



CHINA COAL ENERGY COMPANY LIMITED*

中國中煤能源股份有限公司

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

(Stock code: 01898)

**Articles of Association
(Amended)**

- Amended for the first time as approved at the 1st extraordinary general meeting for 2006 on 23 August 2006**
- Amended for the second time as approved at the 3rd extraordinary general meeting for 2006 on 22 November 2006**
- Amended for the third time as approved at the 1st extraordinary general meeting for 2007 on 7 September 2007**
- Amended for the fourth time as approved at the annual general meeting for 2008 on 26 June 2009**
- Amended for the fifth time as approved at the 1st extraordinary general meeting for 2009 on 18 December 2009**
- Amended for the sixth time as approved at the annual general meeting for 2009 on 25 June 2010**
- Approved by the State-owned Assets Supervision and Administration Commission of the State Council on 1 February 2007**
- Approved by the State-owned Assets Supervision and Administration Commission of the State Council on 26 September 2008**
- Approved by the State-owned Assets Supervision and Administration Commission of the State Council on 14 August 2009**
- Approved by the State-owned Assets Supervision and Administration Commission of the State Council on 26 March 2010**
- Approved by the State-owned Assets Supervision and Administration Commission of the State Council on 2 September 2010**
- Amended for the seventh time as approved at the annual general meeting for 2011 on 25 May 2012**
- Amended for the eighth time as approved at the 1st extraordinary general meeting for 2012 on 11 December 2012**
- Amended for the ninth time as approved at the annual general meeting for 2013 on 13 May 2014**
- Amended for the tenth time as approved at the 1st extraordinary general meeting for 2015 on 27 October 2015**
- Amended for the eleventh time as approved at the annual general meeting for 2015 on 21 June 2016**
- Amended for the twelfth time as approved at the 1st extraordinary general meeting for 2017 on 19 December 2017**
- Amended for the thirteenth time as approved at the 1st extraordinary general meeting, H shareholders' class meeting and A shareholders' class meeting for 2022 on 25 August 2022**

CONTENTS

<u>Chapter</u>	<u>Heading</u>	<u>Page</u>
Chapter 1	General Provisions	3
Chapter 2	Business Objectives and Scope	5
Chapter 3	Shares, Issuance and Transfer of Shares and Registered Capital	5
Chapter 4	Increase and Reduction of Capital and Repurchase of Shares	8
Chapter 5	Financial Assistance for the Purchase of the Company's Shares	11
Chapter 6	Share Certificates and Register of Members	12
Chapter 7	Rights and Obligations of Shareholders	17
Chapter 8	General Meetings	21
Chapter 9	Special Procedures for Voting by a Class of Shareholders	38
Chapter 10	Board of Directors	40
Chapter 11	Secretary to the Board	52
Chapter 12	President (General Manager)	53
Chapter 13	Supervisory Committee	55
Chapter 14	Qualifications and Obligations of Directors, Supervisors, President (General Manager) and Other Senior management of the Company	58
Chapter 15	Financial and Accounting System and Profit Distribution	65
Chapter 16	Appointment of Accounting Firm	70
Chapter 17	Insurance	72
Chapter 18	Employment System	72
Chapter 19	Labour Unions	73
Chapter 20	Merger and Division	73
Chapter 21	Dissolution and Liquidation	74
Chapter 22	Procedures for Amendments to the Articles of Association	76
Chapter 23	Notices	76
Chapter 24	Settlement of Disputes	77
Chapter 25	Supplementary Provisions	78

China Coal Energy Company Limited

Articles of Association

Chapter 1 General Provisions

Article 1 The Articles of Association are formulated by China Coal Energy Company Limited (the “Company”) pursuant to the Company Law of the People’s Republic of China (“Company Law”), Securities Law of the People’s Republic of China (“Securities Law”), Special Regulations on Overseas Offerings and Listing of Shares by Joint Stock Limited Companies (“Special Regulations”), Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (“Mandatory Provisions”), Guide to Articles of Association of Listed Companies (amended in 2022) and other relevant regulations, in order to protect the legitimate rights and interests of the Company and shareholders and creditors thereof and regulate the organisation and behaviour of the Company.

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

The Company was established by a sole promoter as authorised by the Circular (Guo Zi Gai Ge [2006] No. 1048) of the State-owned Assets Supervision and Administration Commission of the State Council. The corporate business license was obtained upon registration with the State Administration for Industry and Commerce of the PRC on 22 August 2006. Unified Social Credit Code for business license of the Company is 91110000710934289T.

The Company’s promoter: China National Coal Group Corporation

Article 3 Upon approval by the CSRC in 2006, the Company initially issued 3,733,330,000 overseas listed foreign shares (H shares) to the public and listed the same on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”); Upon approval by CSRC on 19 January 2008, the Company issued 1,525,333,400 Renminbi-denominated ordinary shares through the initial public offering to the public and listed the same on the Shanghai Stock Exchange on 1 February 2008.

Article 4 Registered company name (Chinese): 中國中煤能源股份有限公司
Registered company name (English): China Coal Energy Company Limited
Company name in short (Chinese): 中煤能源股份
Company name in short (English): China Coal Energy

Article 5 Company address: No. 1 Huangsidajie, Chaoyang District, Beijing, PRC
Postal code: 100120
Telephone: 82256688 Facsimile: 82256251

Article 6 The Chairman of the Board of Directors (the “Board”) is the legal representative of the Company.

Article 7 The Company is a joint stock company with limited liability in perpetual existence.

The Company is an independent corporate legal entity, and possesses and is entitled to properties on its own. It shall enjoy civil rights and incur civil liability according to law.

All capital of the Company shall be divided into shares with equal par value per share. Shareholders of the Company shall undertake limited liabilities subject to their respective shares subscribed, and the Company shall cover its liability with all of its assets.

Article 8 Upon adoption by special resolution at the general meeting of the Company and approval of the relevant authorities of the PRC, the Articles of Association shall take effect from the date of the listing of its Renminbi-denominated ordinary shares under the initial public offering of the Company and shall replace the Articles of Association formerly registered with the relevant administrative authorities for industry and commerce.

From the date on which the Articles of Association come into effect, the Articles of Association shall constitute a legally binding document governing the Company's organisation and activities, and the rights and obligations between the Company and its shareholders and among the shareholders.

Article 9 In accordance with the Company Law and the Constitution of the Communist Party of China (the "Party"), the Company hereby set up Party organizations. The Party organizations shall perform the leadership functions to control the direction, manage the overall situation and ensure the implementation, discuss and study on significant matters of the Company in accordance with the regulations. The Company should provide necessary conditions for the activities of the Party organizations, set up related working organs, and maintain an adequate level of outstanding staff to handle Party affairs as well as sufficient funding necessary for the activities of the Party organizations.

Article 10 The Articles of Association shall have binding effect on the Company and its shareholders, directors, supervisors, chief executive officer (general manager) and other senior management. The aforementioned persons may assert claims in respect of the Company's affairs pursuant to the Articles of Association.

The shareholders of the Company may pursue actions against the Company, other shareholders, the Company's directors, supervisors, president (general manager) and other senior management of the Company pursuant to the Articles of Association. The Company may pursue actions against its shareholders, directors, supervisors, president (general manager) and other senior management pursuant to the Articles of Association.

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

Other senior management referred to in the preceding paragraphs include vice presidents (deputy general managers), chief financial officer (financial controller) and secretary to the Board.

Article 11 According to its business development needs and as authorised by relevant governmental authorities, the Company may establish subsidiaries or affiliates including branches, representative offices or offices at abroad and in Hong Kong and Macau Special Administrative Regions and the Taiwan region.

Article 12 The Company may invest in other enterprise(s) but shall not be an investor jointly and severally liable to such enterprise(s) for their liabilities, unless otherwise stipulated by laws.

Chapter 2 Business Objectives and Scope

Article 13 The business objectives of the Company: Taking energy resources as our principal business under the rules of the market, we aim to build ourselves into an integrated energy giant with world-class value creation ability and sustainability based on maximising resource utilisation, technology advancement and nurturing of human resources to create value for the society and the staff to maximise shareholder interests.

Article 14 The scope of business operations of the Company shall be in accordance with that authorised by relevant government authorities and approved by the relevant administrative authorities for industry and commerce.

The scope of business operations of the Company includes: Coal mining (according to respective terms of validity on the licenses for coal mines); sale of coal (no trading and storage of raw coal will be conducted in Beijing), coke products, fertilizer and chemical products (excluding hazardous chemicals and precursor chemicals in category 1), the investment and management of coal, railway, port and new energy projects; investment and management of coal chemicals, coal coking, coal seam gas, power generation, production of electrolytic aluminium and aluminium processing; the research and development, manufacturing and sale of coal mining machinery and equipment; engineering design, prospecting survey, construction, tender agency and consultancy services, etc.; import and export business; real estate development and operation, property management; and lease of office building and commercial building. (the subject in the market shall select business items and carry out operating activities at its discretion in accordance with laws; for projects subject to approval in accordance with laws, operating activities can only be conducted upon approval by relevant authorities and to the extent authorized by such approval; it is not allowed to engage in operating activities prohibited or restricted by industrial policies of the state and the city where it is located.) The scope of business operation of the Company shall be subject to the scope final approved by the market regulation authorities.

The Company may change its scope of business operations according to law, in line with domestic and international market demands, its development capability and business requirements.

Subject to laws and administrative regulations of the PRC, the Company has the right to raise and borrow funds including (but not limited to) borrowing, public issue of its shares and debentures, mortgage or pledge in whole or in part of the ownership or right to use for its assets and other rights permitted by laws and administrative regulations of the People's Republic of China, and provision of guarantees for third party's debts in accordance with relevant laws and regulations and the Articles of Association.

Chapter 3 Shares, Issuance and Transfer of Shares and Registered Capital

Article 15 The Company shall have ordinary shares at all times. Subject to approvals by the company approving authorities authorised by the State Council, the Company may, according to its requirements, create other class of shares.

Article 16 Shares of the Company shall be in the form of share certificates. All shares of the Company are issued at par with nominal value of RMB1.00 each.

The term "RMB" referred to in the preceding paragraph means Renminbi, the lawful currency of the PRC.

Article 17 The Company shall issue shares in an open, fair and just manner, and each share of the same category shall have the same right.

All shares of the same category issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share.

Article 18 Subject to approval of the securities regulatory authorities of the State Council, the Company may issue shares to domestic investors and overseas investors.

The term “overseas investors” referred to in the preceding paragraph means investors located in foreign countries, regions of Hong Kong, Macau and Taiwan who subscribe shares issued by the Company. The term “domestic investors” means investors located in the PRC, excluding the regions mentioned above, who subscribe shares issued by the Company.

Article 19 Shares issued by the Company to domestic investors for subscription in RMB are referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currencies are referred to as foreign shares. Foreign shares listed overseas are referred to as overseas listed foreign shares.

The term “foreign currencies” referred to in the preceding paragraph means the lawful currencies (other than RMB) of other countries or regions which are recognized by the foreign exchange authorities of the PRC and which can be used to pay the subscription money for shares of the Company.

Foreign shares issued by the Company and listed in Hong Kong are referred to as “H shares”. H Shares are shares which have been admitted for listing on the SEHK with a par value denominated in RMB and are subscribed and traded in Hong Kong dollars.

Subject to approval of the securities regulatory authorities of the State Council, all shares of the Company held by its promoters can be traded at home and abroad.

Upon obtaining an approval from the securities regulatory authorities of the State Council, domestic shareholders of the Company may transfer the Company’s shares held by them to overseas investors and have such shares listed and traded publicly in overseas. Shares transferred and listed on an overseas stock exchange shall also be subject to the regulatory procedures, regulations and requirements of the overseas exchange. The listing and trading on such overseas stock exchange of shares so transferred do not need approval by voting in any meetings of class shareholders.

Article 20 Upon approval by the company approving authorities, the total number of ordinary shares issued at establishment of the Company was 8,000,000,000 shares, all of which were subscribed and held by China National Coal Group Corporation.

Article 21 After issuing of domestically listed RMB-denominated ordinary shares, the total number of shares of the Company is 13,258,663,400, and the composition of shares comprises 9,152,000,400 RMB-denominated ordinary shares and 4,106,663,000 overseas listed foreign shares.

After its establishment, the Company issued overseas listed foreign shares as approved by the securities regulatory authorities of the State Council.

Article 22 The domestic shares issued by the Company shall be kept at China Securities Depository and Clearing Corporation Limited, and foreign shares listed in Hong Kong shall primarily be kept by HKSCC Nominees Limited.

Article 23 The Company's proposals for the issuance of overseas listed foreign shares and domestic shares, upon approval by the securities regulatory authorities of the State Council, may be implemented by the Board through separate offerings.

The Company may implement its proposals for separate offerings of overseas listed foreign shares and domestic shares pursuant to the preceding paragraph within 15 months from the date of approval by the securities regulatory authorities of the State Council.

Article 24 Where the Company issues overseas listed foreign shares and domestic shares separately within the total number of shares stated in the Company's proposal for the issuance of shares, such shares shall be fully subscribed at one time respectively. If the shares cannot be fully subscribed at one time in special circumstances, the shares may be issued through separate offerings subject to the approval of the securities regulatory authorities of the State Council.

Article 25 Upon completion of the issuance of the aforesaid overseas listed foreign shares and domestic shares, the Company's total share capital is RMB13,258,663,400.

Article 26 Unless otherwise provided by laws and administrative regulations, shares of the Company are freely transferable according to law and are not subject to any lien.

Article 27 The Company does not accept pledges created over the Company's shares.

Article 28 Shares in the Company held by the promoter shall not be transferred within 1 year from the date of the Company's establishment. Shares previously issued by the Company prior to the initial public offering shall not be transferred within 1 year from the first day of the listing and trading of the Company's shares on a stock exchange.

During their terms of office, directors, supervisors and senior management of the Company shall disclose to the Company their shareholdings in the Company and changes therein and shall not transfer in any given year during their terms of office more than 25% of the total number of shares held by them. The shares held by them shall not be transferred within 1 year from the first day on which the shares of the Company were listed and traded. The aforesaid persons shall not transfer the shares held by them within 6 months from the date on which their resignation comes into effect.

Article 29 Any gains from sale of shares in the Company by any director, supervisor, senior management or shareholders holding 5% or more of the shares in the Company within 6 months after their purchase of the same, and any gains from purchase of shares or any other equity securities in the Company by any of the aforesaid parties within 6 months after sale of the same shall be disgorged and paid to the Company. The Board of Directors of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holding more than 5% of the shares due to the purchase of the remaining shares after underwriting, and other circumstances stipulated by the CSRC are excluded.

The shares or other equity securities held by any director, supervisor, senior management or individual shareholder as referred to in the preceding paragraph include the shares or other equity securities held by his/her spouse, parents and child and those held through any other person's account.

Should the Board of the Company fail to comply with the requirements set out in the first paragraph, a shareholder shall have the right to request the Board to effect the same within 30 days. Should the Board fail to do so within the said time limit, a shareholder shall have the right to initiate proceedings in the court directly in his own name for the interests of the Company.

Should the Board fail to comply with the requirements set out in the first paragraph, the responsible director(s) shall assume joint and several liabilities under the law.

Chapter 4 Increase and Reduction of Capital and Repurchase of Shares

Article 30 The Company may, according to its operation and business requirements, increase its capital as resolved by the general meeting in accordance with laws and regulations and the Articles of Association.

The Company may increase capital through:

- (I) public offering;
- (II) non-public offering;
- (III) issuing bonus shares to existing shareholders;
- (IV) converting its capital fund into share capital; and
- (V) other means stipulated by laws and administrative regulations or approved by the CSRC.

The increase in the capital of the Company by way of issuing new shares pursuant to the Articles of Association shall be implemented in accordance with procedures under relevant laws and administrative regulations of the PRC.

Upon completion of the capital increase or reduction, the Company shall effect the change in registration with the relevant administrative authorities for industry and commerce and make an announcement.

Article 31 In accordance with the Articles of Association, the Company may reduce its registered capital. The reduction in registered capital of the Company shall be effected pursuant to Company Law, other relevant regulations and the Articles of Association.

Article 32 In case of reduction of its registered capital, the Company shall prepare a balance sheet and assets list.

The Company shall give a notice to its creditors within 10 days and shall publish an announcement on newspapers within 30 days from the date of the Company's resolution on reduction of registered capital. The creditors may request the Company to settle liabilities or provide guarantees in respect thereof within 30 days of the receipt of the above notice or, if no notice is received, within 45 days after the first announcement is made.

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

Article 33 In the following circumstances, the Company may repurchase its issued and outstanding shares in accordance with laws, administrative regulations, department rules and the Articles of Association, subject to approval of relevant authorities of the PRC:

- (I) to cancel shares for reducing capital of the Company;
- (II) to merge with other companies which own shares in the Company;
- (III) to use shares for the purpose of employee stock ownership plan or as share incentive;
- (IV) repurchase of shares held by the shareholders who voted against proposals for merger or division in the general meeting of the Company and subsequently request the company to do so; and
- (V) using the shares to satisfy the conversion of corporate bonds convertible into shares issued by the Company;
- (VI) maintaining corporate value and shareholders' interests as the Company deems necessary;
- (VII) other circumstances as permitted by laws and administrative regulations.

Save as the aforesaid, the Company shall not repurchase its own shares.

Article 34 The Company may repurchase its own shares through open centralized trading or other methods recognized by laws, regulations and the regulatory authority of the jurisdiction where the shares are listed.

Where the Company repurchases its own shares due to the reason as set out in subparagraphs (III), (V) or (VI) of the first paragraph of Article 33, the open centralized trading method shall be adopted.

Article 35 A repurchase of shares in the Company by an off-market agreement outside stock exchange is subject to prior approval by the general meeting in accordance with the Articles of Association. The Company may, upon prior approval by shareholders at a general meeting in the same manner, rescind or vary the contract which has been entered into by the Company in the aforesaid manner, or waive any of its rights thereunder.

A contract to repurchase shares referred to in the preceding paragraph includes (but not limited to) an agreement to become obliged to repurchase and acquire rights to repurchase shares.

The Company shall not assign any contract to repurchase its shares or any of its rights thereunder.

Where the Company has the right to repurchase any redeemable shares, such repurchase shall, if to be made through means other than on market or by tender, be limited to a maximum price, and if to be made by tender, the tenders shall be offered to all shareholders alike.

Article 36 The Company's repurchase of its own shares for any of the reasons as mentioned in subparagraphs (I) and (II) of the first paragraph of Article 33 shall be subject to a resolution to be passed at the general meeting. The Company's repurchase of its own shares for any of the reasons as mentioned in subparagraphs (III), (V) and (VI) of the first paragraph of Article 33 shall be subject to a resolution to be passed at the Board meeting attended by more than two-thirds of the directors in accordance with provisions of the Articles of Association or the authorization of the general meeting. After the Company repurchases its own shares pursuant to the first paragraph of Article 33, it shall, if under the circumstance mentioned in subparagraph (I), cancel them within 10 days after the purchase; or if under either circumstance mentioned in subparagraph (II) or (IV), transfer them or cancel them within 6 months, or if under either circumstance mentioned in subparagraph (III), (V) or (VI), the total shares held by the Company shall not exceed 10% of its total issued shares, and shall be transferred or cancelled within three years.

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

Where the relevant rules of the regulatory authority and stock exchange where the shares are listed provide otherwise, such provisions shall prevail.

Article 37 Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchasing its issued and outstanding shares:

- (I) where the Company repurchases shares at par value, payment shall be made out of the balance of distributable profit of the Company or out of the proceeds from new shares issued for such purpose;
- (II) where the Company repurchases shares at a premium to the par value, payment up to the par value shall be made out of the balance of distributable profit of the Company or out of the proceeds from new shares issued for that purpose. Payment of the portion in excess of the par value shall be effected as follows:
 - (1) if the shares being repurchased were issued at par value, payment shall be made out of the balance of distributable profit of the Company;
 - (2) if the shares being repurchased were issued at a premium to the par value, payment shall be made out of the balance of distributable profit of the Company or out of the proceeds from new shares issued for that purpose, provided that the amount paid out of such proceeds shall not exceed the aggregate of the premiums received by the Company on the issue of the shares repurchased nor shall it exceed the book value of the Company's premium account (or its capital common reserve) (including the premiums on the new issue) at the time of the repurchase;
- (III) The Company shall make payments out of its distributable profit for the following uses:
 - (1) acquisition of the right to repurchase its own shares;
 - (2) variation of any contract for the repurchase of its shares;
 - (3) release of its obligations under any contract for repurchasing its shares.

- (IV) After the Company's registered capital is reduced by the aggregate par value of the cancelled shares in accordance with the relevant regulations, the amount deducted from the distributable profit of the Company for payment of the par value of the repurchased shares shall be transferred to the Company's share premium account (or capital common reserve).

Chapter 5 Financial Assistance for the Purchase of the Company's Shares

Article 38 No financial assistance shall be provided at any time and in any manner by the Company or its subsidiaries to any person acquiring or intending to acquire the shares of the Company. The aforesaid person(s) acquiring the shares of the Company shall include the person(s) who undertake(s), directly or indirectly, obligations as a result of an acquisition of shares of the Company.

No financial assistance shall be provided at any time and in any manner by the Company or its subsidiaries to reduce or release the obligations of the said person(s) undertaking such obligations.

This article shall not apply to the circumstances referred to in Article 40 in this chapter.

Article 39 The financial assistance referred to in this chapter shall include but not be limited to the assistance in the following ways:

- (I) gift;
- (II) guarantee (including provision by the guarantor of an undertaking or property to secure the performance of obligations by the obligor), indemnity (other than an indemnity in respect of the Company's own neglect or default) or a release or waiver thereof;
- (III) provision of loan or entering into a contract under which the obligations of the Company are to be fulfilled before the obligations of another party of the contract, or a change in the parties to, or the assignment of rights under, such loan or agreement; and
- (IV) any other financial assistance given by the Company when the Company fails to repay the debt or has no net assets or when its net assets would thereby be reduced to a material extent.

The "undertaking" referred to in this chapter shall include the undertaking of obligations by the obligor of contract or arrangement (whether the contract or arrangement is enforceable or to be undertaken individually or jointly by others) or by any other means whereby his financial position is changed.

Article 40 The following activities shall not be deemed to be prohibited by Article 38 of this chapter:

- (I) the provision of financial assistance is given in good faith in the interests of the Company and the principal purpose in giving such assistance is not for acquisition of shares in the Company, or the giving of the assistance is an incidental part of an overall plan of the Company;
- (II) the distribution of the assets of the Company by way of dividends in accordance with law;
- (III) distribution of dividends in the form of shares;

- (IV) reduction of registered capital, repurchase of shares, adjustment of shareholding structure in accordance with the Articles of Association;
- (V) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is deducted from the Company's distributable profit); and
- (VI) the provision of money by the Company for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is deducted from the Company's distributable profit).

Chapter 6 Share Certificates and Register of Members

Article 41 The share certificates of the Company shall be in registered form.

In addition to those provided in the Company Law and the Special Regulations, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange on which the shares of the Company are listed.

At any time during the period when its H shares are listed on the SEHK, the Company shall ensure that the following statements are included in all entitlement documents (including certificates of H shares) for all its securities listed on the SEHK:

- (I) the purchaser of the shares agrees with the Company and each of the shareholders, and the Company agrees with each of the shareholders that, they will observe and comply with the Company Law, the requirements of relevant laws and administrative regulations and the Articles of Association.
- (II) the purchaser of the shares agrees with each of the shareholders, directors, supervisors, president (general manager) and other senior management of the Company, and the Company, acting on behalf of itself and each of directors, supervisors, president (general manager) and other senior management of the Company, agree with each of the shareholders that, they will refer to arbitration for settlement all disputes and claims arising from the Articles of Association, or disputes and claims of rights in relation to the Company's affairs arising from any rights or obligations under the Company Law or other relevant laws and administrative regulations in accordance with the provisions of the Articles of Association, and that any referral to arbitration shall be deemed as an authorisation to an arbitral court to hold a public hearing and announce its arbitration award to the public. Such award shall be final and conclusive.
- (III) the purchaser of the shares agrees with the Company and all of the shareholders of the Company that the shares of the Company may be freely transferable.
- (IV) the purchaser of the shares authorises the Company to act on its behalf to enter into a contract with each of directors, president (general manager) and other senior management of the Company, whereby each of the directors, president (general manager) and other senior management undertakes to observe and comply with the provisions of the Articles of Association in respect of their responsibility to the shareholders.

The Company shall instruct and procure its share registrar to reject the registration of the subscription, acquisition or transfer of shares in the name of any individual holder unless and until the individual holder submit the signed form in relation to the shares to the share registrar and the form shall contain the aforesaid statements.

Article 42 Share certificates of the Company shall be signed by the Chairman. Where the stock exchange on which the Company's shares are listed requires other senior management to sign on the share certificates, the share certificates shall also be signed by such senior management. The share certificates shall take effect after being affixed or printed with the seal of the Company. The share certificates shall only be affixed with the corporate seal with the authorization of the Board. The signatures of the Chairman of the Board or other relevant senior management on the share certificates may also be in printed form.

Article 43 The Company shall keep a register of members based on the evidential proof provided by the share registrar. The register of members shall contain the following particulars:

- (I) the surname and name (name), address (place of domicile), occupation or nature of business of each shareholder;
- (II) the class and number of shares held by each shareholder;
- (III) the amount paid-up or payable in respect of shares held by each shareholder;
- (IV) the share certificate numbers of the shares held by each shareholder;
- (V) the date on which each shareholder was registered in the register as a shareholder; and
- (VI) the date on which any shareholder ceased to be a shareholder.

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

Subject to compliance with the provisions in the Articles of Association and other applicable requirements, upon a transfer of share(s) of the Company, the name(s) of the transferee(s) shall be recorded in the register of members as the holder(s) of such share(s).

All issues or transfers of overseas listed foreign shares will be registered in the register of members of overseas listed foreign shares at the place of listing in accordance with the requirements set out in Article 44 of the Articles of Association.

When two or more persons are registered as joint holders of any shares, they shall be deemed to be joint owners of such shares and subject to constraints of the following terms:

- (I) the Company does not need to register more than 4 persons as joint holders for any shares;
- (II) the joint holders of any shares shall jointly or severally assume the liability to pay for all amounts of fee payable for the relevant shares;

- (III) in case one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares, provided that the Board shall have the right, for the purpose of making amendments to the register of members, to demand a death certificate of such shareholder where it deems appropriate to do so;
- (IV) for joint holding of any shares, only the joint holder whose name appears first in the register of members is entitled to receive the certificate for the relevant shares, receive the Company's notices, and to attend and exercise all voting rights of the relevant shares in the general meetings of the Company. Any notice serviced to the above persons shall be deemed to be serviced to all joint holders of the relevant shares.

Article 44 The Company may keep overseas the register of holders of overseas listed foreign shares and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authority under the State Council and the overseas securities regulatory authority. For the overseas listed foreign shares listed in Hong Kong, the original of the register of members shall be kept in Hong Kong.

The Company shall keep at its place of domicile a copy of the register of holders of overseas listed foreign shares; the entrusted overseas agency shall always ensure that the original and the copy of the register of holders of overseas listed foreign shares are consistent.

Where there is a discrepancy between the original and the copy of the register of holders of overseas listed foreign shares, the original shall prevail.

Article 45 The Company shall maintain a complete register of members. The register of members shall include the following parts:

- (I) the register of members which is maintained at the Company's place of domicile (other than those share registers described in subparagraphs (II) and (III) of this Article);
- (II) the register of members in respect of the holders of overseas listed foreign shares of the Company which is maintained at the place of the overseas stock exchange on which the shares of the Company are listed; and
- (III) the register of members which is maintained in such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 46 Different parts of the register of members shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of members.

Alteration or rectification of each part of the register of members shall be made in accordance with the laws of the jurisdiction where that part of the register of members is maintained.

Article 47 All fully paid-up overseas listed foreign shares listed in Hong Kong are freely transferable pursuant to the Articles of Association. The Board may refuse to recognize any instrument of transfer without explanation unless such transfer is in compliance with the following conditions:

- (I) payment of HK\$2.50 or such higher fees as demanded by the SEHK has been paid to the Company to register the instrument of transfer of shares and other documents relating to or which may affect the ownership of such shares;
- (II) the instrument of transfer involves only the overseas listed foreign shares listed in Hong Kong;
- (III) the stamp duty payable on the instrument of transfer has been paid;
- (IV) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares have been submitted;
- (V) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed 4;
- (VI) the relevant shares shall be free from any lien created by any company;
- (VII) no share shall be transferred to a minor or an individual with unsound mind or a legally incapacitated individual.

If the Company refuses to register a share transfer, the Company shall send the transferor and the transferee a notice of refusal to register the said share transfer within 2 months after the application for transfer is submitted.

Article 48 All transfers of overseas listed foreign shares listed in Hong Kong shall be effected by a written instrument of transfer in an ordinary or usual form or any other form acceptable to the Board (including the standard transfer format or form of transfer specified by the SEHK from time to time). The instrument of transfer may be signed under hand or by an imprint only, or (where the transferor or transferee is a corporation) by the corporate seal. Where the transferor or transferee is a recognized clearing house (“recognized clearing house”, as defined by relevant regulations in Hong Kong law effective from time to time) or its nominee, it may be signed in a machine-imprinted format.

All instruments of transfer shall be maintained at the legal address of the Company or such places as the Board may specify from time to time.

Article 49 Where there are requirements under the laws, administrative regulations, department rules, normative documents, rules of the relevant stock exchanges or regulatory authorities of the jurisdiction where the shares of the Company are listed governing the period of closure of register of members prior to a general meeting or prior to the record date for determining the entitlement to dividends, such requirements shall prevail.

Article 50 When the Company intends to convene a general meeting, distribute dividends, enter into liquidation and engage in other activities that involve confirmation of interests, the Board shall fix a specific date as the record date for determining the shareholdings. Shareholders named in the register of members by the end of the record date shall be the shareholders of the Company.

Article 51 Any party who objects to the register of members and requests to have its name included in or removed from the register of members may apply to the court of the relevant jurisdiction to correct the register of members.

Article 52 Any shareholder who is registered in, or any person requests to have his name entered into, the register of members may, if his share certificate (the “Original Certificate”) is lost, apply to the Company for a replacement share certificate in respect of such shares (the “Relevant Shares”).

If a holder of the domestic shares loses his share certificate and applies for a replacement share certificate, it shall be dealt with in accordance with the provisions of the Company Law.

If a holder of overseas listed foreign shares loses his share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas listed foreign shares is maintained.

If a holder of overseas listed foreign shares listed in Hong Kong loses his share certificate and applies for a replacement share certificate, such share certificate shall be issued in compliance with the following requirements:

- (I) the applicant shall submit an application to the Company in the standard form prescribed by the Company accompanied by a notarially certified certificate or statutory declaration containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificate as well as declaring that no other person is entitled to request to be registered as the shareholder of the Relevant Shares.
- (II) before the Company decides to issue the replacement share certificate, no statement made by a person other than the applicant requesting that he shall be registered as the shareholder in respect of the Relevant Shares has been received.
- (III) the Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate in such newspapers designated by the Board; the announcement shall be made at least once every 30 days for a period of 90 days.
- (IV) the Company shall have, prior to the publication of its intention to issue a replacement share certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been displayed at the premises of the stock exchange. The announcement shall be displayed at the premises of the stock exchange for a period of 90 days.

In case an application to issue a replacement share certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a copy of the announcement to be published.

- (V) if, upon expiration of the 90-day period of announcement, display referred to in subparagraphs (III) and (IV) of the Articles of Association, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant accordingly.

(VI) where the Company issues a replacement share certificate in accordance with the Articles of Association, it shall forthwith cancel the Original Certificate and record the cancellation and replacement matters in the register of members accordingly.

(VII) all expenses relating to the cancellation of an Original Certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 53 After the Company issues a replacement share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case where he is a bona fide purchaser) shall not be deleted from the register of members.

Article 54 The Company shall not have any obligation to indemnify any person for any damages suffered thereby arising out of the cancellation of the Original Certificate or the issuance of a replacement share certificate, unless such person concerned can prove that the Company has committed a fraudulent act.

Chapter 7 Rights and Obligations of Shareholders

Article 55 A shareholder of the Company is a person who lawfully holds shares of the Company and has his name recorded in the register of members.

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. All classes of shareholders of the Company shall have equal rights in any profit distribution in the form of dividend or in any other form.

For a corporate shareholder, its legal representative or a proxy appointed thereby shall exercise the rights on its behalf.

The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attaching to any shares of the Company by reason only that person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

The joint holders of any shares shall jointly or severally assume the liability to pay for all amounts of fee payable for the relevant shares. In case one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares, provided that the Board shall have the right, for the purpose of making amendments to the register of members, to demand a death certificate of such shareholder where it deems appropriate to do so. For joint holding of any shares, only the joint holder whose name appears first in the register of members is entitled to receive the certificate for the relevant shares, receive the Company's notices, and to attend and exercise all voting rights of the relevant shares in the general meetings of the Company. Any notice serviced to the above persons shall be deemed to be serviced to all joint holders of the relevant shares.

Article 56 Holders of ordinary shares of the Company shall have the rights:

(I) to claim dividends and distribution of profits in any other form in proportion to the number of shares held;

- (II) to lawfully require, convene, preside over or attend shareholders' meetings either in person or by proxy and exercise the corresponding voting right;
- (III) to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (IV) to transfer, donate or pledge the held shares in accordance with laws, administrative regulations and the Articles of Association; and
- (V) to receive information as provided in the Articles of Association, including:
 - (1) a copy of the Articles of Association upon payment of the costs thereof;
 - (2) the right to inspect and copy, subject to payment of reasonable charge:
 - 1. all parts of the register of shareholders; and
 - 2. personal particulars of the directors, supervisors, president (general manager) and other senior management of the Company, including:
 - (a) present and former forename and surnames and any aliases;
 - (b) principal address (domicile);
 - (c) nationality;
 - (d) occupation and all other part-time occupation and positions; and
 - (e) identification documents and its number.
 - (3) status of the share capital of the Company;
 - (4) reports showing the total nominal value and number of shares repurchased by the Company since the end of the last fiscal year, quantity, the highest and the lowest price paid and the aggregate amount paid by the Company in respect of each class of its shares repurchased;
 - (5) minutes of shareholders' meetings, and resolutions passed at meetings of the Board and the Supervisory Committee; and
 - (6) corporate bond counterfoils and financial accounting reports.

Documents of items (1) and (3) to (6) mentioned above and any other applicable documents shall be made available by the Company, according to the requirements of the Listing Rules, at the Company's address in Hong Kong, for the public and overseas listed foreign shareholders to inspect at no charge.

- (VI) to participate in the distribution of the residual assets of the Company in proportion to the number of shares held in the event of termination or liquidation of the Company;

(VII) to request the Company to repurchase its shares by the shareholders when they cast votes against the proposal for merger or division at the general meeting of the Company; and

(VIII) other rights conferred by laws, administrative regulations and the Articles of Association.

The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attaching to any shares of the Company by reason only that person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

Article 57 A shareholder who requires access to the relevant information as set out in the preceding article shall provide the Company with written documents evidencing the type and number of shares held by the said shareholder, and the Company shall provide such information as required upon authentication of the said shareholder.

Article 58 Shareholders shall have the right to request the court to invalidate any resolution of the general meeting or the Board which runs against the laws and administrative regulations or infringes the legitimate rights and interests of the shareholders.

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

Article 59 If any director or senior management violates the laws and administrative regulations or the Articles of Association in fulfilling their duties, thereby incurring any loss of the Company, the shareholder(s) separately or jointly holding 1% or more shares of the Company for 180 or more consecutive days shall have the right to submit a written request to the Supervisory Committee to institute legal proceedings in the court; if the Supervisory Committee violates the laws and administrative regulations or the Articles of Association in fulfilling its duties, thereby incurring any loss of the Company, the aforementioned shareholders shall have the right to submit a written request to the court for legal proceedings.

If the Supervisory Committee or the Board refuses to institute legal proceedings after receipt of the aforesaid written request or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent or any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall have the right to directly institute legal proceedings in the court in their own names for the interests of the Company.

If any other person infringes the legitimate rights and interests of the Company, thereby causing any loss of the Company, the shareholders as specified in the first paragraph of this Article may institute legal proceedings in the court pursuant to the preceding two paragraphs.

Article 60 If any director or senior management violates the laws and administrative regulations or the Articles of Association, thereby incurring any loss of the shareholders, the shareholders may institute legal proceedings in the court.

Article 61 Holders of ordinary shares of the Company shall assume the following obligations:

(I) to comply with laws and administrative regulations and the Articles of Association;

- (II) to pay subscription money according to the number of shares subscribed and the method of subscription;
- (III) to take responsibility for the Company to the extent of the shares held;
- (IV) not to divest the shares except otherwise provided by laws and regulations;
- (V) not to abuse their rights as shareholders to damage the interests of the Company or other shareholders; and not to abuse the Company's independent status of legal entity or shareholders' limited liability to damage the interests of the creditors of the Company;
- (VI) other obligations imposed by laws, administrative regulations and the Articles of Association.

A shareholder who abuses shareholder's right shall be liable for indemnification to any loss so caused to the Company or other shareholders according to law.

A shareholder who abuses the Company's independent status of legal entity or shareholder's limited liability to evade debts thereby causing serious damage to the interests of the creditors of the Company shall bear joint liability for the Company's debts.

Shareholders shall not be liable to make any further contributions to the share capital other than according to the terms agreed by the subscribers at the time of share subscription.

Article 62 A shareholder holding 5% or more voting shares of the Company who intends to pledge his shares shall submit a written report to the Company on the date on which the said pledge is executed.

Article 63 The controlling shareholder and the de facto controller of the Company have the duty to act in good faith towards the Company and public shareholders of the Company. The controlling shareholders shall duly exercise contributors' rights according to law, shall not damage the legitimate rights and interests of the Company and public shareholders by means such as profit distribution, asset reorganisation, external investment, fund appropriation and loan guarantee and shall not abuse its controlling status to damage the interests of the Company and public shareholders.

In addition to obligations imposed by the laws, administrative regulations or required by the listing rules of the stock exchange on which the shares of the Company are listed, a controlling shareholder (as defined below) shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:

- (I) to waive a director or supervisor of his responsibility to act honestly in the best interests of the Company;
- (II) to approve the expropriation by a director or supervisor (for his own benefits or for the benefits of another person), in any way, of the Company's properties, including (but not limited to) any opportunities beneficial to the Company;

(III) to approve the expropriation by a director or supervisor (for his own benefits or for the benefits of another person) of personal rights of other shareholders, including (but not limited to) any rights to distributions and voting rights save for pursuant to a restructuring submitted to shareholders for approval at a general meeting in accordance with the Articles of Association.

The controlling shareholder(s) or de facto controller(s) shall not take advantage of their connected relationship to prejudice the interests of the Company, or they shall be liable to indemnify the Company for any of its loss incurred arising from the violation of such requirement.

Article 64 The term “controlling shareholder” referred to in the preceding article means a person who satisfies any one of the following conditions:

- (I) S/he severally or jointly, acting in concert with others, is entitled to elect half or more members of the Board;
- (II) S/he severally or jointly, acting in concert with others, is entitled to exercise or to control the exercise of 30% or more of the voting rights of the Company;
- (III) S/he severally or jointly, acting in concert with others, holds 30% or more of the outstanding issued shares of the Company; or
- (IV) S/he severally or jointly, acting in concert with others, has de facto control over the Company in any other manners.

The term “acting in concert” referred to in this Article represents an act that any of two or more persons obtains the voting right in the Company by way of agreement thereon (whether in oral or in written), so as to realise or reinforce the purpose of controlling the Company.

For the purposes hereof, the term “de facto controller” means the person(s), not being shareholders of the Company, who are able to exercise actual control over the acts of the Company through an investment relationship, agreement or other arrangements.

For the purposes hereof, the term “connected relationship” means the relationship between the controlling shareholders, de facto controller, directors, supervisors or senior management of the Company and the enterprise directly or indirectly controlled thereby and any other relationship that may lead to the transfer of any interest of the Company. However, enterprises controlled by the State do not have a connected relationship with one another simply because they are under the control of the State.

Chapter 8 General Meetings

Article 65 The general meeting is the Company’s authoritative organ which shall exercise its functions and powers in accordance with the laws.

Article 66 The general meeting shall have the following functions and powers:

- (I) to decide on the Company’s operational policies and investment plans;

- (II) to elect and replace directors who are not appointed from the employees' representatives and decide on matters relating to their remuneration;
- (III) to elect and replace supervisors who are appointed from the shareholders' representatives and decide on matters relating to their remuneration;
- (IV) to consider and approve the reports of the Board;
- (V) to consider and approve the reports of the Supervisory Committee;
- (VI) to consider and approve the Company's proposed annual budgets and final accounts;
- (VII) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (VIII) to resolve the increase or reduction of the Company's registered capital and the acquisition of the Company's shares;
- (IX) to resolve the merger, division, dissolution, liquidation of the Company or change of corporate form;
- (X) to resolve the issue of corporate debentures of the Company;
- (XI) to resolve the appointment, dismissal or non-reappointment of accounting firms;
- (XII) to amend the Articles of Association;
- (XIII) to consider motions proposed by shareholders representing 3% or more of voting shares of the Company;
- (XIV) to consider and approve the provision of guarantees under Article 66 of the Articles of Association;
- (XV) to consider the acquisition and disposal of major assets by the Company during a year which exceeds 30% of the Company's latest audited total assets;
- (XVI) to consider and approve the changes in the use of proceeds from share offerings;
- (XVII) to consider share incentive schemes and employee shareholding scheme; and
- (XVIII) other matters which, according to the laws, administrative regulations and the Articles of Association, shall be resolved by the shareholders at general meetings.
- (XIX) General meetings may authorize or appoint the Board to deal with such other matters apart from the aforesaid powers and functions.

The aforesaid functions and powers of general meetings set out in subparagraphs (I) to (XVIII) shall not be exercised by the Board or by other organisations and individuals on behalf of shareholders through authorization.

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

- (I) any provision of guarantee, where the total amount of external guarantees provided by the Company or its subsidiaries exceeds 50% of the latest audited net assets;
- (II) any provision of guarantee, where the total amount of external guarantees provided by the Company exceeds 30% of the latest audited total assets;
- (III) any provision of guarantee to anyone whose liability-asset ratio exceeds 70%;
- (IV) any provision of a single guarantee in the amount exceeding 10% of the latest audited net assets;
- (V) any provision of guarantee to shareholders, de facto controller and their connected parties;
- (VI) any provision of guarantee by the Company within one year in an amount exceeding 30% of the Company's latest audited total assets;
- (VII) save as specified in subparagraphs (I) to (VI), any provision of other guarantees falling into "discloseable transactions" as specified in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules of SEHK") with any of the results of the five size tests reaching 25% or above; and
- (VIII) such other guarantees as defined by laws and regulations, the stock exchange on which the shares of the Company are listed and the Articles of Association.

External guarantees to be considered and approved at the general meeting shall be considered and approved by the Board before submission to the general meeting. When the general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller or their connected party, the said shareholder or the shareholders controlled by the de facto controller shall abstain from voting on the proposal, and the proposal shall be subject to adoption by more than half of the voting rights of other shareholders present at the general meeting.

Save for the foregoing, other external guarantees are subject to consideration and approval by the Board as authorised by way of resolution made by two-thirds or more of the directors present at the board meeting.

If the directors, general manager and other senior management of the Company violate the approval authority and review procedures on the external guarantee stipulated in the Articles of Association, the relevant personnel shall be held accountable, and if the Company and the shareholders' interests are damaged, the directly responsible personnel shall assume the corresponding liability for compensation.

Article 68 The Company shall not, without prior approval of shareholders at general meetings, enter into any contract with any person other than a director, supervisor, president (general manager) and other senior management whereby the administration of the whole or any substantial part of the business of the Company is to be handed over to such person.

Article 69 General meetings are divided into annual general meetings and extraordinary general meetings. General meetings shall be convened by the Board. Annual general meetings are held once a year and within 6 months from the end of the preceding fiscal year.

Under any of the following circumstances, the Board shall convene an extraordinary general meeting within 2 months:

- (I) the number of directors is less than the quorum required by the Company Law or two-thirds of the number of directors specified in the Articles of Association;
- (II) the accrued losses of the Company amount to one-third of the total amount of its paid-in share capital;
- (III) shareholder(s) severally or jointly holding 10% or more of the Company's outstanding issued shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;
- (IV) it is deemed necessary by the Board or requested by the Supervisory Committee to convene an extraordinary general meeting; or
- (V) half or more of the independent non-executive directors propose to convene the meeting.

Article 70 The venue of general meeting of the Company is the domicile of the Company or other place notified by the convener of the general meeting.

The general meetings shall be held onsite at the venue. The Company may also provide virtual access to vote for its shareholders to conveniently participate in general meetings. Shareholders participating in the general meetings by any aforesaid means shall be deemed as having attended the meetings.

Article 71 In convening a general meeting, the Company shall engage a lawyer to provide legal opinions and publish an announcement on the following matters:

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

Article 72 An extraordinary general meeting may be convened upon proposal by half or more of the independent non-executive directors to the Board. Regarding the proposal of the independent non-executive directors to convene an extraordinary general meeting, the Board shall, pursuant to relevant 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 agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 2 days after making the resolution. If the Board does not agree to convene the extraordinary general meeting, it shall give the reasons and make an announcement in respect thereof.

Article 73 The Supervisory Committee shall have the right to propose to the Board to convene an extraordinary general meeting, and shall put forward its proposal to the Board in a written form. The Board shall, pursuant to relevant 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 agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 2 days after making the resolution. 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 does not agree to convene 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 general meeting, and the Supervisory Committee may convene and preside over the meeting by itself.

Article 74 Shareholders severally or jointly holding 10% or more of the Company's shares shall have the right to request the Board to convene extraordinary general meetings, provided that such request shall be made in writing. The Board shall, in accordance with provisions of the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within 10 days after receiving such proposal of the same.

If the Board agrees to convene an extraordinary general meeting, the notice of general meeting shall be issued within 2 days after adopting the relevant resolution of the Board. Any changes to the original request made in the notice shall be subject to prior approval of the shareholders concerned.

If the Board does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such proposal, shareholders severally or jointly holding 10% or more of the Company's shares shall have the right to propose to the Supervisory Committee the convening of extraordinary general meeting, provided that such proposal shall be made in writing.

If the Supervisory Committee agrees to convene an extraordinary general meeting, the notice of convening the general meeting shall be issued within 2 days after receiving such request. Any changes to the original proposal made in the notice shall require prior approval of the shareholders concerned.

Failure of the Supervisory Committee to issue a notice of general meeting within the stipulated period shall be deemed as the failure of the Supervisory Committee to convene and preside over a general meeting, and shareholders severally or jointly holding 10% or more of the Company's shares for 90 or more consecutive days shall have the right to convene and preside over the meeting on an unilateral basis.

Where the shareholders require the holding of a class meeting, it shall be performed in accordance with the following procedures:

- (I) two or more shareholders holding in aggregate 10% or more of the shares carrying voting rights at the meeting to be held shall sign one or more counterpart requisitions stating the objectives of the meeting and requiring the Board to convene a class meeting. The Board shall as soon as possible proceed to convene the class meeting after receiving such requisition in writing. The shareholdings referred to above shall be calculated as at the date of the deposit of the requisition by the shareholders.

- (II) if the Board fails to issue a notice of convening such a meeting within 30 days from the date of the receipt of such requisition in writing, the requisitioning shareholders may themselves convene such a meeting with the procedures as similar as possible as that in which shareholders' meetings are to be convened by the Board within 4 months from the date of receipt of the requisition by the Board.

Any reasonable expenses incurred by shareholders in convening and presiding over a meeting by reason of the failure of the Board to duly convene a meeting as requested above shall be borne by the Company and shall be set off against sums owed by the Company to the directors in default.

Article 75 Where the Supervisory Committee or shareholders decide to convene a general meeting by itself/themselves, a notice in writing shall be given to the Board and filed with the stock exchange(s).

Prior to the announcement of the resolution of the general meeting, the shareholding of shareholders convening the meeting shall not be less than 10%. Shareholders convening the meeting shall publish an announcement no later than the issuance of notice of the general meeting, and undertake that their shareholding shall not be less than 10% during the period from the date of proposing the convening of the general meeting to the convening date of the general meeting.

Article 76 With regard to the general meeting convened by the Supervisory Committee or shareholders on its/their own initiative, the Board and the secretary to the Board shall offer cooperation. The Board shall provide the register of members as of the record date. If the Board fails to provide the register of members, the convener may apply to the securities registration and clearing authority or its agency to obtain it on the strength of the relevant notice or announcement of the general meeting. The register of members obtained by the convener shall not be used for any purpose other than the holding of the general meeting.

Article 77 The Company shall bear the expenses in relation to the general meeting convened by the Supervisory Committee or shareholders on its/their own initiative.

Article 78 Content of proposals shall be matters falling within the functions and powers of general meeting with definite topics and specific matters for resolution, and shall comply with the laws, administrative regulations and the Articles of Association.

Article 79 When the Company convenes an annual general meeting, written notice of the meeting shall be given 20 days before the date of the meeting, and when the Company convenes an extraordinary general meeting, written notice of the meeting shall be given 15 days before the date of the meeting.

The period of the despatching of the notice shall exclude the date convening the meeting. Where relevant laws, regulations and the securities regulatory authorities of the jurisdiction where the shares of the Company are listed stipulate otherwise, such provisions shall prevail.

For the purpose of this Article, the despatching date of a notice is the date on which the Company or the share registry appointed by the Company delivers the notice to the post office to post it.

Article 80 When the Company convenes a general meeting, shareholders severally or jointly holding 3% or more of the total number of shares carrying voting rights shall have the right to propose new motions in writing to the Company and the Company shall include the matters falling within the scope of functions and powers of the general meeting into the agenda of such meeting.

A motion proposed at general meetings by shareholders shall be subject to and conditional upon:

- (I) the substance of the motion proposed shall not be in conflict with the laws, regulations and the Articles of Association, and shall fall within the scope of operation of the Company and the functions and powers of general meetings;
- (II) there is a clear subject matter of discussion and a specific resolution; and
- (III) the motion shall be submitted or served to the Board in writing.

Article 81 An extraordinary general meeting shall not resolve on matters not stated in the notice of meeting.

Article 82 A notice of a shareholders' meeting shall be subject to and conditional upon:

- (I) being served in writing;
- (II) specifying the place, the date and time of the meeting;
- (III) stating the issues and proposals to be considered at the meeting;
- (IV) specifying the record date for shareholders who are entitled to attend the general meeting;
- (V) providing such information and explanation as are necessary for the shareholders to make an informed decision on the matters to be considered. Without limiting the generality of the foregoing, where a proposal is made (including but limited to) upon an merger of the Company, share repurchases, share capital reorganisation or reconstruction of the Company in any other way, the specific terms of the proposed transaction shall be provided in details together with copies of the proposed contracts (if any), and the cause and effect of such proposal shall be properly explained;
- (VI) containing a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, president (general manager) and other senior management in the proposed transaction; and the effect of the proposed transaction on the director, supervisor, president (general manager) and other senior management in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;
- (VII) containing the full text of a special resolution to be proposed at the meeting;
- (VIII) containing a conspicuous statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend and vote at the general meeting, and a shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and such proxy is not necessarily be a shareholder of the Company; and
- (IX) specifying the time and place for service of proxy forms for the relevant meeting;
- (X) specifying the name and telephone number of the contact person for the meeting.
- (XI) Voting time and voting procedure of voting via internet or by other ways.

Where the opinions of an independent non-executive director are required for the matters to be discussed, such opinions and reasons shall be disclosed in the notices or supplementary notices of general meetings served.

The notice of general meeting of the Company shall specify how the meeting is to be held, that is whether virtually and/or by other means, and for each of the means, the voting time and voting procedure. The time to start voting at a general meeting held over network or by other means shall not be earlier than 3:00 p.m. of the day preceding the date of the onsite general meeting or later than 9:30 a.m. of the date of the onsite general meeting, and shall not conclude earlier than 3:00 p.m. of the date of the onsite general meeting.

The interval between shareholding recording date and the date of the meeting shall not be more than 7 days. The shareholding recording date shall not be changed once confirmed.

Article 83 Where the general meeting intends to deliberate on the election of non-staff representative directors or shareholder representative supervisors, the notice of meeting shall fully disclose the detailed information on the candidates of non-staff representative directors or shareholder representative supervisors, at least in the following aspects:

- (I) personal information such as educational background, working experience and other work engagements;
- (II) whether such candidate has is a connected person of the Company or its controlling shareholders or persons exercising de facto control over the Company;
- (III) the number of shares of the Company such candidate holds;
- (IV) whether such candidate has been penalised by the CSRC or any other relevant authorities, or by the stock exchange.

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 motion.

Article 84 Notice of a general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting), by hand or prepaid mail to the registered address of such shareholders as appeared in the register of members. For the holders of domestic shares, notice of meetings may also be issued by way of public announcement.

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the relevant securities regulatory authorities of the State Council; After the publication of the announcement, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' meeting.

Article 85 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 86 After giving the notice of general meeting, the general meeting shall not be postponed or cancelled and the motions set out in the notice shall not be cancelled without proper reasons. In case of any postponement or cancellation of the meeting, the convener shall make an announcement and give the reasons thereof at least 2 business days prior to the date on which the meeting is originally scheduled.

Article 87 The Board or any other convener shall take necessary measures to ensure the proper order of the general meeting. The Board or any other convener shall take measures to stop any act which would interfere with or causes nuisance at a general meeting or would infringe the legitimate rights and interests of shareholders, and shall report such act to the relevant authorities for investigation and treatment.

Article 88 All shareholders whose names appeared in the register of members as of the record date or their proxies shall have the right to attend the general meeting and exercise voting rights pursuant to relevant laws, regulations and the Articles of Association.

The shareholders may attend general meetings and exercise voting rights either in person or by proxy.

Article 89 An individual shareholder attending a general meeting in person shall produce his/her identity card or other valid identity certificate and share account card; a proxy attending a general meeting on behalf of an individual shareholder shall produce his/her valid identity card and power of attorney from the shareholder.

For a corporate shareholder, its legal representative or a proxy appointed thereby shall attend the meeting. The legal representative attending the meeting shall produce his/her identity card or valid certificate evidencing his/her qualifications as legal representative; a proxy attending the meeting on behalf of the legal representative shall produce his/her identity card and power of attorney lawfully issued by a legal representative of the corporate shareholder. The legal representative or the proxy appointed thereby attending a general meeting shall be deemed as a corporate shareholder attending the general meeting in person.

Article 90 Any shareholder entitled to attend and vote at a shareholders' meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy (proxies) to attend and vote on his behalf. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder:

- (I) the shareholder's right to speak at the meeting;
- (II) the right to demand or join in demand for a poll; and
- (III) the right to vote on a show of hands or on a poll, unless otherwise stipulated by the applicable securities listing rules or other securities laws and regulations, provided that for a shareholder who has appointed more than one proxy, such proxies may only vote on a poll.

Where such shareholder is a recognised clearing house (or its nominees), the shareholder may authorize a person or persons as he thinks fit to act as his representative (or representatives) at any general meeting or any meeting of any class of shareholders, provided that if more than one person is so authorised, the authorisation must specify the number and class of shares in respect of which each such person is so authorised. The person so authorised is entitled to exercise the rights on behalf of the recognised clearing house (or its nominees) as if he was an individual shareholder of the Company.

Such proxy form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote as his discretion.

Article 91 The instrument appointing a proxy shall be in writing under the hand of the principal or his attorney duly authorised in writing, or if the principal is a legal person, either under seal or under the hand of a director or attorney duly authorised. Such power of attorney shall contain the number of shares represented by a proxy; if several persons are appointed as proxies, the number of shares represented by each proxy shall be specified.

Article 92 The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than 24 hours prior to the time appointed for the holding of the meeting or 24 hours prior to the time appointed for voting. Where the proxy form is signed by an attorney authorised by the principal, the power of attorney or other authorisation instruments shall be notarised. The notarised power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice to the meeting.

If a principal is a legal person, its legal representative or any other person authorised by its board of directors or by other authority body may attend a shareholders' meeting on behalf of such principal.

Article 93 Any instrument issued to a shareholder by the Board of the Company for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favour of or against the motions according to his free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The instrument of proxy shall contain a statement that, in the absence of instructions by the shareholder, the proxy may vote as it thinks fit.

The Company has the right to request a proxy attending a general meeting on behalf of shareholder to produce his identification document.

If a legal person corporate shareholder (save for a recognised clearing house or its nominees) appoints a proxy to attend the meeting on its behalf, the Company has the right to request the proxy to produce his identification document and a notarised copy of the resolution or power of attorney issued by the relevant board of directors or other authoritative body.

Article 94 A vote given by a proxy in accordance with the terms of an instrument of proxy shall remain valid notwithstanding the death or loss of capacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such aforesaid issues shall have been received by the Company before the commencement of the meeting.

Article 95 The attendance register shall be prepared by the Company, which shall state the names (or names of the corporations), identification document number and the address of the attendee, the number of voting shares held or represented, names of the principal (or names of the corporations) and so on.

Article 96 In convening a general 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 a meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total amount of their voting shares.

Article 97 All directors and supervisors and the secretary to the Board shall attend the general meeting, whereas the chief executive officer and other senior management shall be present at the meeting.

Article 98 A general meeting shall be convened and presided over by the Chairman of the Board. If the Chairman is unable or fails to convene and preside over the meeting, the Vice-chairman shall convene and preside over the meetings (if the Company has two or more Vice Chairmen, such meetings shall be presided over by the Vice-chairman jointly elected by more than half of all directors); if the Vice-chairman is unable or fails to convene and preside over the meeting, a director designated by the Board shall convene and preside over the meetings on its behalf. If no chairman of the meeting has been designated, shareholders present shall choose one person to be the chairman of the meeting. Where the shareholders fail to elect a chairman for any reasons, the shareholder (including his proxy) present in person or by proxy who holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

General meeting convened by the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his duties, a supervisor designated by the Supervisory Committee shall preside over the meeting on its behalf.

A general meeting convened by the shareholders themselves shall be presided over by a representative nominated by the convening shareholders.

When a general meeting is held and the chairman of the meeting violates the rules of procedures such that the general meeting cannot proceed, a person may be elected to preside over the meeting, subject to approval of shareholders entitled to more than half of the voting rights present at the meeting. Where the shareholders fail to elect a chairman for any reasons, the shareholder (including his proxy) present in person or by proxy who holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

Article 99 The Company shall formulate the Rules of Procedures of Shareholders' General Meetings regulating the convening and voting procedure of general meetings, including notice, registration, consideration of motions, voting, counting of ballots, announcement of voting result, formation of resolution, meeting minutes and signing thereof and announcement, and the principle for authorization to the Board by general meetings. The Rules of Procedures of Shareholders' General Meetings are an appendix to the Articles of Association and shall be formulated by the Board and approved by the general meeting.

Article 100 The Board and the Supervisory Committee shall report their work in the preceding year at the annual general meeting. Every independent director shall also make his work reports.

Article 101 Directors, supervisors and senior management shall make explanations in relation to the inquiries and suggestions made by shareholders at general meetings.

Article 102 The presider shall, prior to voting, announce the number of shareholders and proxies present at the venue of the meeting and the total voting shares held by them, each subject to that recorded by the meeting.

Minutes of a general meeting shall be kept by the secretary to the Board. The minutes shall set out:

- (I) the number of shareholders and proxies 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;
- (II) date and venue of the meeting;
- (III) the name of the presider of the meeting and the agenda of the meeting;
- (IV) the names of the presider, and the directors, supervisors, secretary to the Board, general manager and other senior management attending or present at the meeting;
- (V) the process of consideration, highlights of the speeches and voting result in respect of each proposal;
- (VI) the inquiries and suggestions of shareholders and the responses or explanations made by the directors or supervisors;
- (VII) the names of the lawyer, vote counter and scrutinizer; and
- (VIII) other issues that shall be recorded in the minutes in accordance with the provisions of the Articles of Association and as opined by the general meeting.

Article 103 The convener shall ensure the meeting minutes are true, accurate and complete. The attending directors, supervisors, secretary to the Board, convener or representative thereof and the presider shall sign on the minutes of the meeting. The minutes of the meeting, the signed attendance record for the shareholders present in person and the powers of attorney for attendance by proxy, the valid information relating to the voting over network or by other means shall be kept for at least 10 years.

Article 104 The convener shall ensure the general meeting is held unceasingly until final resolutions are arrived at. If the general meeting is terminated or fails to reach any resolution due to force majeure or for other special reasons, necessary action shall be taken to resume the general meeting as soon as possible, or the general meeting should be simply terminated, and in both cases a timely announcement shall be made. Meanwhile, the convener shall report to the CSRC local office for the Company's domicile and to the stock exchange(s).

Article 105 Resolutions of general meeting are divided into ordinary resolutions and special resolutions.

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

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

Article 106 In voting at general meetings, shareholders (including their proxies) shall exercise their voting rights in accordance with the number of their voting shares. Save and except for Article 110 hereof, each share shall have one vote, except the shares of the Company held by itself, which shall not be counted into the total number of voting shares of shareholders present at the general meeting.

In reviewing and considering material matters that could affect the interest of minority investors at a general meeting, the votes of minority investors shall be counted separately. The results of such separate vote counting shall be disclosed promptly.

In reviewing and considering matters relevant to connected transactions at a general meeting, if required by the listing rules of the stock exchange on which the Company's shares are listed, the connected shareholders shall abstain from voting and the number of voting shares represented by them shall be excluded from the total effective votes. The announcement of resolutions passed at the general meeting shall contain a complete disclosure of the voting of non-connected shareholders.

If a shareholder buys the voting shares of the Company in violation of the first paragraph and the second paragraph of Article 63 of the Securities Law, no voting rights shall be exercised with respect to the shares exceeding the prescribed percentage within 36 months after purchase and such shares shall not be counted into the total number of voting shares of shareholders present at the general meeting.

The Board of Directors, independent non-executive directors, the shareholder(s) holding 1% or more of voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the requirements of the CSRC may publicly solicit the voting rights from other shareholders.

Where any shareholder is, under the applicable laws and regulations and the listing rules of the stock exchange(s) on which the shares of the Company are 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 107 Unless otherwise stipulated by the applicable securities listing rules or other securities laws and regulations, or a poll is demanded before or after any vote by show of hands by the following persons, a resolution shall be decided on a show of hands at any general meeting:

- (I) the chairman of the meeting;
- (II) at least two shareholders entitled to vote in person or by proxy; or
- (III) one or more shareholders (including their proxies) representing, either calculated separately or in aggregate, 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll is so demanded or unless as otherwise stipulated by the applicable securities listing rules or other securities laws and regulations, a declaration by the chairman of the meeting that a resolution has on a show of hands been passed or rejected and any entry to that effect in the minutes book shall be the conclusive evidence of the fact; there is no need for proof of the number or proportion of the votes recorded in favour and against the resolution.

The demand for a poll may be withdrawn by the person who makes such demand.

Article 108 A poll demanded on the election of the chairman of the meeting, or on adjournment of the meeting, shall be taken forthwith. A poll demanded on any other issues shall be taken at such time as the chairman of the meeting directs, and any matter other than that upon which a poll has been demanded may be proceed with first. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Article 109 On a poll taken at a meeting, a shareholder (including his proxies) entitled to two or more votes need not cast all his votes in the same way.

Article 110 Where there are two or more candidates for the election of a director at a general meeting, each of the shares held by the shareholders (including their proxies) shall have the same number of votes as the number of candidates, and the voting rights can be concentrated on electing one person, or be separated on electing several persons, provided that explanations shall be made on the allocations of the voting rights.

Article 111 In case of equal affirmative and dissenting votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.

Article 112 The following matters shall be resolved by an ordinary resolution at a general meeting:

- (I) work reports of the Board and the Supervisory Committee;
- (II) profit distribution plan and loss recovery plan formulated by the Board;
- (III) appointment or removal of non-staff representative directors and the shareholder representative supervisors, their remuneration and manner of payment;
- (IV) annual budget and final accounts, balance sheet, income statement, and other financial statements; and
- (V) such matters other than those required to be passed by special resolutions under the laws and administrative regulations and the listing rules of the stock exchange(s) where the Company's shares are listed or the Articles of Association.

Article 113 The following matters shall be resolved by a special resolution at a general meeting:

- (I) increase or reduction in share capital, repurchase of shares, and issue of shares of any class, stock warrants or other similar securities of the Company;
- (II) the issue of debentures of the Company;
- (III) division, spin-off, merger, dissolution, liquidation or change of corporate form, and major acquisition or disposal;
- (IV) amendments to the Articles of Association; and
- (V) such other matters considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and shall be adopted by a special resolution.

Article 114 Shareholders of the Supervisory Committee requisitioning an extraordinary general meeting or class meeting of shareholders shall abide by the following procedures:

- (I) Two or more shareholders severally or jointly holding 10% or more of the shares carrying the right to vote at the meeting sought to be held or the Supervisory Committee shall, by signing one or more counterpart requisition in writing(s) stating the object of the meeting, require the Board to convene an extraordinary general meeting or a class meeting. The Board shall as soon as possible proceed to convene the extraordinary general meeting or the class meeting after receiving such requisition in writing. The shareholdings referred to above shall be calculated as of the date of the deposit of the requisition by the shareholders.
- (II) If the Board fails to issue a notice of convening such a meeting within 30 days from the date of the receipt of such requisition in writing, the requisitioning shareholders or the Supervisory Committee may themselves convene such a meeting with the procedures as similar as possible as that in which shareholders' meetings are to be convened by the Board within 4 months from the date of receipt of the requisition by the Board.

Any reasonable expenses incurred by shareholders or the Supervisory Committee in convening and presiding over a meeting by reason of the failure of the Board to duly convene a meeting as requested above shall be borne by the Company and shall be set off against sums owed by the Company to the directors in default.

Except for those matters in relation to commercial secrets of the Company which cannot be made public at the general meeting, the Board and the Supervisor Committee shall respond to and address the enquiries and suggestions of the shareholders.

Article 115 The chairman of the meeting shall be responsible for deciding whether a resolution has been adopted. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.

Article 116 The list of candidates for non-staff representative directors and shareholder representative supervisors shall be submitted to shareholders for voting by way of motion.

When a voting is made on the election of 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 paragraphs means that each share shall have the same number of votes as the number of directors or supervisors, and the voting right owned by the shareholders may be cumulatively used when the directors or supervisors are elected at the general meeting. The Board shall simultaneously provide shareholders with the biographical details and basic information about the candidates for directors and supervisors.

The implementation rules for the cumulative voting system are as follows:

- (1) where a cumulative voting system is used to elect directors and supervisors, candidates for independent non-executive directors, non-independent non-executive directors and supervisors shall be divided into different proposal groups for voting at the general meeting;
- (2) Shareholders attending the general meeting shall have the same number of votes as the number of directors or supervisors to be elected under each proposal group for each share held in the proposal subject to the cumulative voting system;

- (3) The number of votes held by shareholders can be cumulatively cast for one candidate or several candidates. Shareholders should vote within the number of votes for each proposal group. In the event that the number of votes cast by the shareholder exceeds the number of the votes he/she holds, or the shareholder casts votes in a number exceeding the number of candidates in the competitive election, the vote on such resolution shall be deemed invalid;
- (4) Upon completion of voting, the votes will be counted cumulatively in respect of each resolution.

Article 117 The approach and procedures for nomination of candidates for directors and supervisors are as follows:

- (I) shareholder(s) severally or jointly holding 3% or more of the total outstanding issued voting shares of the Company may, by way of a written proposal, put forward to the general meeting about the candidates for directors and supervisors (not being staff representatives), provided that the number of candidates proposed shall comply with the provisions of the Articles of Association, and shall not be more than the number to be elected. The aforesaid proposal put forward by shareholders to the Company shall be served to the Company at least 14 days before the convening of the general meeting.
- (II) within the numerical limit specified by the Articles of Association and based on the proposed number of candidates to be elected, the Board and the Supervisory Committee may propose a list of candidates for directors and supervisors, which shall be submitted to the Board and the Supervisory Committee for examination. After the candidates for directors and supervisors are examined and accepted by the Board and the Supervisory Committee as candidates, a written proposal shall be submitted to the general meeting.
- (III) the nomination of independent non-executive directors shall be made in accordance with the provisions of Article 154 hereof.
- (IV) the written notices of the intention to nominate candidates for directors and supervisors and their consent to accept the nomination and the detailed written information of the nominees shall be lodged with the Company no less than 7 days prior to the date of the general meeting. The Board shall provide shareholders with biographical details and basic information of the candidates for directors and supervisors.
- (V) the period given by the Company to the relevant nominators and nominees for providing the aforesaid notice and documents shall be not less than 7 days (such period shall commence from the day following the date of serving the notice of the general meeting).
- (VI) at the general meeting, voting for each candidate for a director and supervisor shall be taken on a one-by-one basis.
- (VII) in case of any need of addition to or change in any director or supervisor, the Board or the Supervisory Committee shall be responsible for putting forward a proposal to the general meeting for the selection or change of a director or supervisor.

Article 118 Save and except for those under the cumulative voting system, the general meeting shall vote on all motions item by item, and shall vote on the motions in temporal sequence as they are raised when different motions are put forward for a single matter. Unless a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no motion shall be set aside or rejected from being voted on at the general meeting.

Article 119 When a motion is put forward for discussion at the general meeting, no modification of the motion shall be made, or the relevant change shall be deemed as a new motion which may not be voted at the meeting.

Article 120 The voting right of the same shares shall be exercised only either by on-site voting, online voting or other means of voting. In case of repeat voting by the same shares, only the first vote is valid.

Article 121 The voting at the general meeting shall be conducted in the form of open ballot. Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinisers. Any shareholder who is connected with the matter to be considered and proxies of such shareholder shall not participate in vote counting or scrutinising.

When the shareholders are voting on the motions, lawyers, shareholder representatives and supervisor representatives shall count and scrutinize the votes jointly, and the voting result shall be announced forthwith. Voting on the resolutions shall be recorded in the minutes of meeting.

Shareholders or their proxies that vote online or by other means shall have the right to check and inspect their voting results through the relevant voting system.

Article 122 The on-site general 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 motions, 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 scrutinisers, substantial shareholders and online voting service provider involved in on-site general meeting, online or other means of voting are obliged to keep the results confidential.

Article 123 Shareholders present at the general meeting should express their opinions on the motion put forward for voting in one of the following options: For, Against, or Abstain.

Any incomplete, incorrectly completed or illegible ballots of any voters shall be deemed to be forbidden voting rights, thus the voting result in respect of these shares shall be counted as "Abstain".

Article 124 If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted promptly.

Article 125 If vote counting is carried out at the general meeting, the vote counting result shall be recorded in the minutes of the meeting.

The minutes of the meeting together with the attendance register of the attending shareholders and the proxy forms shall be kept at the premises of the Company. The aforesaid minutes, attendance register and proxy forms shall not be destroyed for 10 years.

Article 126 Results of the resolution shall be announced timely, and the announcement shall contain the number of shareholders and proxies present, the total number of voting rights and the percentage of voting rights to the total voting shares of the Company, methods of voting, the voting result for each motion and the details of each of the resolutions. The announcement shall include separate statistics of the attendance and voting of holders of domestic shares and foreign shares.

Article 127 If the motion is not passed, or if the resolutions of the previous general meeting have been changed by the present general meeting, a special highlight should be made in the announcement of the resolutions of the general meeting.

Article 128 If a proposal relating to the election of directors or supervisors is adopted at a general meeting, the term of office for the newly elected directors or supervisors shall commence from date of adoption of the proposal relating to election at the general meeting.

Article 129 When the general meeting has passed motions regarding cash distribution, bonus issue or conversion of capital common reserve into capital, the specific proposals will be implemented within 2 months after the close of the general meeting.

Article 130 Copies of the minutes of meeting shall be available for inspection free of charge by shareholders during the business hours of the Company. If a shareholder requests the Company for a copy of such minutes, the Company shall send a copy of such minutes to him within 7 days upon reception of reasonable charges.

Chapter 9 Special Procedures for Voting by a Class of Shareholders

Article 131 Shareholders holding different classes of shares are referred to as class shareholders.

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

The shares in the Company held by the promoter are ordinary shares tradable within and outside the PRC and entitled to same rights as all other shares. After the initial public offering of overseas listed foreign shares and upon approval by the State Council or the approving authorities authorised by the State Council, such shares may be converted into foreign share in whole or in part and listed on an overseas stock exchange. The conversion of the shares in the Company held by the promoter into foreign shares is not subject to any approval by regulatory authorities of the overseas listing jurisdiction or other shareholders of the Company.

Article 132 Rights conferred on any class of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders at a general meeting and by the class shareholders so affected at a separate meeting convened in accordance with Articles 135 to 138.

Where any change in domestic and overseas laws, administrative regulations and applicable listing rules or any decision made by the domestic or overseas regulatory authorities gives rise to variation or abrogation of the rights of class shareholders, approval by a general meeting or class general meeting is unnecessary.

The conversion of the shares in the Company held by the promoter into foreign shares as referred to in Article 131 above shall not be deemed as a proposed variation or abrogation of the rights of class shareholders.

Article 133 The following acts shall be deemed as a variation or abrogation of the rights of a particular class of shareholders:

- (I) to increase or decrease the number of shares of that class or increase or decrease the number of shares of a class having voting rights, rights to receive distributions or other privileges equal or superior to those of shares of that class;
- (II) to exchange all or part of the shares of that class for shares of another class, or to exchange or grant a right to exchange all or part of the shares of another class for shares of that class;
- (III) to remove or reduce rights to any accrued or cumulative dividends attached to shares of that class;
- (IV) to reduce or remove the preference rights attached to shares of that class to have priority in receiving dividends or in distribution of assets in the event that the Company is liquidated;
- (V) to add, remove or reduce the conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire the Company's securities attached to shares of that class;
- (VI) to remove or reduce the rights to receive payments payable by the Company in particular currencies attached to shares of that class;
- (VII) to create a new class of shares having voting rights or rights to receive distributions or other privileges equal or superior to those of the shares of that class;
- (VIII) to impose restrictions or additional restrictions on the transfer or ownership of the shares of that class;
- (IX) to issue rights to subscribe for, or convert into, shares of that class or another class; (X) to increase the rights or privileges of shares of another class;
- (X) to increase rights and privileges of the shares of another class;
- (XI) to restructure the Company in such a way so as to result in a disproportionate distribution of obligations among various classes of shareholders; and
- (XII) to vary or abrogate provisions of this chapter.

Article 134 Shareholders of the affected class, whether having the right to vote in general meeting, shall be entitled to vote in class meetings in respect of matters concerning subparagraphs (II) to (VIII), (XI) and (XII) of Article 133. However, interested shareholder(s) shall have no voting right at such class meetings.

The aforementioned term "interested shareholder(s)" means:

- (I) in the event that the Company makes a repurchase offer to all shareholders in the same proportion or the Company repurchases its own shares by way of public dealings on a stock exchange where its shares are listed pursuant to Article 34 hereof, a "interested shareholder" within the meaning of Article 64 hereof;

- (II) in the event that the Company repurchases its own shares by an off-market agreement on a stock exchange where its shares are listed pursuant to Article 34 hereof, a holder of the shares to which the proposed agreement relates;
- (III) in the event of a restructuring of the Company, a shareholder within a class who assumes a relatively smaller proportion of obligations than the obligations imposed on shareholders of that class or who has an interest in the proposed restructuring different from the general interests of the shareholders of that class.

Article 135 A resolution in a class meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class present at the relevant meeting who are entitled to vote at the class meetings according to Article 134.

Article 136 When the Company holds a class meeting, the time limit for issuing a written notice shall be the same as the time limit for the written notice of the non-class shareholders meeting to be held together with the class meeting. The written notice shall inform all shareholders of record of the class of shares of the matters to be considered at the meeting and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve a written reply to the Company 20 days prior to the date of the meeting.

Article 137 A notice of a class meeting shall be served exclusively to the shareholders entitled to vote thereat. The procedures of a class meeting shall resemble those of the general meeting to the fullest extent as possible. Provisions in the Articles of Association regarding the procedures for holding a general meeting shall be applicable to class meetings.

Article 138 In addition to shareholders of other classes, holders of domestic shares and holders of overseas listed foreign shares shall be deemed as holders of different classes of shares.

The special voting procedures for class meetings shall not apply in any of the following circumstances:

- (I) where the Company issues, upon approval by a special resolution of the general meeting, not more than 20% of each of its existing outstanding issued domestic shares and overseas listed foreign investor shares, either separately or concurrently once every 12 months;
- (II) where the plan to issue domestic shares and overseas listed foreign shares at the time of establishment of the Company is completed within 15 months from the date of approval given by the relevant securities regulatory authorities of the State Council; or
- (III) where shares held by holders of domestic shares are transferred to overseas investors under the approval by the securities regulatory authorities of the State Council, and are dealt with on an overseas stock exchange.

Chapter 10 Board of Directors

Section 1 Directors

Article 139 The Company shall have a board of directors (the “Board”, as previously defined), consisting of 9 directors, with one Chairman and one Vice-Chairman. Among them there shall be not less than 3 independent non-executive directors who shall account for one-third of the Board.

Article 140 Non-staff representative directors shall be elected or replaced by the general meeting, and may be removed from their positions by the general meeting before the expiration of their term of office. Staff representative directors are democratically elected or replaced by the staff of the Company. Directors serve a three-year term and may be re-elected upon expiry of the term.

Chairman and Vice-chairman shall be elected and removed by a simple majority of votes of all directors. The term of office of Chairman and Vice-chairman is 3 years, renewable upon re-election.

The term of office of directors shall commence from the date of appointment up to the maturity of the term of office of the current Board. If the term of office of a director expires but re-election is not made in time, the existing director shall continue performing the duties as director in accordance with laws, administrative regulations, department rules and the Articles of Association until the newly elected director assumes office.

A director need not hold any shares in the Company.

Article 141 A director failing to attend the meetings of the Board either in person or by proxy for two times in succession shall be deemed as incapable of performing the duties, and shall be subject to replacement as recommended by the Board to the general meeting.

Article 142 A director may request to resign before his term of office expires. The director to resign shall tender a resignation letter to the Board in writing. Relevant information shall be disclosed by the Board within 2 days.

In the event that the resignation of any director results in the number of members of the Board falling below the quorum, the existing director shall continue performing the duties as director in accordance with laws, administrative regulations, department rules and the Articles of Association until the newly elected director assumes office.

Save for the circumstances referred to in the preceding paragraph, a director's resignation shall become effective upon his resignation letter being served to the Board.

Article 143 Upon a director's resignation becoming effective or at the expiry of his office, the director shall complete all handover procedures, and his fiduciary obligations to the Company and the shareholders shall not necessarily terminate at the end of his term of office but shall remain effective within a reasonable period specified in the Articles of Association.

Article 144 Save as specified in the Articles of Association or duly authorised by the Board, no director shall act on behalf of the Company or the Board in his own name. A director shall, when acting in his own name, make a statement of his personal standpoint and capacity prior to such acts whenever a third party may reasonably believe that the said director is acting on behalf of the Company or the Board.

Article 145 A director who violates any laws, administrative regulations, department rules or the Articles of Association in performing his duties shall be liable for indemnification to any loss so caused to the Company.

Article 146 The written notices of the intention to nominate director candidates and their consent to accept the nomination shall be lodged with the Company no sooner than the date of despatching the notice of general meeting and no later than 7 days before holding of the general meeting. The open period for submitting and accepting nomination shall not be less than 7 days.

Article 147 A director may request to resign before his term of office expires. The resigning director shall tender a resignation letter to the Board in writing.

In case that the number of directors falls short of the quorum for the Board as a result of the resignation of the director(s), the resignation of such director(s) shall not become effective until the vacancy resulting from his/her resignation is filled up by succeeding director(s). The remaining directors shall convene an extraordinary general meeting as early as possible to elect director(s) and fill up the vacancy resulting from such resignation.

Article 148 Upon submission of a resignation of a director or at expiry of his term of office, his obligations of confidentiality in respect of commercial secrets of the Company shall survive the termination of his term of office until the same has become public available information.

Article 149 Any director who has left his office without authorisation before his term of office expires, thereby causing the Company to incur a loss, shall be held liable and keep the Company indemnified against such loss.

The general meeting may, by ordinary resolution, remove any non-staff representative director before the expiration of his term of office on the condition that all the relevant laws and administrative regulations are fully complied with. The staff representative director of the Company may be removed after performing democratic procedures for the staff of the Company under the premise of complying with relevant laws and administrative regulations. (But without prejudice to such director's right to claim damages based on any contract)

Section 2 Independent Non-executive Directors

Article 150 An independent director of the Company refers to a director who holds no position other than as a director in the Company, has no connection with the Company and any of its substantial shareholders (defined as shareholders separately or jointly holding 5% or more interests in total voting shares in the Company) which might hamper his or her independent and objective judgment, and complies with the requirements on independence as stipulated in the rules of the stock exchange on which the Company's shares are listed.

The term of office of independent non-executive directors is same as other directors of the Company, renewable upon re-election at its expiry, provided that the renewed term shall not exceed 6 years.

Article 151 An independent non-executive director shall meet the following basic conditions:

- (I) qualifies as independent director of a listed company pursuant to relevant laws, administrative regulations, the listing rules of the stock exchange on which the Company's shares are listed and other relevant regulations;
- (II) being independent as specified in the listing rules of the stock exchange on which the Company's shares are listed;
- (III) having basic knowledge on operation of listed companies and proficiency in relevant laws, administrative regulations and rules;
- (IV) having at least 5 years' experience in legal, economics or in other areas required for performing the duties as independent non-executive director;

- (V) having sufficient time and energy committed for effectively performing the duties as independent non-executive director; and
- (VI) laws and regulations, other conditions specified in the Articles of Association.

Article 152 The following persons shall not serve as independent non-executive director:

- (I) any persons employed by the Company or its subsidiaries and their immediate family members and major social connections (immediate family members shall include spouses, parents and children, and major social connections shall include siblings, parents-in-law, sons/daughters-in-law, spouses of siblings and siblings of spouses);
- (II) any natural person shareholders who directly or indirectly hold 1% or more of issued shares of the Company or who are among the top ten shareholders of the Company, and their respective immediate family members;
- (III) any persons employed by a corporate shareholder which directly or indirectly holds 5% or more of the Company's issued shares or is among the top five corporate shareholders of the Company, and their immediate family members;
- (IV) any persons falling into any of the three categories above within the preceding year;
- (V) any persons providing financial, legal or advisory services to the Company or its affiliated companies;
- (VI) other personnel specified by laws, administrative regulations, departmental rules, etc.;
- (VII) any other persons specified in the Article of Association; or
- (VIII) any other persons defined by CSRC.

Article 153 At least one-third of the members of the Board shall be independent non-executive directors. The Company is required to make up for the number of independent non-executive directors as specified in the Articles of Association due to any independent director failing to meet the requirements on independence or otherwise found being unsuitable for performing the duties as independent director.

Article 154 Independent non-executive directors of the Company shall be elected as follows:

- (I) An independent director candidate may be nominated by the Board, the Supervisory Committee, or shareholder(s) separately or jointly holding 1% or more of the issued shares of the Company, and shall be elected by a general meeting of the Company;
- (II) The nominator of independent director shall secure the consent of the nominee prior to the nomination. The nominator shall have adequate knowledge of such particulars of the nominee as occupation, academic qualification, job title, detailed work experience and information regarding all his positions held concurrently, and shall opine on the nominee's independence as independent director, and why he or she qualifies. The nominee shall make a public statement confirming there is no relation between the Company and him or her that might affect his or her independent and objective judgment;

- (III) Before convening the general meeting for election of independent non-executive directors, the Board shall make announcement regarding the above details as required;
- (IV) Before convening the general meeting for the election of independent non-executive directors, the Company shall submit the relevant information of all the nominees to the stock exchange on which the Company's shares are listed. To despatch a notice of general meeting for election of independent non-executive directors, the Company shall include into the public announcement a statement that the proposal for independent non-executive directors is conditional upon the absence of any objection from the Shanghai Stock Exchange, and shall submit the relevant information of candidates for independent non-executive directors (including but not limited to the representations of the nominator and the candidates and the biographical details of independent non-executive directors) to the Shanghai Stock Exchange.
- (V) For any candidate for independent director who is objected to by the Shanghai Stock Exchange, the Board shall make clear such objection at the general meeting and that it has no intention to put him as a candidate for independent director to the vote of the general meeting.

Article 155 In addition to the functions and powers provided by the Company Law, other relevant laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, independent non-executive directors shall have the following special functions and powers:

- (I) to approve in advance any material related party transactions by independent non-executive directors; and prior to making any judgment, appoint intermediary agencies to issue independent financial advisor report as the basis for their judgment;
- (II) to propose to the Board the appointment or dismissal of accounting firms;
- (III) to propose to the Board the convening of extraordinary general meeting;
- (IV) to propose the convening of board meetings;
- (V) to openly collect voting rights from shareholders before a general meeting is held;
- (VI) upon their unanimous consent, to independently appoint external auditors or consultants for auditing and consultancy of specific matters at the expenses of the Company.

Save for subparagraph (VI), independent non-executive directors shall obtain the consent of more than half of all the independent non-executive directors in exercising any of the above functions and powers. If any of the above proposals have not been adopted or if any of the above functions and powers can not be exercised properly, the Company shall disclose the details thereof.

Matters in items (I) and (II) shall be submitted to the Board of Directors for discussion only after more than one-half of independent non-executive directors agree.

Article 156 An independent non-executive director may be dismissed by a listed company through legal procedures before the expiration of his term. When an independent director is dismissed before expiration of his term, the Company shall disclose the dismissal as a special discloseable issue.

In case that an independent non-executive director fails to attend the board meetings in person for 3 times in succession, the Board shall file an application with the general meeting for replacement.

Article 157 For issues not covered by the independent director system in this section, the relevant laws, regulations, rules and the listing rules of the stock exchange on which the Company's shares are listed shall apply.

Article 158 Independent non-executive directors shall, in addition to fulfilling the aforesaid duties, provide the Board or general meeting with independent opinions on the following matters:

- (I) nomination, appointment and dismissal of directors;
- (II) appointment or dismissal of senior management;
- (III) remuneration of directors and senior management of the Company;
- (IV) the existing or new loans or other current accounts repayable to the Company by its shareholders, de facto controller and their affiliates totalling more than RMB3,000,000 or 5% of the Company's latest audited net asset value, and whether the Company has taken effective measures to collect the outstanding receivables;
- (V) any matter which independent non-executive directors deem likely to infringe the rights and interest of minority shareholders; and
- (VI) other matters provided for in the laws, administrative regulations, the CSRC and the Articles of Association.

Independent non-executive directors shall express one of the following types of opinions on the aforesaid matters: consent; qualified opinion and the reason thereof; objection and the reason thereof; unable to express opinion and the reason thereof.

If the relevant matters are discloseable, the Company shall make an announcement of the opinions of independent non-executive directors. If the independent non-executive directors are of divergent views and cannot reach a consensus, the Board shall disclose the respective opinions of each of independent non-executive directors.

Section 3 Board of Directors

Article 159 A board of directors of the Company shall be established to report to the general meeting.

Article 160 The Board shall exercise the following duties and powers:

- (I) to convene the general meetings and report its work to general meetings;
- (II) to implement the resolutions passed at the general meetings;
- (III) to decide on the operational plan and investment scheme of the Company;
- (IV) to formulate the annual budget and final accounts of the Company;
- (V) to formulate profit distribution plan and loss recovery plan of the Company;

- (VI) to formulate proposals for increase or reduction of the Company's registered capital and for issue of corporate debentures;
- (VII) to draft plans for material acquisition, share repurchase, merger, division, dissolution or change in corporate form;
- (VIII) to determine the establishment of the Company's internal management structure;
- (IX) to decide to appoint or dismiss the Company's president (general manager), chief financial officer (financial controller), the secretary to the Board and other senior management, and to determine their remunerations, awards and punishments; and according to nominations of the president (general manager), to decide to appoint or dismiss vice presidents (deputy general managers) and determine their remuneration;
- (X) to promote the development of the rule of law in enterprises and to supervise the management's operation in accordance with the law;
- (XI) to establish the Company's basic management system;
- (XII) to formulate proposals for amendments to the Articles of Association;
- (XIII) to manage the information disclosure issues of the Company;
- (XIV) to determine the establishment of special committees of the Board and the appointment and removal of the relevant person-in-charge;
- (XV) to propose to general meetings for the engagement or change of accounting firms;
- (XVI) to determine the risk management system, internal control system and compliance management system of the Company, and to monitor the implementation;
- (XVII) to receive work report submitted by the president (general manager) and to check his work;
- (XVIII) to decide on external investment, acquisition and sale of assets, asset disposal, external guarantee, asset management mandate, connected transactions and external donations of the Company within the authorization by the general meeting as required by securities regulatory authorities and the listing rules of the stock exchange on which the Company's shares are listed;
- (XIX) to exercise other duties and powers as stipulated by laws, administrative regulations, department rules and relevant requirements in the listing rules or as conferred by the general meetings and the Articles of Association.

Save and except for the resolutions of the Board in respect of the matters specified in subparagraphs (VI), (VII) and (XII) above which shall be passed by more than two-thirds of all directors, resolutions of the Board in respect of all other matters may be passed by more than half of all directors. The Board shall perform its duties in accordance with the laws and administrative regulations of the PRC, the Articles of Association and shareholders' resolutions.

Article 161 When making decisions on significant matters such as direction of reform and development, key objectives, and priority operational arrangements of the Company, the Board of Directors should seek advice from the Party organization. When the Board of Directors proposes to engage a senior management staff of the Company, the Party organization shall consider and provide their opinions on the candidate nominated by the Board of Directors or the President, or recommend relevant candidate to the Board of Directors or to the President.

Article 162 The Board shall formulate the Rules of Procedures of the Board of Directors to ensure implementation of the resolutions of the general meetings, enhance work efficiency and ensure proper decision-making. The Rules of Procedures of the Board of Directors, as one of the appendices to the Articles of Association defining the convening and voting procedure of board meetings, shall be formulated by the Board, subject to approval by the general meeting.

Article 163 The Board may resolve an investment in other enterprise or the provision of a guarantee to other party, unless otherwise specified by laws, regulations and the listing rules of the stock exchange on which the Company's shares are listed. However, the provision of guarantee to a shareholder or de facto controller of the Company is subject to a resolution passed at the general meeting.

The shareholders specified in the preceding subparagraph or shareholders under control of such de facto controller shall abstain from voting on such matters as specified in the preceding subparagraph. Such proposal shall be subject to more than half of the voting rights of other shareholders present at the meeting.

The Company shall establish a strict internal control system on provision of external guarantee. All directors shall attach prudence to and excise strict control on the debt risks resulting from the provision of external guarantees.

For provision of external guarantees, the Company shall take risk control measures such as the provision of back-to-back security by relevant counterparty, and the provider of back-to-back security shall be a party who can financially support such undertakings.

The responsible director or directors shall assume joint and several liabilities for any loss incurred to the Company arising from any provision of external guarantee in violation of relevant laws, regulations, rules and the Articles of Association.

Article 164 The Board shall set up special committees to help it fulfil the duties as authorised by the Board. The special committees under the Board are Strategic Planning Committee, Audit and Risk Management Committee, Remuneration Committee, Nomination Committee, and Safety, Health and Environment Protection Committee. The special committees shall be accountable to the Board, perform duties in accordance with the Articles of Association and the authorization of the Board, and their proposals shall be submitted to the Board for consideration and approval. Members of the special committees shall consist of directors. In the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee, independent non-executive directors shall be the majority and shall be convened by one, and the convener of the Audit and Risk Management Committee shall be one accounting professional. Where necessary, the Board may also set up other committees and adjust the existing committees. The Board shall formulate terms of references for respective special committees to standardize operations of the special committees.

Article 165 The Board shall not, without prior approval of shareholders in a general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the consideration for the proposed disposal and the value of the consideration for any disposal of fixed assets in the 4 months immediately preceding the proposed disposal exceeds 33% of the value of the Company's fixed assets as stated in the latest balance sheet approved by the general meeting.

A "disposal of fixed assets" as referred to in this Article includes the transferral of interest in certain assets but excludes the usage of fixed assets for provision of guarantee.

The effectiveness of transaction of the Company's disposal of fixed assets shall not be affected by a breach of the first paragraph of this Article.

Article 166 The Board shall make explanations to the general meeting in relation to any non-standard audit opinions issued by the certified public accountants on the Company's financial reports.

Article 167 In making decisions on external investment, asset disposal, external guarantee, asset management mandate, connected transaction and external donations, the Board shall establish strict examination and decision-making procedures; and organise relevant experts and professionals to make assessments on major investment projects, subject to approval by the general meeting.

Article 168 The Chairman of the Board shall perform the following duties and powers:

- (I) to preside over general meetings and to convene and preside over board meetings;
- (II) to check the implementation of resolutions of board meetings;
- (III) to sign securities certificates issued by the Company; and
- (IV) to sign important documents of the Board and other documents that shall be signed by legal representative of the Company;
- (V) to exercise the functions and powers of the legal person;
- (VI) to exercise special right concerning the affairs of the Company in accordance with the laws and for the benefit and interests of the Company in case of an occurrence of extreme natural disasters or similar emergencies and events of force majeure, and provide post-event reports to the Board and the general meeting;
- (VII) other duties and powers as delegated by the Board.

In the event that the Chairman is unable to exercise his duties and powers, the Chairman may designate a Vice-chairman to exercise on his behalf.

Article 169 The Vice-chairman shall assist the Chairman in performing his duties. If the Chairman is unable or fails to perform his duties, such duties shall be performed by the Vice-chairman. If the Vice-chairman is unable or fails to perform his duties, a director shall be elected jointly by more than half of all directors to perform such duties.

Article 170 Meetings of the Board shall be held at least fourth times a year and convened by the Chairman of the Board.

Extraordinary board meetings shall be held in any of the following circumstances:

- (I) when proposed jointly by one-third or more of the directors;
- (II) when proposed by the Supervisory Committee;
- (III) when jointly proposed by half or more of the independent non-executive directors;
- (IV) when deemed as necessary by the Chairman of the Board;
- (V) when proposed by the shareholders representing one-tenth or more of voting rights; or
- (VI) when proposed by the president (general manager).

Article 171 Notices of board regular meetings and extraordinary board meetings shall be despatched, either by telephone or facsimile, 14 days before the date of the meeting of the Board and notices of extraordinary board meetings shall be despatched 5 days before the date of the meeting of the Board.

The time and place of a meeting of the Board may be prescribed in advance and recorded in the minutes. If such minutes have been despatched to all directors at least 10 days prior to the convening of the next board meeting, no further notice shall be required to be served to the directors in respect thereof.

Directors who have attended the meeting will be deemed to have been issued a notice of board meeting if he had not raised any issues of not having received such notice before or during the board meeting.

A board meeting may be convened by means of telephone conference or other similar communication equipment through which directors participating in the meeting can communicate with each other simultaneously and instantaneously, and such participation shall constitute presence at a meeting as if those participating were present in person.

Article 172 A written notice of board meeting shall at least include:

- (I) time and venue of the meeting;
- (II) the form of the meeting;
- (III) matters (motions) to be considered at the meeting;
- (IV) convener and presider of the meeting, proposer of and his or her written proposal for an extraordinary meeting;
- (V) materials needed to be considered by the directors before voting on a resolution;
- (VI) requirement for directors to attend the meeting in person or by proxy;
- (VII) the contact person and contact method.

An oral notice of the meeting shall at least include information in subparagraphs (I) and (II) above and an explanation for the emergency behind the extraordinary board meeting.

Article 173 Save for the consideration of connected transactions by the Board as provided in Article 224 hereof, a board meeting may not be held unless more than half of all directors are present.

Each director has a ballot for voting. Save for the consideration of connected transactions by the Board as provided in Article 224 hereof, a resolution of the Board shall be subject to approval by more than half of all the directors.

In the case of equal affirmative and dissenting votes, the Chairman shall be entitled to a casting vote.

Written resolutions signed for consent respectively by all directors shall be deemed as valid as resolutions passed at a board meeting duly convened. Such written resolution may consist of a document of multiple copies with each copy signed by one or more directors. A resolution signed by a director or bearing his signature and served to the Company by mail, facsimile or by hand, for the purpose of this Article, shall be deemed as a document signed by him.

Article 174 A director should attend board meetings in person. Where a director is unable to attend for certain reasons, he may appoint in writing another director to attend the board meeting on his behalf. The instrument of proxy shall specify the scope of authorisation. Independent non-executive directors can only entrust independent non-executive directors to vote on their behalf.

The director attending the meeting on behalf of the entrusting director shall only exercise the rights within the scope of authorisation. A director failing to attend a board meeting either in person or by proxy shall be deemed as having waived his right to vote at the meeting.

Article 175 After adequate discussion of each proposal, the presider shall duly submit it to voting by the attending directors.

Each attendee shall cast one vote, by open ballot or in writing or otherwise.

The voting intent of a director may be affirmative, dissenting or abstention, from which each attending director shall choose one. The presider shall require those who did not choose any option or chose two or more options to make an option again, otherwise such directors shall be deemed as having abstained from voting; any director who has left the meeting before its conclusion and failed to choose any option shall be deemed as having abstained from voting.

Article 176 Saved as specified in Article 178 hereof, adoption of or resolution on any proposal shall be subject to approval by affirmative votes of more than half of all directors of the Company. If an approval by more directors is required in reaching a resolution of the board meeting by laws, administrative regulations and the Articles of Association, such requirements shall apply.

A resolution made by the Board on any guarantee within its range of authority in accordance with the Articles of Association shall be subject to the approval by two-thirds or more of the attending directors.

If different resolutions conflict with each other in content and meanings, the resolution formed later shall prevail.

Article 177 A director shall abstain from voting on relevant proposals in any of the following circumstances:

- (I) where the director shall abstain from voting as required by the listing rules of the stock exchange on which the Company's shares are listed;
- (II) where the director himself or herself considers that he or she should abstain from voting; and
- (III) in other circumstances where the director is connected with the enterprises involved in the proposals and shall therefore abstain from voting pursuant to the Articles of Association. Where any director abstains from voting, the relevant board meeting may be held with attendance of a simple majority of non-connected directors, and the resolutions made shall be passed by a simple majority of non-connected directors. If the number of non-connected directors present at the meeting is less than 3, the relevant proposals shall not be voted on but shall be submitted to postpone the general meeting for consideration.

Article 178 Where half or more of the attending directors or two or more independent non-executive directors consider any proposal not clear or specific enough, or that an informed judgment cannot be made due to reasons including inadequate meeting materials, such directors may jointly request to postponing the board meeting or the consideration of certain matters, and the Board shall accept such request.

The directors who request the postponement of the voting shall provide specific requirements on the conditions to be met for resubmitting the said motion for consideration.

Article 179 Minutes shall be made for the matters to be resolved at the board meeting, which shall be signed by directors and secretary to the Board present at the meeting. The minutes shall be keep for a period of 10 years. Directors shall be liable for the resolutions of the Board. Where a resolution of the Board violates the laws, administrative regulations or the Articles of Association and results in serious losses to the Company, the directors who took part in such resolution shall be liable for indemnification to the Company, provided that the director who has expressly objected to the resolution put to the vote, and where such objection is evidenced and recorded in the minutes of the meeting, may be relieved of such liability.

The minutes of the board meeting shall contain the following information:

- (I) the date, venue and name of the person to convene the meeting;
- (II) the names of the directors present at the meeting and names of the directors (proxies) present at the meeting on behalf of other director(s);
- (III) agenda of the meeting;
- (IV) highlights of directors' speeches;
- (V) voting system and results of each motion (the voting results shall set out the number of affirmative, dissenting and abstaining votes).

Article 180 For matters to be voted and resolved at an extraordinary board meeting, if the content of matters to be resolved has been despatched to all directors by written means (including facsimile) and the number of directors who indicated consent by signing satisfies the number of directors required to make such decision under Article 173 hereof, an effective resolution is achieved and no meeting is required to be convened by the Board.

Article 181 In principle, board meetings shall be held at the registered address of the Company. However, a board meeting may be held at any other places within or outside the PRC as approved by a resolution of the Board.

Article 182 The expenses reasonably incurred by directors in attending board meetings shall be borne by the Company. Such expenses shall include the travelling expenses from the place of domicile of the directors to the place of the meeting (if not being the place of domicile of the directors), catering and accommodation expenses during the meeting and local transportation expenses.

Article 183 Archives of board meetings, including notices of meeting, meeting documents, attendance book, power of attorney for attendance by proxy, voice recording of meeting, votes, meeting minutes signed by the attending directors, meeting summaries, records of resolutions, announcement of resolutions, etc., shall be kept by the secretary to the Board.

Such archives shall be maintained for at least 10 years.

Chapter 11 Secretary to the Board

Article 184 The Company shall have a secretary to the Board, who shall be a senior management and report to the Board.

Article 185 The secretary to the Board shall be a natural person who has the necessary professional knowledge and experience and shall be appointed by the Board. The primary duties of the secretary to the Board are:

- (I) to be responsible for the communication and liaison between the Company and the related parties and the stock exchange and other securities regulatory authorities, to enquire that the Company prepares and submits required reports and documents to relevant authorities in accordance with the relevant laws;
- (II) to be responsible for dealing with the disclosure of corporate information, to urge the Company to develop and implement a system of information disclosure and an internal reporting system of material information in order to facilitate the Company and the related parties in carrying out their information disclosure obligations according to the relevant laws, and handle disclosure of the regular reports and the extraordinary reports to the stock exchange in accordance with the relevant requirements;
- (III) to coordinate and manage the relationship between the Company and its investors, to play host to investors' visits, to answer investors' enquiries, and to provide investors with access to information disclosed by of the Company;
- (IV) to prepare general meetings and board meetings in accordance with the legal procedures, and to prepare and submit the documents and materials for the relevant meetings;
- (V) to participate in board meetings and produce signed minutes of meeting;
- (VI) to be responsible for the confidentiality of corporate information prior to its disclosure, to draw up relevant confidentiality measures, to procure the directors, supervisors, president (general manager) and other senior management and other personnel in the know to keep information in confidentiality prior to its disclosure, and to take timely remedial measures upon leaks of insider information and to report the same to the stock exchange(s);

- (VII) to be responsible for keeping the Company's register of members and directors, as well as the information about the holding of shares in the Company by the major shareholders, directors, supervisors, president (general manager) and other senior management, and the documents and minutes of general meetings and board meetings and so on, to ensure that the Company has a complete set of documents and records, and to ensure that the relevant records and documents of the Company can be obtained in a timely manner by those with a right to access the same;
- (VIII) to assist the directors, supervisors, president (general manager) and other senior management to understand relevant laws, rules, regulations, Articles of Association listing rules of the stock exchange(s) relevant to information disclosure, as well as other relevant provisions and their legal responsibilities under the listing agreement;
- (IX) to procure the Board to exercise their duties and powers lawfully; to alert directors of any potential violation of the laws, regulations, rules, the listing rules of the stock exchange and other provisions or the Articles of Association that a board resolution intended to be made at a meeting of the Board may cause, and to seek the views of the attending supervisors in this respect; if the aforesaid resolution is insisted upon by the Board, the secretary to the Board shall record the views of supervisors and individuals in the minutes, and report to the stock exchange(s) at the same time;
- (X) to discharge such other duties as provided by the applicable laws, regulations, rules, the listing rules of the stock exchange, the Articles of Association and other relevant provisions.

Article 186 Each of directors or other senior management excluding president (general manager) and chief financial officer (financial controller) of the Company may also hold the office of the secretary to the Board at the same time. The accountant(s) of the accounting firms engaged by the Company shall not act as the secretary to the Board.

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

Chapter 12 President (General Manager)

Article 187 The Company has one president (general manager) and a certain number of vice presidents (deputy general managers) to assist the president (general manager) in his work. The Company has one chief financial officer (financial controller). Vice presidents (deputy general managers) and chief financial officer (financial controller) shall be appointed or dismissed by the Board.

A board member may also assume the office of president (general manager) and other senior management as determined by the Board of the Company, but the number of directors holding the concurrent office of president (general manager) and other senior management shall not exceed by one half of the total number of directors of the Company.

Each of president (general manager) and other senior management shall have a term of office of three years, and shall be renewable upon re-election.

Article 188 Staff members who serve in positions other than as directors, supervisors and other administrative positions in the controlling shareholders of the Company generally shall not serve as senior management of the Company.

The senior management of the Company only receive salaries from the Company and shall not be paid by the controlling shareholders on its behalf.

Article 189 The president (general manager) shall be accountable to the Board and perform the following duties and powers:

- (I) to be in charge of the Company's production, operation and management, and to organise the implementation of the resolutions of the Board;
- (II) to organise the implementation of the Company's annual business plans and investment schemes;
- (III) to draft plans for the establishment of the Company's internal management structure;
- (IV) to establish the Company's basic management system;
- (V) to formulate basic rules and regulations for the Company;
- (VI) to propose the appointment or dismissal of the Company's vice presidents (deputy general managers);
- (VII) to appoint or dismiss management officers other than those required to be appointed or dismissed by the Board;
- (VIII) such other duties and powers conferred by the Articles of Association and the Board.

Article 190 The president (general manager) shall attend the board meetings. The president (general manager) has no voting rights at the board meetings unless he is also a director.

Article 191 The president (general manager) shall report to the Board or the Supervisory Committee or as requested by them the conclusion of major contracts of the Company, implementation of contracts and capital utilisation status. The president (general manager) shall guarantee the authenticity of the report.

The president (general manager) shall in advance consult the labour union and the staff congress when proposing decisions on issues related to own interests of the staff such as salary, welfare, production safety, occupational insurance, dismissal or expulsion, etc.

Article 192 The president (general manager) shall formulate the working rules of the president (general manager) him or herself, which shall be submitted to the Board for approval before implementation.

Article 193 The working rules of the president (general manager) shall specify:

- (I) the conditions and procedure for holding the president's meetings and the attendees;
- (II) duties and division of work of the president and other senior management;

- (III) use of funds and assets of the Company, authorisation to execute material contracts, and the system to report to the Board and the Supervisory Committee; and
- (IV) other matters deemed necessary by the Board.

Article 194 The president (general manager) may request to resign before his term of office expires. The procedure and rules for resignation of president shall be specified in the labour contract between the president (general manager) and the Company.

Article 195 The president (general manager) of the Company shall, in performing duties and powers, act in good faith, with due diligence and in accordance with the laws, administrative regulations and the Articles of Association.

The Company's senior management shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If the Company's senior management fail to perform their duties faithfully or violate the duty of honesty, thereby causing damage to the interests of the Company and the public shareholders, they shall liable for indemnification in accordance with laws.

Chapter 13 Supervisory Committee

Article 196 The Company shall establish a supervisory committee.

Article 197 The Supervisory Committee shall consist of 3 supervisors, of which 2 members shall be shareholder representatives and 1 member shall be staff representative. The term of office of supervisors shall be three years, renewable upon re-election.

The Supervisory Committee shall have one chairman. The appointment and dismissal of the chairman of the Supervisory Committee shall be passed by votes of two-thirds or more of its members.

Article 198 Appointment and removal of shareholder representatives supervisors shall be subject to election at the general meeting, and appointment and removal of the supervisor staff representative shall be subject to democratic election and removal by the staff of the Company. The proportion of supervisor staff representative shall not be lower than one-third of all members of the Supervisory Committee.

Article 199 Directors, president (general manager) and other senior management of the Company shall not serve also as supervisors.

Article 200 If the term of office of a supervisor expires but re-election is not made in time or if any supervisor resigns during his term of office so that the number of members of the Supervisory Committee is less than required, the existing supervisor shall continue performing the duties as supervisor in accordance with relevant laws, administrative regulations and the Articles of Association until a newly elected supervisor assume his office.

Article 201 The supervisors shall ensure the information disclosed by the Company is true, accurate and complete, shall sign written confirmations of the periodic reports.

Article 202 Supervisors may attend board meetings and make inquiries or suggestions in relation to the resolutions of the board meetings.

Article 203 Supervisors shall not abuse their connected relations to damage the interests of the Company, and shall be liable for indemnification to any losses so caused to the Company.

Article 204 A supervisor who violates any laws, administrative regulations, department rules or the Articles of Association in fulfilling his duties shall be liable for indemnification to any loss so caused to the Company.

Article 205 Meetings of the Supervisory Committee shall be held at least twice a year and at least once every six months, and shall be convened by the chairman of the Supervisory Committee. Supervisors may propose the convening of extraordinary meeting of the Supervisory Committee. In case that the chairman of Supervisory Committee is unable or fails to exercise his duties, he shall designate another supervisor to exercise such duties and powers on his behalf.

Article 206 The Supervisory Committee shall be accountable to the general meeting and perform the following duties and powers in accordance with laws:

- (I) to examine the Company's financial situation;
- (II) to supervise the performance of duties of directors and senior management and to propose removal of any directors and senior management who have violated laws, administrative regulations, the Articles of Association or resolutions of shareholders' meetings;
- (III) to demand for rectification in the event of any damages to the interests of the Company caused by any of the directors, president (general manager) or other senior management;
- (IV) to inspect the financial information such as financial reports, business reports and profit distribution plans to be submitted to general meeting by the Board. In case of any doubts, it may appoint a certified public accountant or practicing auditor to help in the review in the name of the Company;
- (V) to propose for the convening of extraordinary general meetings; to convene and preside over general meetings in the event that the Board fails to perform such duties;
- (VI) to put forward motions to general meeting;
- (VII) to negotiate with or instigate proceedings against any of the directors and senior management on behalf of the Company; and
- (VIII) such other duties and powers prescribed by the Articles of Association.

Members of the Supervisory Committee shall be in attendance at meetings of the Board.

Article 207 The Supervisory Committee shall formulate the Rules of Procedures of the Supervisor Committee, specifying the consideration method and voting procedures of meetings, in order to ensure the work efficiency and proper decision making of the Supervisory Committee. The Rules of Procedures of the Supervisor Committee, as one of the appendices to the Articles of Association defining the convening and voting procedures of meetings of the Supervisory Committee, shall be formulated by the Supervisory Committee, subject to approval by the general meeting.

Article 208 Under justifiable reasons, a supervisor has the right to request the chairman of the Supervisory Committee to convene an extraordinary meeting. A 10 days' prior notice to each meeting of the Supervisory Committee shall be given or despatched by telephone or facsimile. The notice of meetings shall set out the date and venue, topics and duration of the meeting and the despatching date of the notice.

Meetings of the Supervisory Committee shall not be held unless two-thirds or more of supervisors are present. The voting at meetings of the Supervisory Committee shall be conducted in the form of open ballot. Each supervisor has a ballot of voting right. A supervisor shall attend meetings of the Supervisory Committee in person. Where a supervisor is unable to attend for certain reasons, he may appoint in writing another supervisor to attend the meetings of the Supervisory Committee on his behalf. The instrument of proxy shall specify the scope of authorisation.

All resolutions passed at both regular or extraordinary meetings of the Supervisory Committee shall be the resolutions of Supervisory Committee, which shall be both passed by votes of two-thirds or more of its members.

Article 209 The minutes of a meeting of the Supervisory Committee shall specify:

- (I) session, time, venue and form of the meeting;
- (II) Information regarding the despatch of the notice of meeting;
- (III) convener and presider of the meeting;
- (IV) attendance of the meeting;
- (V) the proposals considered at the meeting, highlights of the speeches and key opinions on relevant matters and voting intents for the proposals of each supervisor;
- (VI) voting method and result for each proposal (setting out respective numbers of affirmative, dissenting and abstention votes);
- (VII) other matters to be recorded in the opinion of the attending supervisors.

For a meeting of the Supervisory Committee held by correspondence, the Audit Department shall sort out the meeting minutes with reference to the aforesaid provision.

Article 210 Meetings minutes shall be signed and confirmed by the attending supervisors. Where a supervisor holds different opinions on the minutes, written explanation may be attached upon signing. Where necessary, it shall be timely reported to regulatory authorities or announced through public statements.

Where a supervisor neither confirms with signature as stipulated by the preceding paragraph nor provides written explanation for his different opinions or reports to regulatory authorities or gives public statement, the said supervisor shall be deemed as agreeing with what was in the minutes of the meeting.

Article 211 Minutes shall be made for meetings of the Supervisory Committee. Supervisors have the right to request to record their statements at the meeting in the minutes. The supervisors present at meetings and the person taking minutes shall sign on the minutes. Minutes of meetings of the Supervisory Committee shall be kept by the secretary to the Board as corporate files. The minutes of meetings shall be kept for a period of 10 years.

Article 212 The Supervisory Committee shall set up a record system on the implementation of its resolutions. Each resolution of the Supervisory Committee shall be implemented or supervised over its implementation by designated supervisor(s). The designated supervisor(s) shall keep records of the implementation of the resolution, and report to the Supervisory Committee the final results of implementation.

Article 213 Supervisors and the Supervisory Committee shall not be liable for resolutions of the Board. However, if the Supervisory Committee considers that a resolution of the Board is in violation of the laws, regulations or the Articles of Association or against the interests of the Company, the Supervisory Committee may resolve to propose a re-consideration to the Board.

Article 214 All reasonable expenses incurred in respect of the engagement of professionals such as lawyers, certified public accountants or practicing auditors by the Supervisory Committee in exercising its functions and powers shall be borne by the Company.

The expenses reasonably incurred by supervisors in attending meetings of the Supervisory Committee shall be borne by the Company. Such expenses shall include the travelling expenses from the place of domicile of the supervisors to the place of the meeting (if not being the place of domicile of the supervisors), catering and accommodation expenses during the meeting and local transportation expenses.

Article 215 The supervisors shall faithfully discharge their supervisory responsibilities in accordance with the laws, administrative regulations and the Articles of Association.

Chapter 14 Qualifications and Obligations of Directors, Supervisors, President (General Manager) and Other Senior management of the Company

Article 216 A person shall be disqualified from being a director, supervisor, president (general manager) or other senior management of the Company in any of the following circumstances:

- (I) the person is of civil incompetence or limited civil competence;
- (II) a period of 5 years has not yet elapsed since the penalisation on conviction of corruption, bribery, expropriation of property, misappropriation of property or disrupting social and economic order; or a period of 5 years has not yet elapsed since being deprived of political rights due to the committing of offences;
- (III) a period of 3 years has not yet elapsed since the completion of the liquidation of any company or enterprise which was insolvent and where the person acted as a factory manager or president (general manager) of such company or enterprise and was personally liable for such insolvency;

- (IV) a period of 3 years has not yet elapsed since revocation of business license or enforced winding-up of a company or enterprise due to illegal business operations where the person was the legal representative of such company or enterprise and for which he was personally liable;
- (V) the person is personally liable for a substantial debt which is due for repayment but remains unpaid;
- (VI) the person has been involved in a criminal offence which is subject to investigation by the judicial authorities, and the case remains unsettled;
- (VII) the person is not eligible for acting in the leadership of a company or enterprise pursuant to laws or administrative regulations;
- (VIII) the person is not a natural person;
- (IX) a period of 5 years has not yet elapsed since the person was adjudged by the relevant regulatory authorities to be guilty of contravening of securities regulations involving fraud or dishonesty;
- (X) a person who has been given penalties of prohibition against entering the securities market from the CSRC and the term of such penalties has not expired;
- (XI) such other stipulations by the laws and regulations in the jurisdiction where the shares of the Company are listed.

Article 217 The validity of an act of a director, president (general manager), deputy general manager and other senior management on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his office, election or any defect in his suitability to his office.

Article 218 In addition to the obligations imposed by the laws and administrative regulations or required by the listing rules of the stock exchange on which the shares of the Company are listed, directors, supervisors, president (general manager) and other senior management of the Company shall, in performing their duties and powers conferred by the Company, assume the following obligations towards each shareholder:

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

Article 219 In exercising rights or fulfilling obligations, the directors, supervisors, president (general manager) and other senior management have the duty to act with due discretion, diligence and skill as a reasonable discreet person should do in similar circumstances. Directors, supervisors, president (general manager) and other senior management shall comply with the laws, administrative regulations and the Articles of Association and shall fulfil the following obligations with due diligence:

- (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the laws, administrative regulations and economic policies of the PRC, and not going beyond the scope of business specified in the Company's business license;
- (II) to treat all shareholders impartially;
- (III) to be timely informed of and understand the business operations and management of the Company;
- (IV) to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company to the extent it falls within their duties;
- (V) to honestly provide the Supervisory Committee with relevant information, and not to interfere with the Supervisory Committee or supervisors in performing their duties and powers; and
- (VI) to fulfil other due diligence obligations stipulated by laws, administrative regulations, department rules and the Articles of Association.

Article 220 Each of directors, supervisors, president (general manager) and other senior management of the Company shall exercise his powers or perform his duties in accordance with the fiduciary principle, and shall not put himself in a position where his duty and his interest may conflict. This principle shall include (but not be limited to) fulfilment of the following obligations:

- (I) to act honestly in the best interests of the Company;
- (II) to exercise powers within the terms of reference and not to act ultra vires;
- (III) to exercise the discretion vested in him personally and not to allow himself to act under the control of any other party, unless and to the extent permitted by laws, administrative regulations or with the consent of informed shareholders at a general meeting, not to delegate the exercise of his discretion;
- (IV) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (V) unless otherwise stipulated in the Articles of Association or otherwise consented to by duly informed shareholders at a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (VI) without the consent of duly informed shareholders at a general meeting, not to use the Company's property for his own benefits;

- (VII) not to exploit his position to accept bribes or other illegal income or misappropriate funds or expropriate property of the Company by any means, including but not limited to opportunities advantageous to the Company;
- (VIII) without the consent of informed shareholders at a general meeting, not to accept commissions in connection with any of the Company's transactions;
- (IX) to abide by the Articles of Association, perform his official duties faithfully and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private benefits;
- (X) not to compete with the Company in any way, save with the informed consent of the shareholders given in a general meeting; not to take advantage of his connected relationship to prejudice the interests of the Company;
- (XI) not to misappropriate the Company's funds or to lend such funds to any other person, not to use the Company's assets to set up deposit accounts in his own name or in the any other name, nor to use such assets to guarantee the debts of a shareholder of the Company or any other personal liabilities; and
- (XII) unless otherwise permitted by informed shareholders at a general meeting, not to disclose the information acquired by him in confidentiality during his tenure; not to use such information other than in furtherance of the interests of the Company, save and except that disclosure of such information to the court or other competent government authorities is permitted in any of the following circumstances:
 - (1) when so prescribed by the laws;
 - (2) when public interests so warrants; or
 - (3) when so required for the own interests of the director, supervisor, president (general manager) or other senior management member.

Article 221 A director, supervisor, president (general manager) and any other senior management of the Company shall not cause the following persons or institutions ("associates") to do what he is prohibited from doing:

- (I) the spouse or minor children of that director, supervisor, president (general manager) and other senior management;
- (II) a person acting in the capacity of a trustee of that director, supervisor, president (general manager) and other senior management or any person referred to in subparagraph (I) of this Article;
- (III) a person acting in the capacity of partner of that director, supervisor, president (general manager) and other senior management or any person referred to in subparagraphs (I) and (II) of this Article;

- (IV) a company in which that director, supervisor, president (general manager) and other senior management, either alone or jointly with one or more personnel referred to in subparagraphs (I), (II) and (III) of this Article or other directors, supervisors, president (general manager) and other senior management, has a de facto controlling interest; and
- (V) directors, supervisors, president (general manager) and other senior management of the controlled company referred to in subparagraph (IV) of this Article.

Article 222 The fiduciary duties of directors, supervisors, president (general manager) and other senior management of the Company shall not be necessarily ceased with the termination of their tenures. The duty of confidentiality in relation to trade secrets of the Company shall survive upon termination of their tenures. Other duties may continue for such period, as fairness may require, depending on the time lapses between the termination and the act concerned and the circumstances and conditions under which the relationships with the Company are terminated.

Article 223 Except as provided in Article 63 hereof, directors, supervisors, president (general manager) and any other senior management of the Company may be relieved of liability for specific breaches of duties by the consent of duly informed shareholders at a general meeting.

Article 224 Where a director, supervisor, president (general manager) and any other senior management of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than an employment contract of a director, supervisor, president (general manager) and any other senior management with the Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the relevant issues shall be otherwise subject to approval of the Board.

If any director has any connection (serving as director or senior management of the transaction counterparty, or serving as director or senior management of a legal person directly or indirectly controlling the transaction counterparty or directly or indirectly controlled by the transaction counterparty) with the enterprise involved in any matters to be resolved at the board meeting, such director shall not exercise the right to vote on the said resolution nor exercise the right to vote on behalf of another director and shall abstain from voting on the said resolution. Such board meeting may be convened with attendance of more than half of non-connected directors, and resolutions shall be passed by more than half of non-connected directors at the board meeting.

A director shall not vote in any resolution of the Board for approving any contract, transaction or arrangement or any other proposal in connection therewith in which such director or any of his associates (as defined in the applicable rules governing the listing of securities amended from time to time) is materially interested, and shall not be counted into the quorum of the meeting either.

Unless an interested director, supervisor, president (general manager) and other senior management has disclosed his interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement was approved by the Board at a meeting at which such interested director, supervisor, president (general manager) or other senior management was not counted in the quorum and abstained from voting, the contract, transaction or arrangement is voidable by the Company, except as against a bona fide party thereto acting without being aware of the breach of duty by the interested director, supervisor, president (general manager) or other senior management.

A director, supervisor, president (general manager) and other senior management of the Company shall be deemed to be interested in a contract, transaction or arrangement in which any of his associates or related parties is interested.

Article 225 Where a director, supervisor, president (general manager) or senior management of the Company gives a notice in writing to the Board before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company, stating that, by reason of facts specified in the notice, he is interested in any contract, transaction or arrangement of any description which may subsequently be made by the Company, that notice shall be deemed for the purpose of the preceding article of this chapter to be a sufficient declaration of interests of such director, supervisor, president (general manager) or senior management, so far as attributable to those facts in relation to any contract, transaction or arrangement of that description which may subsequently be made or entered into by the Company.

Article 226 The Company shall not in any manner pay taxes for or on behalf of its directors, supervisors, president (general manager) and other senior management.

Article 227 The Company shall neither directly or indirectly make a loan to or provide any loan guarantee to directors, supervisors, president (general manager) and other senior management of the Company and its parent, nor make a loan to or provide any loan guarantee to any of their respective associates.

The provisions of the preceding paragraph shall not be applicable to the following circumstances:

- (I) the provision by the Company of a loan or a loan guarantee to a subsidiary of the Company;
- (II) the provision by the Company of a loan or a loan guarantee or any other funds to a director, supervisor, president (general manager) and other senior management of the Company to meet expenditures incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to properly perform his duties, in accordance with the terms of a employment contract approved by shareholders at a general meeting; and
- (III) the Company may make a loan to or provide a loan guarantee to any of the relevant directors, supervisors, president (general manager) and other senior management or their respective associates in the ordinary course of business on normal commercial terms, provided that the ordinary course of business of the Company should include the lending of money or the provision of guarantees.

Article 228 A loan made by the Company in breach of the preceding article shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

Article 229 A loan guarantee provided by the Company in breach of Article 227 shall not be enforceable against the Company, unless:

- (I) the guarantee was provided in connection with a loan to an associate of any of directors, supervisors, president (general manager) and other senior management of the Company or its parent and the lender were not aware of the relevant circumstances at the time the loan was advanced; or
- (II) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 230 For the purpose of the foregoing articles of this chapter, a “guarantee” shall include an undertaking or property provided to secure the performance of obligations by the obligor.

Article 231 In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, president (general manager) or other senior management of the Company is in breach of his duties to the Company, the Company shall have a right to:

- (I) claim damages from the director, supervisor, president (general manager) and other senior management in compensation for losses sustained by the Company as a result of such breach;
- (II) rescind any contract or transaction entered into by the Company with the director, supervisor, president (general manager) and other senior management or with a third party (where such third party is or should be aware that there is such a breach of obligations by the director, supervisor, president (general manager) and other senior management who acts on behalf of the Company);
- (III) demand an account of the profits made by the director, supervisor, president (general manager) and other senior management as a result of breach of obligations;
- (IV) recover any monies received by the director, supervisor, president (general manager) and other senior management which should otherwise have been received by the Company, including but not limited to commissions;
- (V) require such director, supervisor, president (general manager) and other senior management to return the interests accrued or potentially accrued on the monies which otherwise should have been paid to the Company; and
- (VI) commence legal proceedings to claim the properties arising from the breach of duties by the director, supervisor, president (general manager) and other senior management.

Article 232 The Company shall, with prior approval of shareholders at a general meeting, enter into a written contract with each director and supervisor on his remuneration. The aforesaid remuneration shall include:

- (I) the remuneration for the office as a director, supervisor or senior management of the Company;
- (II) the remuneration for the office as a director, supervisor or senior management of a subsidiary of the Company;
- (III) the remuneration for providing management services for the Company and its subsidiaries; and
- (IV) a sum as compensation to a director or supervisor to be paid out in the event of his/her loss of office, or for retirement.

Except under a contract mentioned in the foregoing paragraph, no proceedings may be brought by a director or supervisor against the Company for any benefits due to him in respect of the matters mentioned above.

Article 233 The contract on remunerations between the Company and its directors or supervisors shall provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to prior approval of shareholders at a general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement.

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

- (I) a general offer made by any person to all shareholders; or
- (II) an offer made by any person with a view to make the offeror the controlling shareholder (as defined in Article 64 of the Articles of Association).

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

Chapter 15 Financial and Accounting System and Profit Distribution

Article 234 The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and the PRC accounting standards promulgated by the relevant financial authority of the State Council.

Article 235 The Company shall prepare financial reports at the end of each fiscal year, which shall be audited by the accounting firm according to law.

The fiscal year of the Company is Gregorian calendar year, i.e. from 1 January to 31 December every year.

The Company shall submit and disclose its annual reports to CSRC and the stock exchange(s) within 4 months from the end of each fiscal year, and its interim reports to the local office of CSRC and the stock exchange(s) within 2 months from the end of the first half of each fiscal year.

Article 236 The Board shall, at each annual general meeting, submit to shareholders the financial reports prepared by the Company as required by relevant laws, administrative regulations and regulatory documents promulgated by local government and regulatory authorities.

Article 237 The Company's financial reports shall be made available for shareholders' inspection at the Company not later than 20 days before the date of each annual general meeting. Each shareholder shall be entitled to an access of a copy of the financial reports referred to in this chapter.

The Company shall deliver to each holder of overseas listed foreign shares a copy of the report of the Board together with the balance sheet (including such documents as shall be attached to the balance sheet according to applicable laws and regulations) and profit and loss (including the financial report) not later than 21 days before the date of each annual general meeting by prepaid mail at the address as shown in the register of members.

Article 238 The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas jurisdiction(s) where the shares of the Company are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two of the aforementioned accounting standards, such difference shall be stated in the financial statements. When the Company is to distribute its profit after tax of the relevant accounting year, the lower of the profit after tax as shown in the two financial statements shall be adopted for such purposes.

Article 239 Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with the PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas jurisdiction(s) where the shares of the Company are listed.

Article 240 The Company shall publish two financial reports in each fiscal year, meaning that an interim report shall be published within 60 days after the end of the first six months of a fiscal year and an annual report shall be published within 120 days after the end of a fiscal year.

Article 241 The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article 242 The Company shall establish a board of directors fund, to which allocations shall be made annually. The amount of allocation shall be up to 0.1% of the profit before tax for the current year. The fund shall be used mainly to reward directors, supervisors, president (general manager) and other senior management and the employees with special contributions, or used as the source of the risk funds with respect to directors, supervisors, president (general manager) and other senior management in performing their duties. The specific management measures on the fund shall be made separately by the Remuneration Committee.

The Company shall establish liability insurance system for its directors, supervisors, president (general manager) and other senior management.

Article 243 Capital common reserve includes the following items:

- (I) premium on shares issued at a premium price;
- (II) any other income designated for the capital common reserve by regulations of the relevant financial authority of the State Council.

Article 244 In distributing the current year's profit after tax, the Company shall withdraw 10% of the profit as the statutory surplus reserve. Such withdrawal may be stopped when the statutory surplus reserve of the Company has accumulated to at least 50% of the registered capital of the Company.

If the statutory surplus reserve is insufficient to recover the losses in the previous years, the profit of the current year shall first be used to recover such losses before any withdrawal is made to the statutory surplus reserve in accordance with the preceding paragraph.

After the withdrawal is made to the statutory surplus reserve out of the profit after tax, the discretionary surplus reserve may also be withdrawn out of the same as resolved by the general meeting.

The profit after tax remaining after recovering losses and withdrawal of reserves shall be distributed to the shareholders in proportion to their shareholding unless otherwise specified in the Articles of Association.

If the general meeting, in violation of the provision in the preceding paragraph, distributes profit to shareholders before recovering losses and withdrawing from the statutory surplus reserve, the profit so distributed shall be returned to the Company.

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

Article 245 Policies on Profit Distribution as follows:

1. Dividend shall be distributed in the following manner:

The Company may distribute dividends in cash, in shares or in a combination of both cash and shares, and shall give priority to cash dividends. Subject to conditions, interim profit distribution may be made by the Company.

2. Specific conditions for and proportions of cash dividend of the Company:

Save in special circumstances, if the Company's profit for the year and its total unappropriated profit are positive, the Company may distribute dividend in cash and the profit to be distributed in cash per annum shall not be less than 20% of the year's distributable profit attributable to the Shareholders of the parent company as stated in the consolidated financial statements (whichever is lower under China Accounting Standard for Business Enterprises and International Financial Reporting Standards).

Special circumstances refer to any of the following events:

- (1) The Company suffers a loss or its accrued undistributed profit is negative;
- (2) Any significant event where cash dividends which are less than 20% of the current year's distributable profit attributable to the Shareholders of the parent company as stated in the consolidated financial statements are approved in the general meeting (whichever is lower under China Accounting Standard for Business Enterprises and International Financial Reporting Standards).

3. Specific Conditions for Distribution of Share Dividends:

Provided that the Company's business is in a sound condition, the Board considers that the share price of the Company does not reflect its share capital size and distributing dividend in shares will be favourable to all Shareholders as a whole and that the above conditions of cash dividend are fully met, the Company may propose dividend distribution in shares.

Article 246 Procedures for considering the profit distribution plan of the Company are as follows:

- (1) The profit distribution plan of the Company shall be drawn up by the president office before submitted to the Board and the supervisory committee of the Company for consideration. The Board shall thoroughly discuss the rationality of the profit distribution plan and form a specific resolution before submitting to the general meeting for consideration. Where the profit distributed in cash as decided by the Board is lower than 20% of the current year's distributable profit attributable to the Shareholders of the parent company as stated in the consolidated financial statements (whichever is lower under China Accounting Standard for Business Enterprises and International Financial Reporting Standards), the Board will formulate a dividend distribution proposal to be submitted to the general meeting of the Company for approval. The Company shall make internet voting available to the Shareholders.
- (2) Where the Company has no cash dividends in any particular cases as provided for in the foregoing Article 245, the Board shall explain the specific reasons for not distributing cash dividends, the exact purpose for the retained profit and the estimated investment return, submit such to the general meeting for consideration after independent non-executive Directors express their opinions thereon, and disclose the same in the designated media of the Company.

Article 247 Implementation of the profit distribution plan of the Company:

After the profit distribution plan has been resolved at a general meeting, the Board shall complete dividend (or share) distribution within two months after the holding of such meeting.

Article 248 Alteration of the Company's profit distribution policy:

In case of war, natural disasters and other force majeure, or changes to the Company's external operational environment resulting in material impact on its production and operation, or relatively significant changes to the Company's operational position, the Company may adjust its profit distribution policy.

The Board shall conduct specific discussion over adjustment to the Company's profit distribution policy, provide detailed reasons for such adjustment, form a written report to be considered by independent non-executive directors, and then submit to the general meeting for approval by way of a special resolution. In considering alterations to the profit distribution policy at a general meeting, the Company shall make Internet voting available to the Shareholders.

Article 249 The Company's profit after tax shall be distributed in accordance with the following order:

- (I) making up for losses;
- (II) withdrawal to the statutory surplus reserve;
- (III) withdrawal to the discretionary surplus reserve;
- (IV) paying dividends to shareholders.

The specific distribution proportions in respect of subparagraphs (III) and (IV) of this Article for any particular year shall be proposed by the Board according to operational conditions and development requirements of the Company to the general meeting for approval.

Any amount paid up in advance of calls on any share shall carry interest but shall not entitle the relevant shareholder to participate in respect thereof in a dividend subsequently declared.

Article 250 The Company shall not distribute any dividend to shareholders prior to recovery of losses and withdrawal to the statutory surplus reserve.

The Company's statutory surplus reserve may be used to cover the Company's losses, expand the Company's production and operation or increase the Company's capital. However, capital common reserve shall not be used for recovery of the Company's losses. For transfer of the statutory surplus reserve into capital, the balance of the statutory surplus reserve shall not be less than 25% of the Company's registered capital immediately before the transfer.

Article 251 The withdrawal to the discretionary surplus reserve shall be separately made pursuant to a resolution of the general meeting.

Article 252 The Company shall appoint a receiving agent for holders of overseas listed foreign shares. The receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed foreign shares.

The receiving agent appointed by the Company shall satisfy the requirements under the laws of the jurisdiction where the Company's shares are listed or the rules of such stock exchange(s).

The receiving agent appointed by the Company for holders of overseas listed foreign shares listed on the SEHK shall be a trust company registered under the Trustee Ordinance of the laws of Hong Kong.

Subject to the relevant laws and regulations of the PRC, the Company may exercise its right of forfeiture over unclaimed dividends, provided that such right cannot be exercised prior to the expiration of the applicable statute of limitations.

The Company has the right to terminate the despatch of dividend warrants to holders of overseas listed foreign shares by mail, provided that such right shall not be exercised until the dividend warrants have not been cashed for two consecutive occasions. However, where the dividend warrant is undelivered to the addressee and returned, the Company may also exercise such right.

In case of exercising general mandate to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms the physical loss of the original warrants.

The Company has the right to sell, in such manner as the Board thinks fit, any shares of an overseas listed foreign shareholder who is untraceable, subject to and conditional upon:

- (1) the Company having distributed dividends for at least 3 times to such shares within 12 years, but none of such dividends was claimed; and
- (2) The Company, after the expiration of 12 years, made the public announcement on the newspaper(s) at the jurisdiction where the Company is listed, stating its intention to sell such shares, and notified the stock exchange on which such shares were listed.

Article 253 Cash dividends and other amounts payable by the Company to holders of domestic shares shall be denominated and declared in RMB. Cash dividends and other amounts payable by the Company to holders of foreign shares shall be denominated and declared in RMB and payable in foreign currency. The exchange rate shall be the average closing price of relevant foreign currency against RMB announced by the People's Bank of China in the 5 business days prior to the declaration of dividends or other distributions, and the Company shall arrange the foreign currency for payment to holders of foreign shares in accordance with foreign exchange management regulations of the PRC. The general meeting shall, by ordinary resolution, authorize the Board to implement the distribution of dividends of the Company.

Article 254 In distributing dividends to shareholders, the Company shall deduct and pay taxes payable by the shareholders pursuant to Chinese tax laws.

Article 255 The Company shall establish an internal audit system and designate full-time auditors to conduct internal audit and supervision on the incomes, expenses and economic activities of the Company.

Article 256 The internal audit system and duties of the auditors shall be subject to the approval of the Board. The chief auditor shall be accountable and report directly to the Board.

Chapter 16 Appointment of Accounting Firm

Article 257 The Company shall appoint qualified independent certified public accountants compliant to relevant regulations as the accounting firm to audit the annual financial reports and other financial reports of the Company.

The first accounting firm of the Company may be appointed at the founding meeting before the first annual general meeting, and the term of the said accounting firm shall end at conclusion of the first annual general meeting.

Article 258 The accounting firm appointed by the Company shall hold office from the close of the current annual general meeting until the conclusion of the next annual general meeting.

Article 259 The accounting firm appointed by the Company shall have the following rights:

- (I) to access the account books, records and vouchers at any time if deemed proper, and to ask directors, the president (general manager) or other senior management to provide relevant information and explanations;
- (II) to request the Company to take all reasonable actions to obtain information and explanations from its subsidiaries needed for the accounting firm to perform their duties; and
- (III) to be present as an observer at shareholders' meetings, receive notice of meetings for any shareholders or other information relating to such meetings, and deliver speeches at any shareholders' meetings in relation to the matters concerning its role as the accounting firm of the Company.

The Company shall undertake to provide the accounting firm with true and complete accounting vouchers, account books, financial reports and other accounting information, and shall not deny, conceal or misstate any information.

Article 260 If there is a vacancy in the position of the auditor of the Company, the Board may retain an accounting firm to fill such vacancy before the convening of the general meeting. Any other accounting firm which has been engaged by the Company may continue to act during the period of existence of such vacancy.

Article 261 Notwithstanding the stipulations in the contract between the Company and the accounting firm, shareholders at a general meeting may, by ordinary resolution, remove an accounting firm before the expiration of its term of office, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

Article 262 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by shareholders at a general meeting. The remuneration of an accounting firm appointed by the Board shall be determined by the Board.

Article 263 The Company's appointment, removal and non-reappointment of an accounting firm shall be resolved upon by shareholders in general meeting. The resolution of the general meeting shall be filed with the securities regulatory authorities of the State Council.

Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accounting firm which is not an incumbent firm to fill a casual vacancy in the office of the accounting firm, re-appointment of a retiring accounting firm which was appointed by the Board to fill a casual vacancy, or removal of the accounting firm before the expiration of its term of office, the following provisions shall apply:

(I) A copy of the proposal shall be sent before notice of meeting is given to the shareholders to the accounting firm proposed to be appointed or proposing to leave its post, or the accounting firm which has left its post in the relevant fiscal year.

“Leaving” includes leaving by removal, resignation and retirement.

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

(1) state that representations have in fact been made by the accounting firm leaving in the notice of the resolution given to shareholders regarding said matter; and

(2) deliver as prescribed by the Articles of Association a copy of the representations as attachment to the notice to the shareholders.

(III) The relevant accounting firm may (in addition to its right to be heard) require that the representations be read out at the meeting if the representations of the relevant accounting firm are not sent in accordance with this sub-clause (II).

(IV) An accounting firm which is leaving its post shall be entitled to attend meetings as follows:

(1) the general meeting at which its term of office would otherwise have expired;

(2) any general meeting at which it is proposed to fill the vacancy caused by its removal; and

(3) any general meeting convened on its resignation.

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

Article 264 Prior to the removal or the non-renewal of the appointment of the accounting firm, notice of such removal or non-renewal shall be given in advance to the accounting firm and such firm shall be entitled to make representations at the general meeting. Where the accounting firm resigns from its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

- (I) An accounting firm may resign its office by depositing at the Company's domicile a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following information:
 - (1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
 - (2) a statement of any such circumstances which should be brought to notice.
- (II) Where a notice is deposited as mentioned in subparagraph (I) of this Article, the Company shall, within 14 days, send a copy of the notice to the relevant authorities. If the notice contains a statement under sub-clause (2) of subparagraph (I) of this Article, a copy of such statement shall be placed at the domicile of the Company for the inspection of shareholders. The Company shall also send a copy of such statement by prepaid mail to each holder of overseas listed foreign shares at the address registered in the register of members.
- (III) Where the accounting firm's notice of resignation contains a statement under sub-clause (2) of subparagraph (I) of this Article, it may require the Board to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

Chapter 17 Insurance

Article 265 All kinds of insurance of the Company shall be arranged after discussion by the Board in accordance with relevant insurance laws of the PRC.

Chapter 18 Employment System

Article 266 The Company may, at its discretion, employ and dismiss employees according to its business development requirement and in accordance with the laws and regulations of the PRC, and implement an employment contract system thereunder.

Article 267 The Company shall decide on its employment payroll system and payment methods in accordance with the relevant regulations of the PRC, the Articles of Association and its economic benefits.

Article 268 The Company shall strive to improve the fringe benefits, and the working and living conditions of the employees.

Article 269 The Company shall establish medical, retirement and unemployment insurance funds for its employees and implement an occupational insurance system in accordance with the relevant laws and regulations of the PRC.

Chapter 19 Labour Unions

Article 270 Employees of the Company are entitled to establish labour unions and carry out union activities in accordance with the laws to protect their legal entitlements. The Company shall provide necessary conditions for activities of such labour unions.

Chapter 20 Merger and Division

Article 271 In the event of a merger or division of the Company, the Board shall submit a proposal, which shall be approved in accordance with the procedures stipulated in the Articles of Association and go through relevant examination and approval formalities pursuant to laws. Shareholders who object to the merger or division proposal shall be entitled to request that the Company or the consenting shareholders acquire shares held by such dissenting shareholders at a fair price. The resolutions on merger or division of the Company shall be made as special documents available for shareholders' inspection.

The aforesaid documents shall also be served by mail on each of the holders of overseas listed foreign shares.

Article 272 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new company.

In the event of a merger of the Company, the parties to the merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days and publish announcements in newspaper within 30 days after the date of the Company's merger resolution. The creditors may require the Company to repay debts or provide guarantees in respect thereof within 30 days after receipt of the notice or within 45 days after the announcement if such notice is not received.

After the merger of the Company, creditor's rights and debts of the parties to the merger shall be assumed by the surviving company or the newly established company after the merger.

Article 273 In the event of a division of the Company, its assets shall be divided accordingly.

In the event of a division, the parties to the division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days and publish announcements in newspapers within 30 days after the date of the Company's division resolution.

Debts of the Company prior to the division shall be assumed by the companies that exist after the division pursuant to the agreement entered into.

Article 274 The Company shall, as a result of a merger or division, apply for a change in business registration, if any, with the company registration authorities. The Company shall also apply for cancellation of its registration in the case of a dissolution, and apply for a new registration in the case of a new establishment, in accordance with the laws.

Chapter 21 Dissolution and Liquidation

Article 275 The Company shall be dissolved and liquidated in accordance with laws in any of the following circumstances:

- (I) the general meeting makes a resolution on dissolution;
- (II) the Company has to be dissolved on account of its merger or division;
- (III) the Company is declared as bankrupt according to law on account of its being unable to repay due debts; or
- (IV) the Company is lawfully ordered to close down for violation of laws or administrative regulations.

Article 276 Where the Company is dissolved pursuant to the subparagraph (I) of the preceding article, it shall within 15 days thereof establish a liquidation committee, the members of which shall be elected by an ordinary resolution of shareholders at a general meeting.

Where the Company is dissolved pursuant to the subparagraph (III) of the preceding article, the People's Court shall establish a liquidation committee according to law comprising members from the shareholders and relevant authorities and relevant professionals to proceed with the liquidation.

Where the Company is dissolved pursuant to the subparagraph (IV) of the preceding article, the relevant governing authorities shall establish a liquidation committee comprising members from the shareholders and relevant authorities and relevant professionals to proceed with the liquidation.

Article 277 Where the Board has decided to liquidate the Company for any reason other than the Company's declaration of its own insolvency, the Board shall state in the notice convening a general meeting that it has made full enquiry into the affairs of the Company and is of the opinion that the Company shall be able to settle its debts in full within 12 months from the commencement of the liquidation.

Upon passing of the resolution for a liquidation of the Company by the shareholders at a general meeting, all functions and powers of the Board shall cease.

The liquidation committee shall act in accordance with the instructions from the general meeting to report at least once every year to the general meeting on the committee's income and expenses, the business and the progress of the liquidation of the Company; and to present a final report to the general meeting upon completion of the liquidation.

Article 278 The liquidation committee shall, within 10 days of its establishment, notify the creditors of the same, and, within 60 days of its establishment, publish announcements in newspapers. The liquidation committee shall register creditor's rights in accordance with laws.

Article 279 During liquidation, the liquidation committee shall exercise the following functions and powers:

- (I) to organise the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify the creditors or to publish announcements;

- (III) to dispose of any continuing businesses of the Company in connection with the liquidation;
- (IV) to pay outstanding taxes and the taxes arising during liquidation;
- (V) to settle claims and debts;
- (VI) to deal with the remaining assets of the Company subsequent to the settlement of debts; and
- (VII) to represent the Company in any civil proceedings.

Article 280 Following the organisation of the Company's assets and the preparation of a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation proposal and present it to the general meeting or to the relevant governing authorities for confirmation.

All liquidation costs, including remunerations of members of the liquidation committee and its advisors, shall be preferentially settled out of the Company's assets prior to the settlement of any debts owed to other creditors.

After the general meeting resolves to dissolve the Company or the Company is lawfully declared bankrupt or ordered to close down, no disposal of the Company's assets is allowed without the permission of the liquidation committee.

The assets of the Company shall be liquidated in the following order of priority: liquidation costs; salaries and social insurance premiums owed to the employees of the Company and statutory compensation; outstanding taxes; and debts of the Company.

Any remaining assets of the Company subsequent to the settlement in accordance with the foregoing provisions shall be distributed to its shareholders on the basis of the class of shares and in the proportion of shares being held.

During the period of liquidation, the Company shall continue to exist but shall not carry out any business activities which are irrelevant with the liquidation.

Article 281 In the event of liquidation due to dissolution, the liquidation committee shall immediately apply to the People's Court for a declaration of bankruptcy if it becomes aware, having liquidated the Company's assets and prepared a balance sheet and an inventory of assets, that the Company's assets are insufficient to repay its debts in full.

Upon the Company being declared bankrupt by a ruling of the People's Court, the liquidation committee shall transfer to the People's Court all matters arising out of the liquidation.

Article 282 Following the completion of liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses and financial accounts for the liquidation, which shall be verified by certified public accountants in the PRC and submitted to the general meeting or the relevant governing authorities for confirmation.

The liquidation committee shall, within 30 days after such confirmation by the general meeting or the relevant governing authorities, submit the aforementioned documents to the company registration authorities for an application for a cancellation of registration of the Company, and publish an announcement in respect of the termination of the existence of the Company.

Article 283 Members of the liquidation committee shall dutifully fulfil the liquidation obligation.

Members of the liquidation committee shall not abuse their official powers to accept bribes or other unlawful income or expropriate the Company's property.

A member of the liquidation committee causing any loss to the Company or the creditors due to wilful misconduct or the making of a material mistake shall be liable to indemnify the Company.

Chapter 22 Procedures for Amendments to the Articles of Association

Article 284 The Company may amend the Articles of Association in any of the following circumstances:

- (I) After amendments are made to Company Law or other relevant laws and administrative regulations, the Articles of Association run counter to such amendments;
- (II) The conditions of the Company have changed, and such change is not covered in the Articles of Association;
- (III) The general meeting has resolved to amend the Articles of Association.

Article 285 The amendments to the Articles of Association involving the Mandatory Provisions shall become effective upon approval by the company-approving authorities authorised by the State Council. For any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with laws.

Article 286 The Board shall amend the Articles of Association in accordance with the resolution on the amendments passed at the general meeting and the opinions of the regulatory authorities.

Chapter 23 Notices

Article 287 Notices of the Company may be served as follows:

- (I) by personal delivery;
- (II) by mail;
- (III) by facsimile or email;
- (IV) by announcement on the websites of the Company and designated by SEHK in accordance with the laws, administrative regulations and applicable listing rules;
- (V) by announcement;
- (VI) by other means as agreed in advance between the Company and the recipient or as accepted by the recipient after receiving a notice; and
- (VII) by other means accepted by the relevant regulatory authorities at the place of listing or as stipulated in the Articles of Association.

If a notice of the Company is served by announcement, the said notice shall be deemed as received by the relevant persons once it is announced.

The “announcements” referred to herein, unless the context otherwise requires, for those issued to the domestic shareholders or required to be issued in the PRC pursuant to relevant regulations and the Articles of Association, are announcements published on the newspapers and periodicals in the People’s Republic of China as specified in the Chinese laws and administrative regulations or designated by securities regulatory authorities under the State Council; for those issued to holders of the foreign shares or required to be issued in Hong Kong pursuant to relevant regulations and the Articles of Association, are announcements required to be published on designated newspapers and periodicals in Hong Kong as required by relevant listing rules.

Unless otherwise provided in the Articles of Association, where a notice from the Company to holders of overseas listed foreign shares is served by way of announcement, the announcement shall be published on the same day in the English and Chinese languages, respectively, in at least one major English newspaper and one major Chinese newspaper in Hong Kong, if so required by the local listing rules. In addition, the notices shall be served to each holder of overseas listed foreign shares by hand or by prepaid mail at the address as shown in the register of members, in order to ensure that such shareholders are adequately notified and have sufficient time to exercise their rights or act in accordance with the terms of the notices.

Article 288 Save as otherwise specified in the Articles of Association, the means of service of notices specified in the preceding article shall apply to notice of general meeting and meetings of the Board and the Supervisory Committee held by the Company.

Article 289 If the notice of the Company is sent by personal delivery, the recipient shall affix signature (or seal) to the Return on Service and the signing date shall be the date of service; if the notice of the Company is sent by mail, facsimile or email or posted on websites, the sending date shall be the date of service; if the notice of the Company is sent by announcement, the date of the first announcement made shall be the date of service. The relevant announcement shall be published on the designated newspapers and periodicals.

Article 290 In the event that the applicable listing rules stipulate that the Company shall send, mail, distribute, issue, announce or otherwise provide relevant documents of the Company in both English and Chinese, but if the Company has made appropriate arrangements to confirm that the shareholders only required the English version or the Chinese version, the Company may (as per the intent stated by the shareholders) send only the English version or the Chinese version to the relevant shareholders if allowed by the applicable laws and regulations, and pursuant to the applicable laws and regulations.

Chapter 24 Settlement of Disputes

Article 291 The Company shall act according to following principles to settle disputes:

- (I) Whenever any disputes or claims arising between holders of overseas listed foreign shares and the Company, between holders of overseas listed foreign shares and the Company’s directors, supervisors, president (general manager) or other senior management, or between holders of overseas listed foreign shares and holders of Domestic Shares based on the Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where such dispute or claim of rights is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all parties who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim shall abide by the arbitration, provided that such parties are either the Company or the Company's shareholder, director, supervisor, president (general manager) or other senior management.

Disputes in relation to the definition of shareholders and disputes in relation to the register of members need not be resolved by arbitration.

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

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

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

- (IV) The award of an arbitration body shall be final and conclusive and binding upon all the parties.

Chapter 25 Supplementary Provisions

Article 292 Issues not covered in the Articles of Association shall be dealt with pursuant to the laws, administrative regulations and applicable listing rules and in line with the actual conditions of the Company. In the event of any discrepancy between the Articles of Association and newly promulgated laws, administrative regulations or applicable listing rules, the latter shall prevail.

Notwithstanding the aforesaid provisions herein which details the provision and/or despatch of written corporate communications to shareholders, for the purpose of the means by which the Company provides and/or despatches its corporate communications to shareholders according to the requirements under the Listing Rules of SEHK, if the Company has obtained shareholders' prior written consent or implicit consent according to the relevant laws and regulations and the Listing Rules of SEHK as amended from time to time, the Company may despatch or provide corporate communications to its shareholders by electronic means or via its website. Corporate communications include but are not limited to circulars, annual reports, interim reports, quarterly reports, notices of general meetings, and other types of corporate communications as specified in the Listing Rules of SEHK.

Article 293 The references "not less than", "within" and "not more than" referred to in these Articles are all inclusive terms, while the references "more than" and "other than" are exclusive terms.

Article 294 For the purpose of the Articles of Association, references to “accounting firm” shall bear the same meaning as “auditors”.

Article 295 These Articles of Association are written in Chinese. Should any discrepancy arise between the Chinese and English versions hereof, the Chinese version shall prevail.

These Articles of Association shall be interpreted by the Board. Any issues not covered in the Articles of Association shall be submitted by the Board to be resolved at the general meeting.

Article 296 Appendixes to the Articles of Association include Terms of References of Shareholders’ General Meetings, the Board of Directors, and the Supervisory Committee.