting and to vote, and that the agent(s) of that shareholder need not necessarily be shareholder(s); and
- (5) state clearly the place and date by which a letter of proxy for voting shall be received;
- (6) name and telephone number of the contact person of the meeting;
- (7) voting time and voting program online or otherwise.

Notices and supplementary notices of a shareholders' meeting shall fully and completely disclose all detailed contents of all proposals. For matters to be discussed that require opinions from the independent directors, the opinions of the independent directors and reasons thereof shall be simultaneously disclosed with the notices or supplementary notices of the shareholders' meeting.

Article 61 If matters relating to election of directors and supervisors are proposed to be discussed at a shareholders' meeting, detailed information concerning the candidates shall be fully disclosed in the notice of the shareholders' meeting, which shall at least include the following:

- (1) personal information including educational background, work experience and other positions undertaken on a part-time basis;
- (2) whether the candidates are connected with the Company, its controlling shareholders or actual controllers;
- (3) disclosing the candidates' shareholdings in the Company;
- (4) whether the candidates have been subject to any punishment by the securities regulatory authority under the State Council or other relevant departments or to any sanction by any stock exchange;
- (5) other matters required to be disclosed under the listing rules of the place where the shares of the Company are listed.

In addition to the adoption of the cumulative voting mechanism to elect directors and supervisors, each candidate for directors or supervisors shall be proposed in a separate proposal.

Article 62 Unless otherwise provided in the Articles of Association of the Company, the notice of a general meeting shall be delivered to the shareholders (whether or not such shareholders are entitled to vote at the meeting) by means of an announcement, by mail, or by such means as may be permitted by the relevant stock exchange or regulatory authorities in the place where the Company's shares are listed.

The aforesaid public announcement shall, pursuant to the notice period requirement under these Articles of Association, be published in the media that comply with the conditions stipulated by the CSRC and on the websites of the relevant stock exchanges where the shares of the Company are listed as well as on the website of the Company.

Article 63 In the event of failure to send notice due to accidental omission to a certain person who has the right to obtain notice or where that person failed to receive notice, the meeting and resolutions passed at that meeting shall not become invalid as a result.

Article 64 Any shareholder who is entitled to attend and vote at the general meeting may appoint one or more proxies (who need not be a shareholder of the Company) to attend and vote on his behalf. The proxy may exercise the following rights as authorized by the shareholder:

- (1) to speak for the shareholder at the general meeting;
- (2) to demand by himself/herself or with others to vote by poll; and
- (3) Except for applicable listing rules of securities and otherwise stipulated in security laws and regulations, to vote by show of hands or to vote by poll, however when the number of appointed proxy is more than one, such proxies shall only vote by poll.

If a shareholder is a recognised clearing house (or its proxy), it may authorize such person or persons as it thinks fit to act as its representative(s) at any general meeting of any shareholders of the Company or at any meeting of any class of members or any creditors' meeting provided that if more than one person is authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorized, and may be signed by an authorised officer of the recognised clearing house (or its nominee(s)). Such authorised person shall be entitled to attend the meeting (without having to produce evidence of shareholding, notarised authority and/or further evidence of formal authority) to exercise the same rights and power on behalf of the recognised clearing house (or its proxy) as if such person is an individual shareholder of the Company (and with the same statutory rights, including the right to speak and vote, as are accorded to other shareholders).

Article 65 A shareholder shall use written form when entrusting an agent. The letter of proxy shall be signed by the principal or the agent entrusted by the principal in writing. If a principal is a corporation, the letter of proxy shall be affixed with the seal of the corporation or shall be signed by its director or officially entrusted officer or agent. The letter of proxy shall set out the following:

- (1) the name of the principal and the name of the agent;
- (2) the number of shares represented by the agent on behalf of the principal. If several agents are appointed, the letter of proxy shall state the number of shares represented by each agent;
- (3) whether the agent has voting rights;
- (4) the instructions on whether to vote for or against or abstain from voting on each matter included in the agenda of the shareholders' meeting;
- (5) whether the agent has voting rights in respect of the temporary proposal as might be included in the agenda of the shareholders' meeting, and, if yes, the instructions on how to exercise the voting rights;
- (6) the date of issue and effective period of the letter of proxy.

Article 66 A letter of proxy for voting shall be received and kept at the Company's premises or at another place designated in the notice of the meeting at least twenty-four (24) hours prior to commencement of the relevant meeting or before the designated time of voting. If a letter of proxy is signed by another party as authorised by the principal, a power of attorney to sign the letter of proxy or other document of authorisation shall be subject to notarisation. The notarised power of attorney or other authorisation document shall be kept with the letter of proxy at the Company's premises or other place as stipulated in the notice of meeting.

If the principal is a corporation, its legal representative or person authorised by its board of directors or other decision-making department shall be the representative to attend general meeting of shareholder of the Company.

The Company has the right to request for identification certificates and the letter of proxy stating the date of issue and signed by the principal or the legal representative or duly authorised attorney of the principal from the proxy when attending the general meeting on behalf of shareholders.

If a proxy is appointed by a corporation shareholder (except for clearing house or its proxy), the Company has the right to request the proxy to provide his identification document and a copy of resolutions or a copy of authorization from the board of directors of the corporation shareholder or other authority.

Article 67 Any format of a letter of proxy issued by the board of directors used in appointing an agent on behalf of a shareholder shall allow the shareholder to freely choose to instruct that agent as to whether to make an affirmative or negative vote and to give instructions respectively on matters to be decided by vote at the meeting. A letter of proxy shall include a note that if a shareholder does not give instructions, the agent may vote according to his/her judgment.

Article 68 When the principal dies before voting, loses the capacity to act, withdraws a letter of proxy, withdraw the power of attorney to sign a letter of proxy or if the relevant shares have been assigned, and if the Company has not received written notice concerning this matter prior to commencement of the relevant meeting, a vote made by the shareholder's agent according to the letter of proxy shall remain valid.

Article 69 The attendance register shall be prepared by the Company, which shall state the names (or names of the corporations), identification document numbers and the addresses of the attendees, the number of voting shares held or represented, names of the principals (or names of the corporations) and so on.

Article 70 In convening a shareholders' meeting, the convener and the lawyer appointed by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members 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 the meeting shall be completed before the presider announces the number of shareholders and agents that attend the meeting and the total amount of their voting shares.

Article 71 When a shareholder's meeting is held, all the directors, supervisors and secretary of the board of directors should attend the meeting. The managers and other senior management personnel without cogent reasons should be present at the meeting.

Article 72 The Company shall formulate the Rules of Procedure of the General Meeting regulating the convening and voting procedure of general meetings, including notice, registration, consideration of resolutions, voting, counting of ballots, announcement of voting result, formation of resolution, meeting minutes and signing thereof and announcement, and the principles for authorisation to the board of directors by general meetings. The Rules of Procedure of the General Meeting shall be an appendix to the Articles of Association and shall be formulated by the board of directors and approved by the general meeting.

Article 73 The board of directors and the supervisory committee shall report their work in the preceding year at the annual general meeting. Every independent director shall also make his/her work reports.

Article 74 Directors, supervisors and senior management shall make explanations in relation to the inquiries and suggestions made by shareholders at shareholders' meetings.

Article 75 The conductor of the meeting should, before voting, announce the number of shareholders and their proxies as well as their shares held with voting rights. The number of shareholders and their proxies as well as their shares held with voting rights, are in accordance with those registered at the meeting.

Article 76 Resolutions of general meeting of shareholders shall be divided into ordinary and special resolutions.

An ordinary resolution at a general meeting shall require the approval of more than half of the shareholders that have voting rights (including their agents) who are present at the meeting in order to be valid.

A special resolution at a general meeting shall require the approval of more than two-thirds of the shareholders that have voting rights (including their agents) who are present at the meeting in order to be valid.

Article 77 When voting at a general meeting, a shareholder (including the agent of a shareholder) shall exercise voting rights according to the number of shares held. Each share held shall represent the equivalent of one voting right.

When material issues affecting the interests of minority shareholders are considered at the shareholders' meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner. In such a case, when counting the votes by the minority shareholders, the votes of followings shareholders will not be counted: (1) the directors, supervisors and senior management of the Company; and (2) the shareholders, individually or collectively, holding 5% or more of the issued shares of the Company.

Shares held by the Company have no voting rights. This portion of shares is not considered part of the total number of shares with voting rights and attending the shareholder's meetings.

In the event that a shareholder's purchase of the Company's voting shares violates the provisions of Article 63(1) and (2) of the Securities Act, the voting right for the portion of the shares in excess of the prescribed ratio shall not be allowed to exercise for a period of 36 months after the purchase and such shares shall not be counted in the total number of voting shares present at the general meeting.

The open soliciting of voting rights can be carried out by the board of directors, independent directors, and the shareholders who hold more than 1% of the voting shares or by investor protection organisations established in accordance with laws, administrative regulations or the requirements of the CSRC. Information including the specific voting preference shall be fully disclosed to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. Except for legal conditions, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.

When approving the connected parties transactions at the general meeting, the connected shareholders shall abstain from voting and the number of shares of voting right of it shall not be counted as a valid resolutions in the aggregate number of valid resolutions.

Where any shareholder is, under applicable law and regulations and the listing rules of the stock exchange where the shares of the Company is listed, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 78 The resolutions put forward at the shareholders' meeting shall be voted by poll, except that the chairman of the meeting may allow in good faith the resolutions relating purely to the procedures or administrative matters to be voted by show of hands subject to the listing rules of the place where the shares of the Company are listed.

Article 79 If it has been requested that a decision to elect the chairman of the meeting or to stop the meeting be made through a poll, the poll shall be promptly conducted. In relation to other matters to be decided by poll as requested, the chairman shall decide when the poll shall be conducted. The meeting may then be continued and other matters discussed. The results of the vote shall be regarded as a resolution passed by the meeting.

Article 80 When electing directors at the general meeting, if there are more than two candidates, each share that is holding by the shareholder, including proxy of shareholder shall carry the same voting right as to the number of candidates which can be either consolidate in voting for one candidate or separate in voting for several candidates, however the allocation of voting right should be stated.

Article 81 Should there be a tie between dissenting and affirmative votes on a matter, the chairman of the meeting shall have the casting vote whether or not it is a vote by show of hands or by poll.

Article 82 Ordinary resolutions shall be proposed on the following matters at a general meeting:

- (1) reports of the board of directors and supervisory committee;
- (2) profit distribution plan and loss recovery plan prepared by the board of directors;
- (3) appointment of members of the board of directors and non-employee representative supervisor and their remuneration and payment methods;
- (4) the Company's annual financial budget plan and final report plan;
- (5) the Company's annual report; and
- (6) matters other than those on which special resolutions shall be proposed as stipulated in laws, administrative regulations, listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association.

Article 83 Special resolutions shall be passed with respect to the following matters at a general meeting:

- (1) increase or decrease of registered capital of the Company;
- (2) company demerger, split, merger, dissolution and liquidation or changing the form of the Company;
- (3) amendments to the Articles of Association;
- (4) any acquisition or disposal of material assets by the Company or the amount of guarantees exceeding 30% of the latest audited total assets of the Company within one year;
- (5) share incentive plans; and
- (6) other matters required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association to be passed by a special resolution and considered to have a material impact on the Company that by an ordinary resolution at the general meeting is required to be passed by a special resolution.

Article 84 Regarding the proposal of the independent director(s) to convene an extraordinary general meeting, the board of directors shall, according to provisions of the laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting within 10 days after receipt of the proposal. If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the board of directors. If the board of directors does not agree to hold the extraordinary general meeting, it shall give the reasons and make an announcement in respect thereof.

Article 85 The supervisory committee shall have the right to propose to the board of directors to convene an extraordinary general meeting, and shall put forward its proposal to the board of directors in writing. The board of directors shall, according to provisions of the laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting within 10 days after receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the board of directors. In the event of any change to the original proposal set forth in the notice, the consent of the supervisory committee is required.

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

Article 86 Shareholders who request the convening of an extraordinary general meeting or a class meeting of shareholders shall do so in accordance with the following procedures:

(1) Two (2) or more shareholders individually or together holding more than 10% (including 10%) of shares with voting rights at the meeting to be convened may sign one or several written requests in the same format and with the same contents to the board of directors to convene an extraordinary general meeting or class meeting of shareholders and which shall also specify the meeting's agenda. The aforesaid number of shares held by shareholders shall be calculated as at the date of the written request, proof of shareholding document in written shall be provided by the shareholder who proposed such request. The board of directors shall, according to provisions of the laws, regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or class meeting within 10 days after receipt of the request.

If the board of directors agrees to convene the extraordinary shareholders' meeting, it will issue a notice of shareholders' meeting within 5 days of the decision of the board of directors. If there are changes to the original request in the notice, they should be agreed by the relevant shareholders.

(2) If the board of directors does not agree to convene the extraordinary shareholders' meeting, or does not reply within 10 days of receipt of the suggestion, shareholders individually or together holding more than 10% of the Company are authorised to request to the supervisory committee to hold an extraordinary shareholders' meeting, and should be presented to the supervisory committee in writing.

(3) If the supervisory committee does not issue the notice of shareholders' meeting within the prescribed period, this is treated as the supervisory board not convening and not holding the shareholders' meeting. Then shareholders individually or together holding more than 10% of the shares for more than 90 days can convene and hold the meeting by themselves.

In the case of shareholders or the supervisory committee organising the convening of a meeting as a result of the failure of the board of directors to convene a meeting as requested above, reasonable expenses incurred on the meeting shall be borne by the Company and shall be deducted from the bank funds of those directors who were negligent in the performance of their duties.

Except for matters involving the Company's trade secret, directors, supervisors, and senior management personnel should explain with respect to questions and suggestions from shareholders at the shareholder's meeting.

Article 87 Where the supervisory committee or the shareholders initiate procedures to convene a general meeting, it/they shall give a written notice to the board of directors and shall simultaneously file the case with the stock exchange.

Prior to the announcement of the resolution of the shareholders' meeting, the shareholding by the convening shareholders shall be not less than 10%.

When the convening shareholders deliver a notice of shareholders' meeting and make the announcement of the resolution of the shareholders' meetings, the convening shareholders shall submit the relevant evidencing materials to the stock exchange.

Article 88 The board of directors and the secretary of the board of directors shall provide cooperation for the shareholders' meetings initiated by the supervisory committee or shareholders. The board of directors shall provide the register of members as at the date of registration of shareholding.

Article 89 A general meeting shall be convened by the chairman of the board of directors who shall be the chairman of the meeting. If the board chairman is unable to attend the meeting, the vice chairman of the board of directors (or the vice chairman elected by more than half of directors if there are two or more vice chairmen of the Company) shall convene the meeting and shall be the chairman of the meeting. If, for some reasons, both the chairman and the vice chairman are unable to attend the meeting, the board of directors may designate a director of the Company to convene the meeting and to chair the meeting on its behalf. If no chairman of the meeting is designated, shareholders at the meeting may elect a chairman. In a case where shareholders are unable, for any reason, to elect a chairman of the meeting, that a shareholder who holds the majority number of shares with voting rights shall be the chairman of the meeting (including an agent of a shareholder).

The chairman of the supervisory committee shall preside over the shareholders' meetings initiated and convened by the supervisory committee. In the event that the chairman of the supervisory committee is unable to or fails to discharge his duties in convening and presiding the shareholders' meeting, the meeting shall be presided over by a supervisor jointly nominated by more than half of the supervisors.

For the shareholders' meetings initiated and convened by shareholders, the convener shall nominate a representative to preside over the meeting.

In the event that the chairman violates the rules of procedure during the shareholders' meeting that results in the shareholders' meeting being unable to continue, upon approval by more than half of the shareholders with voting rights present at the meeting, a person may be nominated to preside over the shareholders' meeting and the meeting may continue.

Article 90 Minutes of a shareholders' meeting shall be kept by the secretary of the board of directors. The minutes shall set out:

- (1) date, venue, agenda, and the convener of the meeting;
- (2) the name of the presider of the meeting, and the directors, supervisors, secretary of the board of directors, manager and other senior management attending or present at the meeting;
- (3) the number of shareholders and agents present at the meeting, the total number of voting shares held by them and the percentage of such shares against the total number of shares of the Company;
- (4) the process of consideration, highlights of the speeches and voting result in respect of each resolution;
- (5) the inquiries and suggestions of shareholders and the responses or explanations made;
- (6) the names of the lawyer, vote counter and scrutinizer;
- (7) other issues that shall be recorded in the minutes in accordance with the provisions of the Articles of Association.

The attending directors, supervisors, secretary of the board of directors, convener or representative thereof and the chairman shall sign on the minutes of the meeting.

Article 91 The convener shall ensure the shareholders' meeting is held unceasingly until final resolutions are arrived at. If the shareholders' meeting is terminated or fails to reach any resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the shareholders' meeting as soon as possible, or the shareholders' meeting should be simply terminated, and in both cases a timely announcement shall be made. Meanwhile, the convener shall report to the local office of China Securities Regulatory Commission where the Company is located and to the stock exchange.

Article 92 If the chairman of a meeting has any doubts as to the results of a resolution proposed at a meeting, the chairman may count the number of the votes; if the chairman of the meeting has not tallied the votes and a shareholder or an agent of a shareholder attending the meeting objects to a result declared by the chairman of the meeting, the shareholder or agent shall have the right to request a re-count of votes followed by an immediate declaration; the chairman of the meeting shall promptly count the votes.

Article 93 If counting of votes is held at a shareholder's general meeting, the result of vote counting at the general meeting shall be recorded in the minutes of the meeting.

The minutes of the meeting should be kept together with the signature book of shareholders attending the meeting, authorization letters of proxies and valid information on the results of voting online or through other means in the Company's domicile. The aforementioned minutes, signature book and letters of proxies shall be kept for not less than 10 years.

Article 94 The list of candidates for directors and supervisors shall be proposed in the form of resolution to the shareholders' meeting for voting.

When a voting is made on the election of two or more directors or supervisors at a general meeting, the cumulative voting system shall be adopted in accordance with the provisions of the Articles of Association or the resolutions of the general meeting.

The cumulative voting system as mentioned in the preceding paragraph means that every share shall, on the occasion of electing directors or supervisors at the shareholders' meeting, have the same voting rights as the number of directors or supervisors to be elected, and the voting rights held by the shareholders may be used collectively when the directors or supervisors are elected at the general meeting. The board of directors shall simultaneously provide shareholders with the biographical details and basic information about the candidates for directors and supervisors.

Article 95 Where directors are elected based on the cumulative voting mechanism, independent directors and other directors shall be elected separately, and the elected directors and supervisors shall be determined in the order of the number of votes received in the election, from the largest to the smallest, based on the number of directors and supervisors to be elected.

Except for the adoption of the cumulative voting mechanism to elect directors and supervisors, each candidate for directors or supervisors shall be proposed in a separate proposal.

Shareholders attending the general meeting shall have the same number of votes for the election of directors or supervisors as the number of directors or supervisors to be elected under each group of proposals for each share held under the cumulative voting mechanism. The number of election votes owned by shareholders can be casted on only one candidate or on several candidates.

Shareholders shall vote for each group of proposals up to the number of votes cast for that group. If the number of votes cast by a shareholder for an election exceeds the number of votes he or she possesses therefor, or if he or she votes more than the number of persons entitled to be elected in a margin election, his or her election vote for that proposal shall be deemed invalid.

Shareholders holding multiple shareholder accounts may participate in online voting through any one of their shareholder accounts, and the number of election votes they have will be calculated based on the total number of shares of the same class under all of their shareholder accounts.

Article 96 Other than the cumulative voting system, the shareholders' meeting shall vote on all proposals one by one. Where different proposals for the same issue are proposed, such proposals shall be voted on in the order of time in which they are proposed. Other than special reasons such as force majeure which results in the interruption of the shareholders' meeting or makes it impossible to come to resolution, the shareholders' meeting shall not set aside the proposals or withhold from voting.

Article 97 A resolution being considered at the shareholders' meeting shall not be revised, otherwise it shall be regarded as a new resolution and shall not be voted at the same shareholders' meeting.

Article 98 The voting right of the same shares shall be exercised only by either on-site voting, online voting or other means of voting. In case of repeated voting by the same shares, only the first vote is valid.

Article 99 Voting is conducted by open ballot at the shareholders' meeting.

Article 100 Prior to the voting on a resolution at the shareholders' meeting, two shareholder representatives shall be elected to participate in the counting and ballot examination. If any shareholder has connected relation in the matter being considered, the shareholder and his/her/its agent shall not participate in the counting and ballot examination.

When voting on the resolutions at the shareholders' meeting, the lawyer, shareholder representatives, supervisor representatives and either the share registrar of H Shares or external accountant with auditor qualification shall be jointly responsible for the counting and ballot examination and announcing the voting results on the resolution on the spot, which shall be included in the minutes of meeting.

Shareholders or their agents voting online or through other methods shall have the right to check their own voting results through the corresponding voting system.

Article 101 The onsite shareholders' meeting shall not end earlier than the online means or other means. The chairman of the meeting shall announce the voting and results of each of the resolutions, and announce whether or not they are approved in accordance with the results.

Before the results are officially announced, all related parties such as the companies, vote counters, vote scrutinizers, substantial shareholders and online voting service provider involved in onsite, online or other means of voting are obliged to keep the results confidential.

Article 102 Shareholders attending the shareholders' meeting shall express their opinions on the resolutions proposed for voting in one of the following manners: For, Against or Abstain, unless the securities registration and clearing institution, as the nominal holder of the shares under the connection mechanism between the Mainland and Hong Kong stock markets, makes declaration in accordance with the instructions of the actual holder of the shares.

Voters whose ballots are incomplete, incorrectly completed or illegible shall be deemed as giving up their voting rights, thus the voting result in respect of their shares shall be counted as "Abstain".

In the case of abstaining from voting, when calculating the voting results on such matter, such votes shall be counted as votes with voting rights, but will not be counted as votes "for" or "against" such matter.

Article 103 An announcement on the resolutions passed at the shareholders' meeting shall be made on a timely manner, which shall set out the number of agents present, the number of shares held by them with voting rights and the percentage to total voting shares of the Company, voting method, voting results on each resolution and details of the resolutions passed.

Article 104 If a resolution is not passed or if a resolution passed at previous meeting is changed at the meeting, special notes shall be made in the announcement of the resolutions of the shareholders' meeting.

Article 105 If a resolution on the election of director or supervisor is approved at the shareholders' meeting, the term of office of the new director or supervisor shall commence on the date on which the resolution is approved at the shareholders' meeting or the date otherwise determined at the shareholders' meeting.

If the staff representative supervisor in the new session of supervisory committee is determined through democratic election before the new session of the board of directors and the new session of supervisory committee are determined, the term of office of the staff representative supervisor shall commence on the date on which the new session of supervisory committee is determined. In any other cases, the term of office of the staff representative supervisor shall commence on the date of democratic election.

Article 106 If a proposal on the distribution of cash dividends, bonus issue or capitalisation of reserve is passed at the shareholders' meeting, it shall be implemented with detailed plans by the Company within two months of the conclusion of the meeting.

Article 107 In convening a shareholders' meeting, the Company shall engage a lawyer to provide legal opinions and publish an announcement on the following matters:

- (1) whether the convening procedure of the meeting and the convening itself comply with the laws, administrative regulations and the Articles of Association;
- (2) whether the attendants and convener of the meeting are eligible;
- (3) whether the voting procedures and voting results of the meeting are valid;
- (4) legal opinions on other matters upon request by the Company.

Chapter 8 Special Voting Procedures for Shareholders of Different Classes

Article 108 Shareholders holding different classes of shares shall be regarded as different classes of shareholders.

The various classes of shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations and the Articles of Association.

Where the capital of the Company includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares.

Where the equity capital includes shares with different voting rights, the designation of each class of shares (other than those with the most favourable voting rights), must include the words “restricted voting” or “limited voting”.

Article 109 If a Company intends to change or abolish the rights of a class of shareholder, this shall be passed by a special resolution proposed at a general meeting and at a class meeting according to the provisions of Articles 111 to 116 respectively.

Article 110 The following circumstances shall be deemed to be a variation or abrogation of the rights of a class of shareholders:

- (1) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of a class having voting or distribution rights or other privileges equal or superior to the shares of such class;
- (2) to effect an exchange of all or part of the shares of such class into those of another class or to effect an exchange or grant a right of exchange of all or part of the shares of another class into the shares of such class;
- (3) to remove or reduce the rights to accrued dividends or cumulative dividends attached to the shares of such class;
- (4) to reduce or remove the right with a priority to acquire dividends or property distribution during the liquidation of the Company attached to shares of such class;
- (5) to add, remove or reduce the conversion, options, voting, transfer or pre-emptive rights or rights to acquire securities of the Company attached to the shares of such class;
- (6) to remove or reduce the rights to receive payables from the Company in a particular currency attached to the shares of such class;
- (7) to create a new class of shares having voting or distribution rights or other privileges equal or superior to the shares of such class;
- (8) to restrict the transfer or ownership of the shares of such class or to impose additional restrictions thereon;
- (9) to grant the right to subscribe for, or convert into, the shares of such class or another class;
- (10) to increase the rights or privileges of the shares of another class;
- (11) to cause the holders of different classes of shares to bear a disproportionate burden of obligations in the restructuring as a result of the restructuring scheme of the Company; and
- (12) to amend or abrogate any provision in this Chapter.

No approval by a class meeting is required for variation or abrogation of rights of class shareholders resulting from any change in domestic and overseas laws and regulations, and the listing rules of the place where the Company’s shares are listed, and those resulting from decisions made by domestic and overseas regulatory authorities.

Article 111 Regardless of whether an affected class of shareholders originally has voting rights or not, concerned shareholders shall have voting rights at a class meeting on those matters mentioned in items (2) to (8) and items (11) and (12) of Article 110; however, if a shareholder is an interested party, he/she shall not have voting rights at a class meeting.

The aforesaid interested shareholder shall include the following meanings:

(1) In circumstances whereby the Company issues a buy back offer to all shareholders or buys back its own shares through open transactions at the stock exchange, “an interested shareholder” shall refer to a controlling shareholder of the Company;

(2) In circumstances whereby the Company buys back its own shares through means of an agreement outside of the stock exchange, “an interested shareholder” shall refer to a shareholder related to such an agreement;

(3) Where a Company is undergoing restructuring, “an interested shareholder” shall refer to a shareholder who assumes liability less than the proportion assumed by shareholders of the same class or who has interests different to other shareholders in the same class.

Article 112 A resolution at a class meeting may be proposed only after obtaining approval of more than two-thirds of shareholders with voting rights present at the meeting, in accordance with the provisions of Article 111 of the Articles of Association.

Article 113 When convening a class meeting, the period of issuance of the written notice shall be the same as that of the non-class meeting proposed to be convened together with the class meeting. The notice of the meeting shall notify that class of registered shareholders of those matters to be discussed at the meeting and the date and location of the meeting.

Article 114 If the number of shares with voting rights represented by shareholders intending to attend the meeting is more than half of the total number of the said class of shares with voting rights, the Company may convene the class meeting. If not, the Company shall, within five (5) days, make further notice on those matters to be discussed at the meeting and the date and location of the meeting, to shareholders through a public announcement. After this public announcement is made, the Company may convene a class meeting.

Article 115 The notice of a class meeting shall only be to those shareholders who have the right to vote at the meeting.

The procedures to be followed at a class meeting shall be, as far as possible, the same as the procedures to be followed at a general meeting of shareholders. The articles in the Articles of Association dealing with the procedures to be followed at a general meeting of shareholders shall apply to a class meeting.

Article 116 Apart from shareholders with other classes of shares, holders of domestic shares and holders of foreign invested shares listed overseas shall be recognised as different classes of shareholder.

The special procedures for voting by a class of shareholders shall not be applied in the following circumstances:

(1) Subject to approval by a special resolution of general meeting, the Company issues domestic shares and/or foreign invested shares listed overseas independently or simultaneously once every twelve (12) months, and each of the number of domestic shares and foreign invested shares listed overseas to be issued does not exceed 20% of the shares of this class already issued;

(2) The scheme for the issue of domestic shares and/or foreign invested shares listed overseas when establishing the Company has been completed within fifteen (15) months from the date of approval by the competent securities authority of the State Council; or

(3) Subject to the approval by the CSRC holders of domestic shares of the Company may transfer all or part of their shares to foreign investors and such shares may be listed or traded on an overseas stock exchange; or convert all or part of domestic shares into foreign invested shares listed overseas for listing and trading on an overseas stock exchange.

Chapter 9 Party Committee

Article 117 The Company shall establish the Party Committee consisting of a secretary and several other members. Eligible members of the Party Committee may be considered and appointed as members of the board of directors, the supervisory committee and the management through the statutory procedures. Eligible members in the board of directors, the supervisory committee and the management who are members of the Communist Party of China may be considered and appointed as members of the Party Committee in accordance with relevant requirements and procedures. Meanwhile, the discipline inspection committee shall be established as required.

Article 118 The Party Committee shall perform its duties in accordance with the “Constitution of the Communist Party of China” and other internal regulations of the Party.

(1) To ensure and supervise the Company’s implementation of policies and guidelines of the Party and the State and implement major strategic decisions of the Communist Party of China Central Committee and the State Council, as well as important work arrangements of the superior party organization.

(2) To uphold the integration of the principle of management of cadres by the Party with the function of management team in the lawful exercise of authority of employment of personnel. The Party Committee shall consider and comment on the candidates nominated by the management team, or recommend candidates to the management team. The Party Committee shall establish a management team to evaluate the proposed candidates and put forth comments and suggestions collectively.

(3) To research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employee interests, and provide comments and suggestions thereon.

(4) To undertake the main responsibility to strictly administer the Party in all aspects, lead the Company’s ideological and political work, united front work, spiritual civilization construction, corporate culture construction and the work of organisations such as the labour union and the communist youth league, and lead the construction of the party conduct and of an honest and clean administration and support the fulfilment of the supervision responsibility by the discipline inspection committee.

Article 119 Operating mechanism for the Party Committee to study and discuss major issues will be established. In accordance with the requirement that “study and discussion by the Party Committee of major issues is a prerequisite procedure for any decision-making by the board of directors and the management on such issues,” a simple, practicable and efficient operating mechanism for the Party Committee to study and discuss major issues shall be established.

Chapter 10 The Board of Directors

Section 1 Directors

Article 120 The Company shall have a board of directors. The board of directors shall consist of 9 directors, of which three shall be independent directors. The board of directors shall have one chairman and two vice chairmen.

Article 121 Directors shall be elected or removed by a general meeting and may be discharged from their positions by the general meeting prior to the expiry of the terms of office. The term of office of a director shall be three years. If the term of office of a director expires, he/she may be re-appointed for consecutive terms if re-elected.

A director’s term of office shall start on the date of taking the position and end on the expiration date of the term of the current board of directors. If, upon the expiry of a director’s term of office, a new director cannot be elected on a timely basis, before the re-elected director starts his/her term of office, such director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

A chairman and vice chairmen shall be elected or removed by more than 50% of the board of directors. The term of office of the chairman and vice chairmen shall be 3 years and they may be re-appointed for consecutive terms if re-elected.

The president or other senior management officer can concurrently serve as a director, but the number of directors who also serve as the president or other senior management positions and the directors who also serve as the employee representatives shall not be more than one-half of the total number of directors of the Company.

Subject to the provisions of the relevant laws and administrative regulations, the general meeting shall have the power by ordinary resolution to remove any director before the expiration of his/her term of office, but without prejudice to any claim made under any contract.

A director shall not be required to hold the Company's shares.

Article 122 The minimum period during which notice to the Company of the intention to propose a person for election as a director and during which notice to the Company by such person of his willingness to be elected may be given will be at least 7 days, and that the period for lodgment of the notices aforementioned shall commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.

Article 123 A director can resign before the expiry of his term of service. When a director resigns, he should submit a written resignation report to the board of directors.

If the members of the board of directors fall below the minimum legal requirement due to a director's resignation, the director's resignation shall take effect only after a newly elected director takes his position vacated due to the director's resignation. The remaining of the board of directors shall convene an extraordinary general meeting to elect a new director to take the position vacated due to the last director's resignation as soon as possible.

Except as specified in the preceding paragraph, the director's resignation takes effect when his resignation report is delivered to the board of directors.

Article 124 When a director's resignation takes effect or his term of service expires, his duty of keeping the Company's trade secret will not expire after the expiry of his term of service, until such secret has gone public.

Article 125 In the absence of a legal authorisation by these Articles or by the board of directors, no director can use his personal capacity to represent the Company or the board of directors. When a director makes use of his personal capacity, but a third party reasonably thinks that the director is representing the Company or the board of directors, that director should declare his position and capacity in advance.

Article 126 When a director contravenes the law, administrative regulations or these Articles when carrying out his duties, causing losses to the Company, he should be responsible to compensate.

Article 127 When a director leaves his office before the expiry of his term of service, causing losses to the Company, he should be responsible to compensate.

If a director cannot personally attend two consecutive meetings, and does not appoint other directors to attend board of director's meeting, he is treated as not being able to carry out his duties, the board of directors should recommend to the shareholders' meeting to replace him.

Section 2 Independent Directors

Article 128 The Company establishes a board of independent directors. Independent directors refer to those do not carry out non-director duties in the Company and have no direct or indirect interest in the Company and the controlling shareholders, and the de facto controller, or any other relationship that may affect their independent and objective judgment as a director of the Company.

The term of office of independent directors is three years and may be re-appointed for consecutive terms if re-elected, but the longest term of office shall be no more than six years, except the relevant laws, regulations and listing rules of the stock exchange where the Company's shares are listed stipulated otherwise.

Article 129 An independent director is required to have the following qualifications:

(1) having the qualifications to hold the position of director in a listed company in accordance with laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed and other relevant regulations;

(2) being independent as required in Rules for the Administration of Independent Directors of Listed Companies of the CSRC and listing rules of the stock exchange where the Company's shares are listed;

(3) having bachelor's degree or above, or senior or above in related disciplines;

(4) having a basic knowledge of the operation of listed companies and being familiar with related laws, administrative regulations and rules;

(5) having not less than five years' experience in the law, accounting, economics, finance or other working experience related to the Company's industry required for performing the duties and responsibilities of an independent director;

(6) being familiar with the laws and regulations related to the Company's operation and management;

(7) being able to read, understand and analyse the Company's financial statements;

(8) ensuring that they have sufficient time and energy to perform their duties effectively and undertake to fulfil their obligations of good faith and diligence;

(9) possessing good personal integrity with no adverse records such as major breach of trust;

(10) fulfilling the other conditions specified in laws, regulations, CSRC requirements, listing rules of the place where the Company's shares are listed, and the Articles of Association.

Article 130 In addition to the functions and powers granted to the directors under the Company Law and other relevant laws and regulations, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association, the following special functions and powers should also be granted:

(1) independently engaging an independent intermediary organisation to audit, consult or verify specific matters of the listed company;

(2) proposing to the board of directors the convening of an extraordinary general meeting;

(3) proposing the convening of a meeting of the board of directors;

(4) openly soliciting shareholders' rights in accordance with the law;

(5) expressing independent opinions on matters which may prejudice the interests of the listed company or minority shareholders;

(6) other functions and powers specified in laws, regulations, CSRC requirements, listing rules of the place where the Company's shares are listed, and the Articles of Association.

Independent directors should obtain the consent of at least half of all the independent directors before exercising the functions and powers referred to in items (1), (2) and (3). If any of the aforementioned proposals was not accepted or any of the aforementioned functions and powers could not be exercised normally, the Company should disclose the details thereof.

Where laws, administrative regulations and the CSRC have stipulated otherwise, such stipulations shall prevail.

Article 131 An independent director shall not be removed without cause before the expiration of his term. If an independent director is removed before the expiration of his term, the Company should disclose the same as a matter for special disclosure.

If an independent director fails to attend in person three consecutive board meetings, the board of directors should request the shareholders' general meeting to replace him.

Article 132 In relation to the system of independent directors, the relevant law, regulations and the relevant rules of the stock exchange where the stocks of the Company are listing shall be comply with if it is not regulated under this section,.

Section 3 The Board of Directors

Article 133 The board of directors shall be accountable to the general meeting and shall exercise the following function and powers:

- (1) responsible for convening general meeting and report to those meetings on work matters;
- (2) execution of resolutions passed by a general meeting;
- (3) determination of the Company's business plans and investment plan;
- (4) formulation of the Company's annual budget and final accounting plan;
- (5) formulation of the Company's profit distribution and loss recovery plans;
- (6) formulation of increase or reduction plans of the Company's registered capital plans;
- (7) formulation of the bond issue plans or other securities and listing plans;
- (8) drafting of plans on such matters as merger, demerger, dissolution or changing of form;
- (9) determination of the internal administrative structure of the Company, determination of the incorporation or withdraw of subsidiaries or other affiliates of the Company;
- (10) election of chairman and vice chairmen of the board of directors; deciding the employment or dismissal of the president of the Company and his remuneration;
- (11) employment or dismissal of the Company secretary of the board of directors, and employment or dismissal of the chiefs of board of directors' special committees;
- (12) employment or dismissal of the Company's vice president, chief accountant, general engineer in accordance with the president's nominations, and deciding their remuneration, reward and disciplinary matters;

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- (13) formulation of the Company's general management system;
 - (14) formulation of a plan for the amendment of the Articles of Association;
 - (15) formulation of the Company's share incentive plans;
 - (16) determination of the formulation of the board of directors' special committees;
 - (17) managing the disclosure of information of the Company;
 - (18) suggesting the board of directors on the hiring or replacement of the accounting firm as the Company's auditors;
 - (19) receiving the regular or irregular working reports of the Company's president or entrusted senior management, approving president's working report;
 - (20) Company's external guarantee matters outside the scope authorised by the shareholders' meeting, as stipulated in the Articles of Association;
 - (21) within the scope authorised by the shareholders' meeting, to decide the Company's external investment, purchase and sale of assets, offering assets as guarantees, appointment to manage finance or to manage associated transactions or donations;
 - (22) other powers as stipulated in laws, regulations and the listing rules of the stock exchange where the Company's shares are listed, and being granted in general meeting and the Articles of Association.

When the board of directors proposes resolutions on the aforesaid matters, apart from resolutions on matters in items (6), (7), (8) and (14) which must be approved by more than two-thirds majority of the directors, resolutions on other matters may be approved by more than half of directors. The board of directors shall exercise its powers in accordance with the State law, administrative regulation, the Articles of Association and resolutions of shareholders.

The board of directors of the Company should explain at the general meeting in relation to qualified opinion on the audited financial statement as issued by the certified public accountant.

Article 134 The board of directors shall formulate its rules of procedure to ensure its implementation of the resolutions of the shareholders' meeting, improve its work efficiency and ensure scientific decision-making.

Article 135 The board of directors shall establish four specific committees, namely the audit committee, the remuneration and appraisal committee, the nomination committee, and the strategy and investment committee. Under the leadership of the board of directors, the committees, the composition and the terms of reference of which are separately considered and determined by the board of directors, shall assist the board of directors to execute its functions and powers or provide advice or consulting opinions to the board of directors for decision making. All the specific committees shall be accountable to the board of directors, perform their duties in accordance with the Articles of Association and the authorization of the board of directors, and submit resolutions to the board of directors for consideration and decision. All members of the specific committees shall be directors, of which independent directors shall account for the majority of members of the audit committee, remuneration and appraisal committee, and nomination committee, and shall serve as chairman thereof. The chairman of the audit committee shall be an accounting professional.

Article 136 The board of directors shall determine the permissions for external investments, acquisition and sale of assets, pledge of assets, external guarantees, entrustment of finance, connected transactions, and donations by establishing strict procedures for review and decision-making. Major investment projects shall be evaluated by relevant experts and professionals and reported to the general meeting for approval.

Article 137 The board of directors shall not, without the approval of shareholders in general meeting, dispose or agree to dispose of any fixed assets where the aggregate of the value of the consideration for the proposed disposal; and where any fixed assets have been disposed of in the period of four months immediately preceding the proposed disposal, the amount or value of the consideration of any such disposal exceeds 33% of the value of the fixed assets as shown in the last audited balance sheet placed before the shareholders in general meeting.

For the purpose of this Article, disposal of a fixed asset includes an act involving the transfer of an interest in property other than by way of providing guarantee.

The validity of a transaction for the disposal of fixed assets shall not be affected if a breach of the above-mentioned restriction contained in the provisions of Clause 1 of this Article.

Article 138 The chairman of the board of directors shall exercise the following powers:

- (1) to preside over general meeting of shareholders and convene and preside over meetings of the board of directors;
- (2) to supervise and check the implementation of decisions of the board of directors and receiving relevant reports;
- (3) to supervise, develop and formulate varied operational regulations of the board of directors and coordinating the operation of the board of directors;
- (4) to sign securities issued by the Company;
- (5) to sign important documents of the board of directors;
- (6) on behalf of the Company to sign any important external documents that is legal binding;
- (7) other powers granted by the board of directors or stipulated in laws and regulations or the Articles of Association. When the chairman of the board of directors is unable to exercise his/her powers, he/she shall appoint a vice chairman to act on his/her behalf.

Article 139 The vice chairman assists the chairman of the board of directors. When the chairman cannot or does not carry out his duties, they will be carried out by the vice chairman (if the Company has two or more vice chairmen, then these duties will be carried out by the vice chairman nominated by the majority of directors). If the vice chairman cannot or does not carry out his duties, a director nominated by the majority of directors will carry out the duties.

Article 140 The meetings of the board of directors shall be held at least four times per annum and shall be convened by the chairman of the board of directors who shall notify all the directors 14 days before the date of such meeting is held.

An extraordinary meeting of the board of directors may be convened under any of the following circumstances:

- (1) when more than one-third (1/3) of the directors proposes;
- (2) when the supervisory committee proposes;
- (3) when more than half of the independent directors proposes;
- (4) when the chairman of the board of directors deems necessary;
- (5) when shareholders holding more than 10% (1/10) of voting rights proposes;
- (6) when two or more directors or president propose in case of emergency.

Article 141 The form of a notice of meetings and extraordinary meetings of the board of directors shall be as follows: by telephone, fax or electronic mail; The time limit for notification shall be: fourteen (14) days before the convention of meeting of the board of directors, there is no time limit for notification of the extraordinary meeting of the board of directors.

In the case of a director having attended the meeting, and no dissent of having not received the notice has been raised before or at the meeting, the notice shall be deemed as received.

A notice of the meeting of the board of directors shall at least include the following:

- (1) the time and venue of the meeting;
- (2) the method of holding of the meeting;
- (3) the background and the resolutions to be considered;
- (4) the date of notice;
- (5) the convener and the presider of the meeting, the proponent of the extraordinary meeting as well as the written proposals;
- (6) the meeting materials necessary for voting by directors;
- (7) the requirement that the directors shall attend the meeting in person or appoint another director to attend the meeting;
- (8) contact persons and contact methods.

A verbal notice of meeting shall at least include the contents set out in items (1) and (2) above, as well as explanations for the convening of an extraordinary meeting of the board of directors under urgent circumstances.

The meetings of the board of directors can be convened by way of telephone conference or via communication facilities alike, provided that the aforesaid methods are able to ensure the communication among attending directors, such directors shall be deemed as attending in person.

Article 142 Except for approving the connected transaction by the board of directors as stipulated in Article 144, a board of director's meeting shall be held provided that it is attended by more than half of the directors.

Each director shall have one voting right. Except for approving the connected transaction matters by the board of directors as stipulated in Article 144, resolutions of the board of directors must be passed by more than half of all the directors.

Resolutions of the board of directors shall be voted by open ballot or by any other voting method permitted by laws and regulations and the listing rules of the place where the Company's shares are listed.

On the premise that the full expression of the views of the directors is safeguarded at the interim board meeting, when a resolution is signed by the respective directors vote in favour which reaches the effective number of cast as stipulated by laws and regulations and the provisions of the Articles of Association, such resolution shall be considered and adopted as a legitimate meeting of board of directors has been held. Such resolution in writing may be composed of multiple copies of a document and signed by each director by way of one or more. For the purpose of this subsection, a document of resolution signed and or contained the director's name and is sent to the Company by mail, facsimile or delivered by hand, shall be deemed as a document signed by the director.

Article 143 A director shall attend meetings of the board of directors in person. Where a director is unable to attend a board meeting due to any reasons, he/she may authorize another director in writing to vote on his/her behalf at the meeting according to his/her intentions. The letter of proxy shall stipulate the name of the proxy, the subject matter, scope of authorization and valid period, and shall be executed or sealed by the authorizing party. The authorizing party shall bear the legal responsibilities individually.

The director authorized to attend the meeting shall exercise the right of directors within the scope of authorization. If a director fails to attend a particular meeting of the board of directors nor authorizes any proxy to attend the meeting, he/she shall be regarded to have waived his/her voting rights at such meeting. Independent directors shall not authorize non-independent directors to vote on their behalf.

Article 144 In the event that a director is connected to companies (it means that the director acts as a director or senior management of the counter party, or can exercise direct or indirect control over a legal person entity of the counter party, or acts as a director or senior management in a legal person entity under direct or indirect control of the counter party) associated with matters to be resolved at the board meeting, such director shall not exercise his/her voting rights on such resolution, nor shall he/she votes on behalf of other director. The board meeting may be convened with a majority of the independent directors. Resolutions shall be approved by a majority of independent directors at the board meeting. When there is less than three independent directors present at the board meeting, such matters shall be submitted to the shareholders' general meeting for consideration.

Article 145 Minutes of meetings of the board of directors shall be recorded on matters discussed at those meetings, the minutes shall be signed by the directors and secretary of the board of directors (minutes taker) present at the meeting. Minutes of board of director's meeting shall be kept for not less than 10 years. Directors shall assume responsibility for any resolution passed at the board meeting. If a resolution passed by the board of directors is in violation of laws, administrative regulations or the Articles of Association so as to result in the Company incurring serious losses, those directors who participated in making those resolutions shall bear liability for compensation towards the Company. However, if a director is able to prove his/her objection to that resolution, and such objection has been recorded in the minutes of the meeting, that director may be exempt from liability.

Minutes of the meeting of board of directors shall include the following contents:

- (1) Date and location of meeting and name of convenor;
- (2) Names of directors present at the meeting, as well as name of director (proxy) that accept a delegate to attend the meeting of board of directors;
- (3) Agenda of the meeting;
- (4) Script of directors;
- (5) Way of voting for each resolution matters and results (results should set forth the number of votes for or against, or abstained).

Article 146 For the purpose of a resolution to be passed by an extraordinary meeting of board of directors, if the content of the propose resolutions in writing has been distributed (including facsimile and e-mail) by the board of directors to all directors and it is ensured that the directors can fully express their views and adopt resolutions via electronic means without convening the board of directors meeting, the resolutions shall be valid provided that the number of directors signed for the resolutions must reach the required number as stipulated in the provisions of Article 133.

Article 147 Meeting of the board of directors shall be convened at the Company's legal address in principle, however other places in or outside PRC shall be allowed to convene the meeting if approved by the resolution of the board of directors.

Article 148 Reasonable expenses incurred by the directors in relation to his attendance at the meeting of the board of directors shall be borne by the Company. Such expenses include travelling expenses from the place of the directors to the place holding the meeting (if the place to hold the meeting is not where the director is), and accommodation during the period of the meeting. Reimbursement such as local travelling expense shall also be borne by the Company.

Article 149 The opinions of the Party Committee shall be heard before the board of directors decides on material issues of the Company.

Chapter 11 The Secretary of Board of Directors

Article 150 The board of directors of the Company shall have a secretary. The secretary of the board of directors shall be a senior officer of the Company and held responsible to the board of directors.

Article 151 The secretary of the board of directors shall be a natural person who has the requisite professional knowledge and experience and shall be appointed by the board of directors. The main duties of the secretary are:

(1) responsible for the Company and the related parties to communicate and liaise with the stock exchange and the securities regulation authority. To ensure the Company has complied with, prepared and submitted the required report and document to the relevant authorities;

(2) responsible for processing the information disclosure of the Company, urge the Company to formulate and implement an information disclosure management system and an internal reporting system of major information, to ensure the Company and the related parties comply with disclosure obligations according to the law, and in accordance with the relevant provisions to prepare for the regular and interim report of disclosure to the stock exchange;

(3) coordinate the relationship between the Company and the investors, receive visitors, answer investors' enquiries, provide the disclosure information of the Company to the investors;

(4) arrange for the general meeting of shareholders and meeting of board of directors in accordance with the stipulated procedures, prepare and submit for the relevant minutes and information;

(5) attend meeting of board of directors, prepare and sign for the minutes;

(6) responsible for the disclosure of the confidential information of the Company, develop security measures, to ensure the directors, supervisors, president and other senior management, and the related personnel to keep secret before disclosure, and remedial measures to be taken in a timely manner when the inside information leaks, and report to the stock exchange;

(7) responsible for the custody of the Company's register of shareholders and directors, and the information of the shares of the Company holding by the controlling shareholders and directors, supervisors, president and other senior management officers, and the documents and minutes of the general meeting of shareholders and the board of directors meeting, to ensure the Company has a complete record of the organization and, to ensure the relevant record and documents be provided to the person that has the right of access to the Company records and documents in time;

(8) assist the directors, supervisors, president and other senior management, to understand the relevant laws, statutes, regulations, other requirements of the listing rules of the stock exchange and the Articles of Association of the Company in relation to disclosure of information and the contents on its legal responsibilities in the listing agreement;

(9) to ensure the board of directors exercise their function and powers in compliance with law. To remind the participating directors and draw attention to the supervisors attended meeting to express their views when the proposed resolution of the board of directors may violation legal, statutes, regulations, listing rules of the stock exchange and other provisions or the Articles of Association of the Company; if the board of directors insist to make the above resolutions, the secretary of the board of directors shall record the relevant supervisors and individual's view in the minutes and report it to the stock exchange;

(10) any other responsibilities as stipulated in the law, statutes, regulations, listing rules of the stock exchange and other requirements and the provisions of the Articles of Association of the Company;

Article 152 A director or other senior management of the Company may hold the post of secretary of the board of directors concurrently. An accountant of the accounting firm engaged by the Company shall not be permitted to hold the post of secretary of the board of directors concurrently.

Where the post of secretary of the board of directors is concurrently held by a director and if a certain action requires separate conduct by the director and the secretary of the board of directors, that director holding the post of secretary shall not be permitted to act with dual capacity.

Chapter 12 President of the Company

Article 153 The Company shall have one president, several vice presidents who assist the president with his work; one chief accountant; one general engineer. The president, vice presidents, chief accountant and general engineer shall be appointed and removed by the board of directors.

The president and other senior management's term of appointment are three (3) years. They can be re-appointed for consecutive terms.

Any personnel who holds other administrative positions other than directors and supervisors in the Company's controlling shareholder shall not serve as a senior management officer of the Company.

The senior management of the Company receives salaries only from the Company and is not paid by the controlling shareholders on its behalf.

Article 154 The president shall be accountable to the board of directors and exercise the following functions and powers:

(1) to be in charge of the management of the Company's production and operations and to organize the implementation of resolutions passed by the board of directors and report to the board of directors;

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

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

(4) to draft plans for the establishment of the Company's branches and sub-branches;

(5) to draft the Company's basic management system;

(6) to formulate detailed rules and regulations of the Company;

(7) to propose the appointment and dismissal of the Company's vice president, chief accountant and general engineer, and to make recommendation on their remunerations;

(8) to appoint or dismiss management personnel other than those appointed and dismissed by the board of directors;

(9) other powers stipulated in the Articles of Association or authorised by the board of directors.

Article 155 The president shall attend the meetings of the board of directors; if the president is not a director, he/she shall have no voting rights at meetings of the board of directors.

Article 156 The president of the Company shall report the status of signing and fulfillment of material contracts and application of funds to the board of directors or the supervisory committee according to the requirements of the board of directors and the supervisory committee. The president shall ensure the authenticity of the report.

When the president of the Company proposes for employee wages, benefits, safety, insurance, dismissal (or terminate the employment) of employees which involves the interest of employee, should listen to the views of the trade unions and the trade union congress of the company in advance.

Article 157 The president shall lay down his detailed working regulations, to be implemented after approval by the board of directors.

The detailed work rules of the president shall contain the following:

- (1) conditions, procedures and participants of the president's meeting;
- (2) specific duties and respective responsibilities of the president and other senior management;
- (3) funds of the Company, use of funds, authority to enter into material contracts and systems for reporting to the board of directors and the supervisory committee;
- (4) such other matters as are deemed necessary by the board of directors.

Article 158 The president may resign prior to the expiration of his/her term of office. The detailed procedures for the resignation of the president and other senior management shall be set out in the labour contracts between the president and other senior management and the Company, unless otherwise provided by the laws, administrative regulations and the rules of the place where the shares of the Company are listed.

Article 159 The president and other senior management shall be liable for any losses caused to the Company by their breach of any laws, administrative regulations, departmental rules or the Articles of Association during performance of their duties to the Company.

Article 160 When exercising powers of office, the president shall comply with laws, administrative regulations and the Articles of Association and shall assume obligations of sincerity and diligence towards the Company.

The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. The senior management of the Company shall be liable for compensation in accordance with the law for any damage caused to the interests of the Company and the public shareholders as a result of their failure to faithfully perform their duties or breach of the duty of good faith.

Chapter 13 Supervisory Committee

Article 161 The Company shall establish a supervisory committee.

Article 162 The supervisory committee shall comprise three (3) supervisors, of which one (1) is an external supervisor, one (1) is an employee representative supervisor and one (1) is an independent supervisor. A supervisor's term of office is three (3) years. He/She may be re-appointed for consecutive terms if re-elected.

If, upon the expiry of a supervisor's term of office, a new supervisor cannot be elected on a timely basis, or if any supervisor resigns before the expiry of his/her term of office so that the number of the members of the supervisory committee is below the quorum, before the re-elected supervisor starts his/her term of office, such supervisor shall continue to perform his/her duties in accordance with provisions of laws, administrative regulations and the Articles of Association.

The supervisory committee shall have one chairman. Any appointment and removal of the chairman of the supervisory committee shall be approved by more than half of the members of the supervisory committee.

Article 163 The shareholders' representatives shall be elected and removed by the shareholders' general meeting, and the representative of the Company's staff shall be democratically elected and removed by the Company's staff and workers. The number of representatives of the Company's staff and workers shall be no less than one-third of the number of all supervisors.

Article 164 A director, the president or other senior management of the Company shall be prohibited from concurrently holding the position of supervisor.

Article 165 Supervisors should ensure that the information disclosed by the Company is true, accurate and complete, and sign a written confirmation of the periodic report.

Article 166 Meetings of the supervisory committee shall be convened at least twice a year, once every six months by the chairman of the supervisory committee. Supervisors may propose to convene interim meeting of the supervisory committee. If the chairman of the supervisory committee is unable to perform his duty, or failed to perform his duty, a supervisor elected by more than half of the supervisors shall convene or preside over the meeting of supervisory committee.

Article 167 The supervisory committee shall be accountable to the general meeting of shareholders and shall exercise the following function and powers in accordance with law:

- (1) to examine the Company's financial affairs;
- (2) to supervise conducts of the Company's directors, president and senior management during the performance of their duties, and shall make recommendations for removal of directors and senior management for any violation of laws, administrative regulations, the Articles of Association or resolutions of the general meeting;
- (3) to request the Company's directors, president and other senior management to rectify the situation if their acts are harmful to the interests of the Company;
- (4) to inspect financial information such as financial reports, business reports, profit distribution plans and other financial documents to be submitted to general meeting of shareholders by the board of directors and, in case of doubt, professionals such as registered accountants and certified auditors may be hired to provide assistance in the name of the Company;
- (5) suggest to convene an extraordinary general meeting, to convene and preside over general meetings when the board of directors fails to perform its duties in convening and presiding over general meetings in accordance with the Articles of Association;
- (6) to make proposals to the general meetings;
- (7) to propose to convene interim meetings of the board of directors;
- (8) to elect chairman of the supervisory committee;
- (9) to institute legal proceedings to the directors or senior officers of the Company in accordance with the Company Law;
- (10) other powers of office as stipulated in laws, regulations and the Articles of Association.

Supervisors shall attend meetings of the board of directors and to propose questions or suggestions on resolution matters discussed on board of directors.

Article 168 At least ten days' notice by telephone or facsimile shall be given to all supervisors for regular meetings of the supervisory committee. In justified cases, supervisors have the right to request the chairman of the supervisory committee to convene an interim meeting of supervisory committee. At least two days' notice by telephone or facsimile shall be given to all supervisors for interim meetings of the supervisory committee. The aforesaid limit does not apply to any emergent meetings. A notice of meeting shall include the date, location, meeting agenda and date of notice issued.

A meeting of the supervisory committee shall require more than half of supervisors to be present in order to be convened. Supervisory committee meeting is to be voted by poll, and each supervisor has one vote. The supervisory committee meeting should be attended by the supervisors in person. Where a supervisors is for any reason unable to attend, other supervisors may be delegated in writing to attend the meeting of supervisory committee which the letter of proxy shall set forth the authorized range.

Resolutions of regular meeting or interim meeting of the supervisory committee are resolutions of the supervisory committee and shall be passed by more than half of supervisors.

Article 169 The supervisory committee should prepare minutes of meeting on decisions of matters discussed. A supervisor is entitled to request the addition to the minutes of some explanatory record concerning his speech made during the meeting. Supervisors attending the meeting should sign on the minutes. Minutes of the supervisory committee meeting, as a company file, shall be kept by the secretary of the board of directors for 10 years.

Article 170 Supervisory committee shall implement recording system on execution of resolutions of supervisory committee. The resolutions of supervisory committee shall be executive and supervised by designated supervisors. The designated supervisor should record and report result of the execution to the supervisory committee.

Article 171 When exercising its powers of office, a supervisory committee needs to employ a lawyer, certified public accountant, certified practising auditor or other professional, reasonable fees incurred in so doing shall be borne by the Company.

Reasonable fees incurred in attending to a supervisory committee meeting for a supervisor, including transportation cost from the supervisor to where the meeting is held (if the place to hold the meeting is not where the supervisor is), accommodations during the meeting, rental of the meeting place, local transportation, etc., shall be borne by the Company.

Article 172 A supervisor shall faithfully perform his/her duties of supervision in accordance with laws, administrative regulations and the Articles of Association.

Chapter 14 Qualifications and Obligations of Directors, Supervisors, President and Other Senior Management

Article 173 A person may not hold the position of director, supervisor, president or other senior management in any of the following circumstances:

- (1) the person has no civil capacity or has restricted civil capacity;
- (2) persons who have committed the offences of corruption, bribery, trespass of property, misappropriation of property or damaging the social economic order, and have been penalized due to the above offences, where less than five years have elapsed since the date of the completion of implementation of the penalty or persons who have committed crimes and have been deprived of their political rights due to such crimes, where less than five years have elapsed since the date of the completion of the implementation of such deprivation;
- (3) persons who were former directors, factory chiefs or managers of a company or enterprise which has become insolvent and has been liquidated and were personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;

(4) persons who were legal representatives of a company or enterprise which had its business license revoked due to a violation of the law and were ordered to close down, where less than three years have elapsed since the date of the business license of the company or enterprise was revoked;

(5) persons who have failed to pay a relatively large debt when due and outstanding on time;

(6) persons banned by the CSRC from access to the securities market for a term which has not expired;

(7) the person is not a natural person;

(8) other circumstances stipulated in provisions of laws and administrative regulations of the place where the Company's shares are listed.

Article 174 The validity of actions of the director, president and other senior management when acting as representatives of the Company on bona fide third parties shall not be affected as a result of those representatives not conforming to the rules pertaining to the holding of their posts, their election or qualifications.

Article 175 Apart from obligations as stipulated in laws, administrative regulations or the listing rules of stock exchanges where the Company's shares are listed, a director, supervisor, president, and other senior management shall, in addition, when exercising his/her powers of office as stipulated by the Company, assume the following obligations towards the shareholders:

(1) shall not allow the Company to exceed the scope of its business operations as stipulated in its business licence;

(2) shall sincerely take the best interests of the Company as fundamental when conducting business activities;

(3) shall not be permitted to expropriate the Company's property using any means, including (but not limited to) when this involves opportunities beneficial to the Company;

(4) shall not infringe upon the individual rights and interests of shareholders, including (but not limited to) distribution rights and voting rights, however, this shall not include the situation where a company restructure is proposed for adoption by the general meeting of shareholders in accordance with the Articles of Association.

Article 176 Directors, supervisors, president and other senior management of the Company shall all have responsibility, when exercising their rights and performing their obligations, to adopt the prudence, diligence and skill which would be displayed by a reasonably prudent person in similar circumstances.

Article 177 The directors shall comply with the laws, administrative regulations and these Articles of Association and shall have the following obligations of loyalty to the Company:

(1) They shall not take advantage of their functions and powers to accept bribes or other illegal income, or to take illegal possession of the property of the Company;

(2) No misappropriation of the Company's funds is allowed;

(3) They shall not deposit the Company's assets or funds in an account in his or her personal name or in the name of any other individual;

(4) They shall not, in violation of the provisions of these Articles of Association or without the consent of the shareholders' meeting or the board of directors, lend the Company's funds to others or provide guarantees for others with the Company's property;

(5) They shall not, in violation of the provisions of these Articles of Association or without the consent of the general meeting enter into any contract or transaction with the Company;

(6) Without the consent of the general meeting, they shall not take advantage of the convenience of their positions to obtain for themselves or others business opportunities that should belong to the Company, and to operate on their own, or for others, a business of the same kind as the Company's;

(7) No commissions from transactions with the Company shall be accepted for personal use;

(8) No unauthorised disclosure of the Company's secrets is allowed;

(9) They shall not use their affiliation to harm the interests of the Company;

(10) Other obligations of loyalty as stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and these Articles of Association.

Income derived by a director from a breach of this Article shall accrue to the Company. Where damages to the Company occurs, he should be responsible to compensate.

Article 178 The directors shall comply with the laws, administrative regulations and these Articles of Association and shall have the following obligations of diligence to the Company:

(1) They shall exercise the rights granted by the Company with care, seriousness and diligence to ensure that the Company's business conduct complies with national laws, administrative regulations and the requirements of various national economic policies, and that the business activities do not exceed the scope of business as stipulated in the business license;

(2) They shall treat fairly all shareholders;

(3) They shall keep abreast of the Company's business operations and management;

(4) They shall sign a written confirmation of the Company's periodic reports, and ensure that the information disclosed by the Company is true, accurate and complete;

(5) They shall truthfully provide the supervisory committee with the relevant circumstances and information, and shall not obstruct the supervisory committee or the supervisors in exercising their powers and functions;

(6) Other duties of diligence as stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and these Articles of Association.

Article 179 The provisions of Article 177 of these Articles of Association regarding the duty of loyalty of directors and Article 178 (4), (5) and (6) regarding the duty of diligence shall also apply to the senior management.

Article 180 The obligations assumed in good faith by a director, supervisor, president or other senior management are not necessarily terminated at the conclusion of his/her post and the obligations of maintaining confidential information concerning the Company's business shall remain valid after the conclusion of his/her post. The periods of validity for other obligations shall be determined in accordance with the principle of fairness and shall depend on the length of time intervening between the occurrence of an event and the time of vacating the post and on the circumstances under which that director, supervisor, president and other senior management ended his/her relationship with the Company.

Chapter 15 Financial and Accounting System and Distribution of Profits

Article 181 The Company shall establish a financial and accounting system in accordance with the law, administrative regulations and the PRC accounting standards formulated by the State Council financial department.

Article 182 The Company shall produce financial reports at the end of each financial year which shall be subject to auditing and verification in accordance with the law.

The Company has adopted the calendar year as its accounting year, i.e. from January 1 to December 31.

Article 183 The board of directors of the Company shall place before the shareholders at every annual general meeting such financial report as are required by any laws, administrative regulations or directive promulgated by competent local government and central governmental authorities to be prepared by the Company.

Article 184 Financial statements of the Company shall be prepared in accordance with the PRC accounting standards for business enterprises and relevant regulations.

Article 185 When the Company announces or disclose interim results or financial information, it shall be prepared in accordance with the PRC accounting standards for business enterprises and relevant regulations.

Article 186 The Company shall submit its annual financial reports to the CSRC and the stock exchange within four months of the end of each financial year, submit its interim financial reports to the local office of the CSRC and the stock exchange within two months of the end of the first six months of each financial year, and submit its quarterly financial reports to the CSRC and the stock exchange within one month of the end of the first three and nine months of each financial year.

These financial reports shall be prepared in accordance with the provisions of relevant laws, regulations and departmental rules and published in accordance with the relevant rules of the securities regulatory authorities of the places where the shares of the Company are listed.

Where the securities regulatory authorities of the places where the shares of the Company are listed provide otherwise, such provisions shall prevail.

Article 187 The Company shall not be permitted to establish account books other than statutory account books. The Company's assets shall not be permitted to be deposited under any personal accounts.

Article 188 The Company establishes a fund of board of directors which is to be withdrawn once a year, the maximum amount of withdrawal is restricted to 0.1 per cent (0.1%) of the profits before tax in the year. Fund is mainly used for as a special contributor award of the board of directors, supervisors, and president, other senior officers and employees of the Company or as a source of risk fund of the director, supervisor, president and other senior management, the specific management measures enacted separately by the remuneration and evaluation committee.

Article 189 The capital reserve fund shall include the following items:

- (1) premiums gained on shares issued for more than nominal value;
- (2) other revenue to be charged to the capital reserve fund as stipulated by the State Council financial department.

Article 190 When the Company is distributing after-tax profits of one year, it should allocate 10% of the profits into the statutory reserve fund. If the cumulated statutory reserve fund reaches more than 50% of the registered capital of the Company, no further allocation is required.

When the statutory reserve fund of the Company is insufficient to make up the losses incurred during the previous year, before making allocation to the statutory reserve fund in accordance with the preceding paragraph, the profits generated during the current year shall be used to make up for such losses.

After the Company making allocation to the statutory reserve fund from the after-tax profits, the Company, subject to resolution adopted at a general meeting, also allocates funds from the after-tax profits to the discretionary reserve fund.

After the Company making up for the losses and making contributions to the reserve fund, any remaining profits shall be distributed to the shareholders in proportion to their respective shareholdings, except where it is stipulated in the Articles of Association that profit distributions shall not be made in accordance with the shareholding proportion.

If the general meeting has, in violation of the provisions of the preceding paragraph, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve fund, the shareholders must return the profits distributed in violation of the provision of the Company.

No profits shall be distributed in respect of the shares held by the Company.

Article 191 The Company may use the following for distribution of dividends either way (or simultaneously):

- (1) cash;
- (2) share certificates.

The dividends and other payments paid by the Company to its domestic shareholders shall be valued and declared in Renminbi, and paid in Renminbi within two months after the date of the declaration of dividends. The dividends and other payments paid by the Company to its overseas listed foreign invested shareholders shall be valued and declared in Renminbi, and paid in foreign currency within two months after the date of the declaration of dividends. The exchange rate from related foreign currency to Renminbi shall be the average closing rate posted by People's Bank of China five days before the date of distribution of dividend or other distribution, the transaction of foreign currency the Company needs to pay its foreign invested shareholders is subject to the regulations of the State Administration of Foreign Exchange. The board of directors shall implement the distribution of the Company's dividend authorised by the general meeting as an ordinary resolution.

Article 192 Basic principles for the profit distribution policy of the Company:

- (1) The Company shall take into full account of the returns for investors;
- (2) The profit distribution policy of the Company shall be consistent and stable, while taking into account the long-term interests of the Company, the entire interests of shareholders as a whole, and the sustainable development of the Company;
- (3) The Company shall give priority to the method of profit distribution in cash dividends.

Article 193 The details of the profit distribution policy of the Company are as follows:

- (i) The Company may distribute profit in cash, in shares or in a combination of both cash and shares or other methods permitted under the laws, regulations and regulatory documents, and shall give priority to the method of profit distribution in cash dividends;

(ii) Dividends may be distributed in cash if the distributable profit realised by the Company (i.e. the profit after taxation after offsetting loss and setting aside reserves) for the year is a positive value and the auditor has issued a standard auditor's report without qualifying opinions on the Company's financial report for the year. The total profit distributed in cash by the Company each year shall not be less than 15% of the distributable profit attributable to the shareholders of the Company for the year. The distributable profit that has not been distributed for the year can be carried forward for distribution in subsequent years. The profit distribution by the Company shall not exceed the total distributable profit or affect the Company's sustainable operation ability;

(iii) The board of directors shall propose differentiated cash dividend policies, after taking into full consideration the characteristics of the industry in which the Company operates, its stage of development, its business model, profitability and whether there are any arrangements for significant capital expenses:

(1) If the Company is at mature stage and there are no arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 80% of the total profit to be distributed;

(2) If the Company is at mature stage and there are arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 40% of the total profit to be distributed;

(3) If the Company is at growth stage and there are arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 20% of the total profit to be distributed;

(4) If the stage of development of the Company is difficult to identify and there are arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 20% of the total profit to be distributed.

The "arrangements for significant capital expenses" above means that the proposed total expenses of the Company in investments, acquisition of assets or purchase of equipment and buildings for the next 12 months reach or exceed 20% of the latest audited net assets of the Company and are more than RMB50 million in absolute value.

(iv) If the conditions for cash dividends set out in the Articles of Association are met, the Company shall actively distribute dividends in cash and shall distribute dividends in cash once each year in principle. The board of directors may propose the distribution of interim dividends in view of the profitability and capital needs of the Company;

(v) In order to maintain the expansion of share capital in line with business growth, the Company may distribute profits through dividends in view of its total distributable profit, capital reserve and cash flow position while meeting the minimum cash dividend percentage and the aforesaid conditions for cash dividends.

Article 194 Procedures for reviewing the profit distribution proposal of the Company:

(1) The annual profit distribution proposal of the Company shall be raised and prepared by the board of directors in accordance with the requirements of the Articles of Association and in view of the profitability and capital supply and needs. Independent directors shall issue their independent opinions on the profit distribution proposal, which is subject to the consideration and approval by the board of directors before submission to the shareholders' meeting for consideration and approval by the shareholders. Independent directors may seek opinions of minority shareholders, prepare a distribution proposal and submit it directly to the board of directors for consideration.

(2) In considering the profit distribution proposal at the shareholders' meeting, the Company shall provide shareholders with the channel for online voting, or the board of directors, independent directors and shareholders meeting the relevant conditions may solicit voting rights from shareholders, in particular the minority shareholders, in respect of the voting on the profit distribution proposal during the period from the date of registration of shareholding of the shareholders' meeting to the date of the shareholders' meeting.

(3) Subject to the conditions for cash dividends set out in the Articles of Association, if the Company is under special circumstances such as material investment opportunity, great prospects for investment and significant capital needs, and the Company intends not to implement the cash dividend proposal in the immediate future, the board of directors shall explain the specific reason for no cash dividends, the actual and planned uses of proceeds not distributed as dividends and disclose the same in regular reports, which shall be proposed at the shareholders' meeting for consideration after the independent directors have expressed their opinions and shall be disclosed on the media designated by the Company.

(4) If any adjustment or change to the policy for cash dividends of the Company is indeed necessary, they shall be made in order to protect the interests of the shareholders. The board of directors shall thoroughly discuss the reasonableness of the adjustment or change to the profit distribution proposal and pass it as a resolution before submission to the shareholders' meeting for consideration. When being considered at the shareholders' meeting, it shall be passed by shareholders holding more than 2/3 voting rights of all shareholders attending the shareholders' meeting.

Article 195 The Company may adjust its profit distribution policy under the following circumstances:

- (1) occurrence of force majeure such as war and natural disasters;
- (2) the Company suffers loss as a result of material adverse effect on the production and operation of the Company due to significant changes in the national laws, regulations and industry policies;
- (3) the percentage of net cash flows from operating activities to net profit of the Company for each of three consecutive financial years is lower than 20% due to material changes in the external operating environment or the own operation of the Company;
- (4) there are material changes in the own operation of the Company which require the adjustment to the profit distribution policy;
- (5) the adjustment to the profit distribution policy is required in order to protect the interests of the shareholders or maintain the normal and sustainable development of the Company.

Article 196 The reserves of the Company may be utilised to make up for the losses of the Company, expand its production and operation or increase its capital. However, capital reserve may not be utilised to make up for the losses of the Company.

When capitalising the statutory reserve, the remaining balance of such reserve shall not be less than 25% of the registered capital of the Company prior to the capitalisation.

Article 197 That any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

Article 198 The Company shall commission a collecting agent for holders of foreign invested shares listed overseas. A collecting agent shall collect dividends on foreign invested shares and other payable items from the Company on behalf of relevant shareholders.

A collecting agent commissioned by the Company shall meet the requirements of the law in the place where the Company is listed or relevant regulations of the stock exchange.

A provision to the effect that for its shareholders of overseas listed foreign invested shares listing in Hong Kong, the issuer shall appoint as a collecting agent which is registered as a trust company under the Trustee Ordinance of Hong Kong.

In complying with the relevant PRC laws and regulations and the provisions of the Hong Kong Stock Exchange, subject to unclaimed dividend, the Company may exercise the confiscation of power, but that power in the application of the limitation shall not be exercised before the expiration.

The Company may exercise power to cease sending dividend warrants by post to a holder of foreign shares listed overseas when such warrants have not been cashed twice in a row. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

On the exercise of the power to issue warrants to the holder, unless the Company truly believes that warrants have been destroyed, otherwise, no new warrant is allowed to be issued to replace the lost one.

Subject to the following conditions, the Company has the power to sell the shares of a shareholder who is untraceable according to the way as considered appropriate by the board of directors:

(1) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and

(2) on expiry of the 12 years the Company, upon approval by the securities regulatory authority of the State Council, gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the stock exchange of such intention.

Article 199 The Company implements an internal audit system and is equipped with full-time auditors. The Company's financial revenues and expenditures and economic activities are under internal auditing supervision.

Article 200 The internal audit system and the responsibilities of the auditors of the Company shall be implemented upon the approval by the board of directors. The person in charge of audit shall be responsible and report on his/her work to the board of directors.

Chapter 16 Appointment of an Accounting Firm

Article 201 The Company shall appoint an accounting firm as required by the Securities Law to perform services such as auditing of accounting statements, verification of net assets, and other related consulting services for a period of one year, which may be renewed.

The appointment of an accounting firm by the Company must be decided at the general meeting, and the board of directors shall not appoint an accounting firm before the decision at the general meeting is made.

Article 202 The Company warrants that the Company will provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and the Company shall not refuse to provide or conceal or falsify such documents.

Article 203 The audit fee of an accounting firm shall be decided at a general meeting.

Article 204 The Company shall give at least 15 days' notice to the accounting firm if it is to be dismissed or not to be reappointed. The accounting firm is allowed to make a statement in respect of voting on its dismissal at the general meeting of the Company. If an accounting firm resigns, it shall explain to the general meeting whether or not the Company has been involved in any improper dealings.

Chapter 17 Insurance

Article 205 The Company shall take out insurance in accordance with relevant insurance law of the PRC.

Article 206 The Company shall formulate a liability insurance system for directors, supervisors, president and other senior management.

Chapter 18 Labour System

Article 207 The Company is allowed to institute a labour contract system and is entitled for employment and lay-off staff in accordance with its requirement of business development within the scope of the relevant State law and regulations.

Article 208 The Company is allowed to determine the salaries and labour system in consideration of its own economic interests and in accordance with the relevant requirements of legislations and the Articles of Association.

Article 209 The Company shall strive to improve its staff's benefit and working as well as living environment.

Article 210 Pursuant to the relevant State law and regulations, the Company shall use insurance fund for staff's medical treatment, retirement and unemployment, and formulate labour insurance system.

Chapter 19 Labour Union

Article 211 The Company's staff shall organise labour union, hold labour activities and protect legitimate rights of staff in accordance with the law. The Company shall provide necessary conditions for the labour union.

Chapter 20 Merger and Demerger of the Company

Article 212 Merger of the Company may be made by the consolidation merger method or by the new establishment merger method.

When the Company is undergoing a merger, the various parties to the merger shall sign a merger agreement and a balance sheet and inventory of properties shall be drawn up. Within 10 days of the proposal of a resolution on a company merger, the Company shall notify the various creditors and a public announcement shall be made in the press within 30 days. The creditors shall have the right, within 30 days of receipt of the notice or within 45 days of the date of the public announcement if the notice has not been received, to require the Company to pay its debts or provide guarantee to the amount of its debts.

Following the merger, the debts receivable and debts payable of the parties to the merger shall be continued or successes by a takeover company or a company newly established as the result of the merger.

Article 213 If the Company is to be demerged, its assets shall be divided accordingly.

When embarking on a demerger, the parties to the demerger shall sign a demerger agreement and a balance sheet and inventory of properties shall be drawn up. Within 10 days of the proposal of a resolution on a company demerger, the Company shall notify the various creditors and within 30 days a public announcement shall be made in the newspaper which is recognised by the stock exchange where the Company's stock lists.

The debts of the Company before the demerger will be jointly and severally liable by the companies formed after the demerger. However, if before the demerger the Company and its creditors have entered into a written contract concerning the repayment of debts, then the former provision does not apply.

Article 214 Where registered items are changed as a result of a company merger or demerger, application shall be made to the Company registration authority or register the amendment in accordance with the law. Where the Company is dissolved, application shall be made to register the cancellation in accordance with the law; where a company is newly established, application shall be made to register the establishment.

Chapter 21 Dissolution and Liquidation of the Company

Article 215 The Company shall terminate its operations and enter into liquidation in accordance with the law in any of the following circumstances:

- (1) the expiration of the term of business provided for in these Articles of Association or any other cause of dissolution provided for in these Articles of Association occurs;
- (2) a general meeting of shareholders resolves that there shall be a dissolution;
- (3) dissolution becomes necessary because of company merger or demerger;
- (4) cancellation of the business licence, ordered to be closed or cancelled according to the law;
- (5) the operation and management of the Company experience a great difficulty, continuation will lead to significant losses suffered by the shareholders, and the crisis cannot be solved by other means. Shareholders with more than 10% of the voting rights can request the People's Court to dissolve the Company.

Article 216 The Company may survive by amending its Articles of Association in the case of Article 216(1) of these Articles of Association.

Amendments to the Articles of Association in accordance with the preceding paragraph shall be approved by more than two thirds of the voting rights held by the shareholders present at the general meeting.

Article 217 In the case of the Company being dissolved in accordance with the provisions of items (1), (2), (4) and (5) of the Article 216, the Company shall, within 15 days, establish a liquidation committee, commence liquidation. The liquidation committee shall consist of the directors or such persons as may be determined by the general meeting. If a liquidation committee is not formed to carry out liquidation after the expiration date, the creditors may apply to the People's Court to appoint relevant persons to do so.

Article 218 The liquidation committee shall, within 10 days of its establishment, notify creditors and make a public announcement in the press within 60 days. The creditors shall, within 30 days of receipt of the notice or within 45 days of the date of the first public announcement if the notice has not been received, report their creditors' right to the liquidation committee. When reporting creditors' right, the matters regarding the creditors' right shall be explained and the supporting documents shall be provided. The liquidation committee shall register the creditors' rights in accordance with the law. During the period of creditors' declaration, the liquidation committee is not permitted to pay debts to creditors.

Article 219 The liquidation committee shall exercise the following powers of office during the period of liquidation:

- (1) perform a stocktake of the Company's property and formulate a balance sheet and property inventory;
- (2) notify creditors and make public announcement of the liquidation;
- (3) handle and finalise matters in relation to the unfinished business affairs of the Company;
- (4) pay overdue taxes and taxes incurred during the liquidation process;

- (5) clear debts receivable and payable;
- (6) dispose of the remaining assets after all debts have been paid;
- (7) participate in civil proceedings on behalf of the Company.

Article 220 A liquidation plan shall be formulated by the liquidation committee after the stocktake of the Company property has been performed and the balance sheet and property inventory have been compiled, and this shall be submitted to the shareholders at general meeting or to the People's Court for confirmation.

Payment of debts out of Company property shall be made in the following order of priority: liquidation charges, staff salary, social insurance, legally prescribed compensation, outstanding tax and company debts.

Company property left after full payment in accordance with the provisions of the preceding paragraph shall be distributed to the Company's shareholders according to the category and proportion of their shareholding.

During the liquidation period, the Company continues to exist, but it cannot commence operational activities not related to the liquidation. Before the Company assets have been used to pay off as required by the last paragraph, it shall not be distributed to shareholders.

Article 221 Where liquidation is carried out as a result of dissolution of the Company, after stocktaking of the Company's assets and compilation of a balance sheet and property inventory, the liquidation committee found that the amount of assets is insufficient to settle debts, it shall promptly apply to the People's Court for a declaration of bankruptcy.

If a company has been declared bankrupt by the People's Court, the liquidation committee shall hand over liquidation matters to the People's Court.

Article 222 After the conclusion of liquidation proceedings, the liquidation committee shall compile a liquidation report which shall be submitted to the shareholders at general meeting or the People's Court for confirmation, and filed with the company registrar to apply for cancellation of the Company's registration and publicly announce the Company's termination.

Article 223 Members of the liquidation committee shall be devoted to their duties and perform their liquidation obligations in accordance with the law. They shall not take advantage of their functions and powers to accept bribes or other illegal income, or to take illegal possession of the property of the Company. Where a member of the liquidation committee causes losses to the Company or its creditors intentionally or through gross negligence, he or she shall be liable for compensation.

Article 224 Where the Company is declared bankrupt according to the laws, bankruptcy liquidation shall be conducted in accordance with the law on enterprise bankruptcy.

Chapter 22 Procedures for Amendment of the Articles of Association

Article 225 The Company shall amend the Articles of Association in any of the following circumstances:

- (1) the provisions of the Articles of Association are in conflict with those of the Company Law or the relevant laws or administrative regulations following their amendment;
- (2) any change in the position of the Company, resulting in inconsistency with the records in the Articles of Association;
- (3) it is decided at the shareholders' meeting to amend the Articles of Association.

Article 226 Amendments to the Company's Articles of Association resolved by the general meeting shall be reported to the competent authorities for approval if such amendments should be subject to the approval of the competent authorities; where an amendment to the Company's Articles of Association involves matters of company registration, the registration shall be amended according to law.

Chapter 23 Settlement of Disputes

Article 227 The Company shall comply with the following rules of settlement of disputes:

(1) In relation to disputes and claims relating to the Company's affairs (i) between the Company and its directors or other senior management; and (ii) between the holders of foreign invested shares listed overseas and the Company, between the holders of foreign invested shares listed overseas and the Company's directors, supervisors, president or other senior management, or between the holders of foreign invested shares listed overseas and the holders of domestic shares arising out of rights and obligations provided for in the Articles of Association, the Company Law or other laws and administrative regulations, the parties concerned shall refer the dispute to arbitration for settlement.

When referring to the aforesaid dispute or claim to arbitration, it shall be the whole dispute or entire claim which is so referred; where those persons who have a cause of action arising out of the same facts or those persons required to participate in the resolution of a dispute or claim are the Company's shareholders, directors, supervisors, president or other senior management or such person is the Company itself, such person shall be subject to arbitration.

Regarding disputes on definition of shareholders or shareholders register, it can be resolved other than by arbitration.

(2) An applicant for arbitration may select the China International Economic and Foreign Trade Arbitration Commission to undertake arbitration according to its rules or, alternatively, may choose the Hong Kong International Arbitration Centre to undertake arbitration according to its rules on securities arbitration. After the applicant for arbitration refers the dispute or claim for arbitration, the opposing party shall participate in the arbitration at the arbitral body chosen by the applicant.

If an applicant chooses the Hong Kong International Arbitration Centre, any party concerned may, in accordance with the rules of the Hong Kong International Arbitration Centre on securities arbitration, request the arbitration to be undertaken in Shenzhen.

(3) In resolving disputes or claims as mentioned in item (1) of this Article through arbitration, the laws of the People's Republic of China shall apply except laws and administrative regulations stipulate otherwise.

(4) An award made by the arbitral body shall be final and have binding effect on the parties concerned.

Chapter 24 Notices

Article 228 Subject to the requirements of laws, administrative regulations and the listing rules of the stock exchanges of the place where the shares of the Company are listed, a notice of the Company shall be delivered:

- (I) by hand;
- (II) by mail;
- (III) by way of public announcement on the websites of stock exchanges where the shares are listed and of the Company;
- (IV) by mean of facsimile or email;
- (V) other means recognised by the relevant stock exchanges or regulatory authorities where the shares of the Company are listed or as provided for in these Articles of Association.

If a notice is given by the Company by means of public announcement, once such public announcement has been made, this shall be deemed as notice received by all relevant persons.

Article 229 In relation to the way the Company provides and/or distributes corporate communications to the shareholders in accordance with the Hong Kong Listing Rules requirements, the Company may, in accordance with the related laws and regulations and the requirements of the Hong Kong listing rules as amended from time to time, send or provide corporate communications to the shareholders of the Company by electronic means or by way of announcement on the websites of the Hong Kong Stock Exchange and/or the Company. Corporate communications include, but are not limited to: circulars, annual report, interim report, quarterly results, notice of general meeting, as well as other types of corporate communications as listed in the Hong Kong Listing Rules.

Chapter 25 Supplementary Provisions

Article 230 In the Articles of Association, ‘over’, ‘within’, ‘below’ all include the number immediately proceeding. ‘exceed’, ‘over’ do not include the preceding number.

Article 231 In the Articles of Association, the “senior management” means the Company’s president, vice president, chief accountant, general engineer, secretary of board of directors. “president” and “vice president” in these Articles refer to “manager” and “deputy manager” in the Company Law.

Article 232 The term “accounting firm” as used in the Articles of Association shall have the same meaning as “auditor”.

As the context may require and pursuant to the regulatory requirements of the places where the securities of the Company are listed, the terms “related” and “related party” used in the Articles of Association shall have the same meaning as (1) “connected” and “connected person” as defined under the Hong Kong Listing Rules, or (2) “related” and “related party” as defined under the SSE Listing Rules respectively.

The term “actual controller” as used in the Articles of Association means the person who is not a shareholder of the Company but is able to control the Company through investment, agreement or other arrangement.

Article 233 The Articles of Association are in Chinese. In case of inconsistency with a version in any other language, the authentic version is the Chinese version most recently examined and registered by company registration authority. In case of discrepancy between the Chinese version and a version of any other language, the Chinese version shall prevail.

The board of directors of the Company is responsible for explaining the Articles of Association; matters not yet resolved in the Articles of Association shall be passed as resolution in general meeting by board of directors.

Article 234 These Articles of Association shall become effective and enforceable on the date of passing a special resolution at the general meeting of the Company. The original Articles of Association of the Company shall automatically cease having effect as of the effective date of these Articles of Association.