

China Longyuan Power Group Corporation Limited

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

ARTICLES OF ASSOCIATION

Passed at 2009 First EGM on 17 July 2009

Authorization to Make Amendments at 2012 First EGM on 28 December 2012

Authorization to Make Amendments at 2017 First EGM on 15 December 2017

Authorization to Make Amendments at 2018 AGM on 17 May 2019

Authorization to Make Amendments at 2019 AGM, First Domestic Shareholders

Class Meeting in 2020 and

First H Shareholders Class Meeting in 2020 on 29 May 2020

Authorization to Make Amendments at 2021 Third EGM, First Domestic

Shareholders Class Meeting in 2021 and First H Shareholders

Class Meeting in 2021 on 23 July 2021

Authorization to Make Amendments at 2022 AGM on 15 June 2023

Authorization to Make Amendments at 2025 First EGM on 29 October 2025

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China Longyuan Power Group Corporation Limited

Articles of Association

CHAPTER 1 GENERAL PROVISIONS

Article 1 In a bid to safeguard the legitimate rights and interests of China Longyuan Power Group Corporation Limited (the “Company”), its Shareholders, staff and creditors, and to regulate the organization and activities of the Company, the Company formulated the Articles of Association (the “Articles of Association”) in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Guidelines on Articles of Association of Listed Companies, the Rules Governing the Listing of Stock on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange Listing Rules”) and other relevant regulations.

Article 2 The Company is a joint stock limited company incorporated pursuant to the Company Law and other relevant laws in PRC and administrative regulations.

The Company was established with the approval of the State-owned Assets Supervision and Administration Commission of the State Council, as evidenced by the approval document Guo Zi Gai Ge [2009] No. 468, the Company was registered with the State Administration for Industry and Commerce and was granted the corporate legal person’s business license on 9 July 2009. The unified social credit code of the Company is: 911100001000127624.

The promoters of the Company: China Guodian Corporation Ltd. and Guodian Northeast Power Co., Ltd. China Energy Investment Corporation Limited absorbed and merged with China Guodian Corporation Ltd. in 2018. China Guodian Corporation Ltd. was deregistered, and China Energy Investment Corporation Limited continued to survive after the merger. Guodian Northeast Electric Power Co., Ltd. was renamed as CHN Energy Liaoning Electric Power Co., Ltd. in 2021.

Upon the approval by the securities supervision and administrative authority of the State Council, the Company made initial public offering of 2,464,289,000 RMB ordinary Shares on 4 December 2009, and was listed on the main board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 10 December 2009.

Article 3 Registered Name of the Company in Chinese: 龍源電力集團股份有限公司 ; Registered Name of the Company in English: China Longyuan Power Group Corporation Limited

Article 4 The Company’s legal residence: Room 2006, 20th Floor, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing

Postcode: 100034

Telephone: 010-6388-7602

Facsimile: 010-6388-7666

Article 5 The Chairman of the Board of Directors shall act as the director representing the Company in performing the Company’s affairs and shall be the Company’s legal representative.

If the Chairman serving as the legal representative resigns, he is deemed to resign as the legal representative at the same time. If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of the legal representative’s resignation.

Article 6 The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company. Restrictions imposed on the powers of the legal representative by these Articles of Association orders’ shareholders’ meetings shall not be invoked against a bona fide counterparty.

If the legal representative causes damage to others while performing his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming the civil liability, seek compensation from the legal representative at fault in accordance with laws or these Articles of Association.

Article 7

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

The Company is an independent legal entity, owns independent corporate property, is entitled to property right of corporation, and possesses the civil rights and assumes the civil liabilities prescribed by law.

Shareholders' liabilities of the Company are limited to the Shares subscribed by them, and the Company is liable for its debts to the extent of its entire assets.

Article 8

The Articles of Association was approved at the shareholders' meeting of the Company by way of special resolution.

From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each Shareholder and among the Shareholders' interest. It shall be legally binding upon the Company, its shareholders, directors, and senior management members.

Article 9

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

Subject to the special regulations of the Articles of Association, the Articles of Association are actionable by a Shareholder against the Company and vice versa, by the Company against Shareholders, by Shareholders against each other and by a Shareholder of the Company against the Directors, supervisors, general manager and other senior management members of the Company.

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

Other senior management members referred to in the preceding paragraph refer to deputy general managers, Chief Accountant, Secretary to the Board and other persons appointed by the Board.

- Article 10** Based on the requirement for business development and subject to approval by relevant government authorities, the Company may establish overseas subsidiaries such as subsidiary companies, representative offices and offices in Hong Kong, Macau Special Administrative Region and Taiwan.
- Article 11** The Company may invest in other enterprises. As stipulated by laws, the Company shall not be jointly and severally liable to such enterprise(s) for their liabilities as their investor, such provisions shall apply.
- Article 12** Any subsidiary controlled by the Company shall not acquire the shares of the Company.
- In case any subsidiary controlled by the Company holds the shares of the Company due to the merger of the company, exercise of pledge right or other reasons, it shall not exercise the voting right corresponding to the shares it holds and shall timely dispose of the relevant shares of the Company.
- Article 13** The Company shall, in accordance with the provisions under the Constitution of the Communist Party of China, establish an organisation of the Communist Party of China, carry out the activities of the Party, set up working organs for the Party. The Company shall provide the necessary conditions for such party activities.

CHAPTER 2 PURPOSES AND SCOPE OF BUSINESS

- Article 14** The purpose of the Company's operation is to combine production, operation and capital operation, whilst principally engaging in new energies, technologies, energy saving and environmental protection as its core business. Based on structural adjustments, the Company aspires to enhancing market competitiveness, boosting economic gain and operational efficiency, to this end it strives for optimizing resources allocation and expanding business scale, which adds value to state-owned assets and further better the development of the power industry.

Article 15

The scope of business of the Company shall be limited to activities approved by the approving department of the Company and the industry and commercial administration authorities.

The business scope of the Company consists of:

Licensed items: power generation, electricity transmission and supply (distribution) business; agency bookkeeping. (Items that are subject to approval according to law may only be carried out upon approval by relevant departments, and the specific business items shall be subject to approval documents or licenses of relevant departments)

General items: repair of electrical equipment, technical services, technology development, technology consultancy, technology exchange, technology transfer, technology promotion; environmental protection consultancy; wind power generation technology services; solar power generation technology services; energy saving management services; energy storage technology service; new energy technology research and development; import and export of goods; leasing services (excluding licensed leasing services); conference and exhibition services; sale of chemical products (excluding licensed chemical products); sale of building materials; non-residential property rental; financial consultancy; tax services; enterprise headquarters management; asset management services for investment with self-owned funds; manufacturing of electronic (gas) physical equipment and other electronic equipment. (Except for special projects subject to approval in accordance with law, the Company shall carry out business activities based on the business license.) (Operation activities prohibited or restricted by national and local industrial policies shall not be conducted.)

Based on the demand from domestic and international markets as well as its development capability and business requirements, the Company may be entitled to adjust its business scope.

CHAPTER 3 SHARES, SHARE TRANSFER AND REGISTERED CAPITAL

Article 16 The Shares of the Company are evidenced by share certificates, with a par value of Renminbi 1 yuan each.

The Renminbi referred to in the preceding paragraph is the legal currency of the PRC.

Article 17 Shares of the Company shall be issued in an open, fair and just manner. Shares of the same class shall rank *pari passu* with each other.

For the same class of Shares issued in the same tranche, each share shall be issued at the same price and subject to the same conditions. The Subscriber shall pay the same price for each of the shares for which they subscribe for.

Article 18 Subject to the approval of the securities supervision and administrative authority of the State Council, the Company may issue Shares to domestic and foreign investors.

The foreign investors referred to in the preceding paragraph mean those investors from foreign countries and from the regions of Hong Kong, Macau and Taiwan who subscribe for Shares issued by the Company. Domestic investors mean those investors within the territory of the PRC (excluding investors from the regions referred to in the preceding sentence) who subscribe for Shares issued by the Company.

Article 19 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic Shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as foreign Shares. Foreign Shares which are listed outside the PRC shall be referred to as overseas listed foreign Shares.

The foreign currency referred to in the preceding paragraph is a legal currency (other than Renminbi) of other countries or regions which is recognized by the foreign exchange administration authority of the State and can be used for payment of the Company's Shares.

Overseas listed foreign Shares issued by the Company and listed in Hong Kong shall be referred to as H Shares for short. H Shares refer to the Shares approved to be listed on Hong Kong Stock Exchange, the par value of which are denominated in Renminbi, and are subscribed for and traded in Hong Kong dollars.

Subject to the approval of the securities supervision and administrative authority of the State Council, domestic Shareholders of the Company may transfer all of or part of their holding Shares to overseas investors, and list and conduct transaction overseas; all or part of domestic Shares may be converted into foreign Shares and the foreign Shares converted into may be listed and traded on overseas securities stock exchange. Where Shares to be transferred or converted are listed and traded on overseas securities stock exchange, it is also subject to regulatory procedures, regulations and requirements of overseas securities market. Where Shares to be transferred are listed and traded on overseas securities stock exchange or domestic Shares to be converted into foreign Shares are listed and traded on overseas securities stock exchange, voting at shareholders' meeting or class meeting is not required. The foreign Shares listed overseas converted from domestic Shares shall be of the same class with the existing foreign Shares listed overseas.

Article 20

Upon approval by approving department of the Company, the Company issued 5 billion ordinary Shares in aggregate to the promoter at the time of incorporation, among which, China Energy Investment Corporation Limited had subscribed for and holds 4.9 billion Shares, representing 98% of the total ordinary Shares in issue of the Company, whereas CHN Energy Liaoning Electric Power Co., Ltd. had subscribed for and holds 0.1 billion Shares, representing 2% of the total ordinary Shares in issue of the Company.

Article 21

Upon establishment, the Company may issue not more than 2,464.29 million overseas listed foreign Shares (including 321.43 million Shares upon the exercise of over-allotment option), subject to the approval by the securities supervision and administrative authority of the State Council. The state-owned Shareholders of the Company will transfer not more than 246.43 million state-owned Shares to the National Council for Social Security Fund at the time of the issuance of overseas listed foreign Shares pursuant to relevant PRC regulations in respect of the disposal of state-owned Shares.

Upon the issuance of overseas listed foreign Shares as aforementioned (including the exercise of the over-allotment option in full), the shareholding structure of the Company shall be as follows: 4,658,498,600 Shares are held by China Energy Investment Corporation Limited, representing 62.41% of the total ordinary share capital, 95,071,400 Shares are held by CHN Energy Liaoning Electric Power Co., Ltd., representing 1.27% of the total ordinary share capital, 246,430,000 Shares are held by the National Council for Social Security Fund, representing 3.3% of the total ordinary share capital; 2,464,289,000 Shares are held by H Shareholders, representing 33.02% of the total ordinary share capital.

Upon the approval by the general meeting, the domestic shareholders meeting, and the foreign shareholders Meeting with special resolution respectively and the approval by the securities supervision and administrative authority of the State Council, the Company may additionally issue 572,100,000 overseas listed foreign Shares in December 2012 and the state-owned Shareholders of the Company will transfer 57,210,000 state-owned Shares to the National Council for Social Security Fund at the time of the issuance of overseas listed foreign Shares pursuant to relevant PRC regulations in respect of the disposal of state-owned Shares. Upon the issuance of overseas listed foreign Shares as aforementioned, the shareholding structure of the Company shall be as follows: 4,602,432,800 Shares are held by China Energy Investment Corporation Limited, representing 57.27% of the total ordinary share capital, 93,927,200 Shares are held by CHN Energy Liaoning Electric Power Co., Ltd., representing 1.17% of the total ordinary share capital, 303,640,000 Shares are held by the National Council for Social Security Fund, representing 3.78% of the total ordinary share capital; 3,036,389,000 Shares are held by H Shareholders, representing 37.78% of the total ordinary share capital.

Upon the approval by the securities supervision and administrative authority of the State Council with the Reply on the Approval of the Application for Absorption and Merger of Inner Mongolia Pingzhuang Energy Co., Ltd. through Share Swap by China Longyuan Power Group Corporation Limited* (Zheng Jian Xu Ke [2021] No. 3813), the Company publicly issued 345,574,164 A Shares. Upon the issuance of A Shares, the share capital structure of the Company is as follows: the total share capital of the Company is 8,381,963,164 Shares, including 5,041,934,164 A Shares and 3,340,029,000 H Shares, accounting for 60.15% and 39.85% of the Company's total share capital, respectively.

Upon review and approval by the shareholders' meeting, the domestic shareholders' meeting, and the foreign shareholders' meeting, the Company completed the repurchase of 22,147,000 H shares. Following the cancellation of the repurchased shares on March 11, 2024, the total share capital of the Company was reduced to 8,359,816,164 shares, comprising 5,041,934,164 A shares, representing 60.31% of the total share capital, and 3,317,882,000 H shares, representing 39.69% of the total share capital.

Article 22

Upon the issuance of overseas listed foreign Shares (including the exercise of the over-allotment option in full), the issuance of A shares, the repurchase of H shares, and the registered capital of the Company is RMB8,359,816,164.

Domestic Shares issued by the Company are under centralized depositary of China Securities Depository and Clearing Corporation Limited. The overseas listed foreign Shares issued by the Company are under depositary in accordance with Article 36 of the Articles of Association.

Article 23

The Company shall not accept any Shares of the Company as the subject of a pledge.

Article 24

The Company's shares shall be transferred in accordance with the law.

Shares issued prior to the public offering of Shares by the Company shall not be transferred within one year from the date the Shares of the Company were listed on the stock exchange(s). Where laws, administrative regulations or the securities regulatory authorities of the State Council have other provisions on the transfer of shares of the Company held by its shareholders or effective controllers, such provisions shall prevail.

The directors and senior management members of the Company shall report to the Company their shareholdings and the changes therein. The shares transferred each year during their term of office as determined at the time of his/her appointment shall not exceed 25% of the total number of the same class shares they held in the Company. The Shares held by them shall not be transferred within one year from the date the Shares of the Company being listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the Shares held by them and additional Shares of the Company within six months commencing from the termination of their service. Where the aforementioned restrictions on transfer involve H Shares, approval by Hong Kong Stock Exchange is required.

Where shares are pledged within the period of restriction on transfer prescribed by laws and administrative regulations, the pledgee shall not exercise the pledge right within the period of restriction on transfer.

The entrustment of holding the Company's shares on behalf of others in violation of laws and administrative regulations is prohibited.

Article 25

Any gains from sale of Shares in the Company by any Directors, senior management members or Shareholders holding 5% or more of the Shares in the Company or other securities in equity nature within six months after their purchase of the same, and any gains from purchase of Shares in the Company or other securities in equity nature by any of the aforesaid parties within six (6) months after sale of the same shall be disgorged and paid to the Company. The Board of the Company shall forfeit such gains from the abovementioned parties. Where the aforementioned restrictions on transfer involve H Shares, approval by Hong Kong Stock Exchange is required. Except for a securities company holds 5% or more Shares by buying the remaining Shares pursuant to an underwriting arrangement and other circumstances provided by the securities regulatory authorities of the State Council.

The Shares or other securities in equity nature held by the Directors, senior management members and natural person Shareholders referred to in the preceding paragraph include the Shares or other securities in equity nature held by their spouses, parents, children and held through others' accounts.

Should the Board does not observe the preceding paragraph, Shareholders shall be entitled to request the Board to effect the same within thirty (30) days. If the Board fails to do so within the aforesaid time limit, the Shareholders may directly initiate court proceedings in their own name for the interests of the Company.

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

Article 26

The Company and its subsidiaries (including affiliates) shall not provide gifts, loans, guarantees, or other forms of financial assistance to any other party for the purpose of acquiring the shares of the Company or its parent company, except for the implementation of the Company's employee shareholding plan.

In the interests of the Company, the Company may, by the resolution of a shareholders' meeting, or by the resolution of the board of directors in accordance with these Articles of Association or as authorised by the shareholders' meeting, provide financial assistance to others for the acquisition of shares of the Company or those of its parent company, provided that the aggregate amount of such financial assistance shall not exceed 10% of the total issued share capital. The relevant resolution of the board of directors shall be passed by more than two-thirds of all directors.

Where a violation of the preceding two paragraphs causes losses to the Company, the directors and senior management members of the Company who are held responsible shall bear liability for compensation.

CHAPTER 4 INCREASE, DECREASE AND REPURCHASE OF SHARES

Article 27

The Company may, based on its requirements for operation and development needs, increase its capital in accordance with the provisions of laws and regulations and upon a resolution adopted by the shareholders' meeting, through any of the following methods:

- (1) issuing shares to non-specified investors;
- (2) issuance of shares to specific investors;
- (3) distributing bonus Shares to its existing Shareholders;
- (4) capitalizing its capital reserve; or
- (5) other methods as permitted by laws, administrative regulations, and the regulations of the securities regulatory authority under the State Council.

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

Upon capital increase or reduction, the Company shall register changes with the Company registration authority and make announcement thereof.

Article 28 The Company may reduce its registered capital. Where the Company reduces its registered capital, it is handled in accordance with the Company Law and other relevant provisions and procedures prescribed in the Articles of Association.

Article 29 The Company will prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten (10) days from the date of the Company's resolution on reduction of capital and shall publish an announcement in newspapers authorized by the stock exchange(s) where the Company's Shares are listed or the National Enterprise Credit Information Publicity System within thirty (30) days from the date of such resolution. A creditor has the right, within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five (45) days from the date of the announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

Where the Company reduces its registered capital, the amount of capital contribution or shares shall be reduced correspondingly in proportion to the shares held by its shareholders, unless otherwise provided by law or the Articles of Association.

Article 30

The Company may, according to the procedures laid down in the Articles of Association, and subject to the approval of the relevant governing authority of the State, and in accordance with the requirements of laws, administrative regulations, departmental rules, repurchase its Shares under the following circumstances:

- (1) to cancel Shares for the purpose of capital reduction;
- (2) to merge with another company that holds Shares in the Company;
- (3) to use the Shares for the purpose of employee share ownership plan or as share incentive;
- (4) to acquire Shares held by Shareholders (upon their request) who vote against any resolution proposed in any shareholders' meeting on the merger or division of the Company;
- (5) to use the Shares for conversion of those bonds convertible into Shares issued by the Company; and
- (6) to maintain corporate value and shareholders' interests as the Company deems necessary.

Except under the above circumstances, the Company may not repurchase its own Shares.

Article 31

The Company's repurchase of its Shares may be carried out through open centralized trading or other methods recognized by laws, regulations and the securities regulatory authority of the State Council.

If the Company repurchases its Shares for the reason stipulated in items (3), (5) or (6) of paragraph 1, Article 30 of this Article, the open centralized trading shall be adopted.

Article 32

Where the Company repurchases Shares as stipulated in items (1) and (2) of paragraph 1, Article 30, it shall be resolved at the shareholders' meeting. Where the Company repurchases Shares as stipulated in items (3), (5), and (6) of paragraph 1, Article 30 of this Article, it shall be resolved at a board meeting with the presence of more than two-thirds of the directors in accordance with the requirements of the Articles of Association. After repurchasing Shares of the Company as stipulated in Article 30 of this Article, for conditions which belong to item (1) of paragraph 1, the Company shall cancel such Shares within ten days from the date of repurchase; for conditions which belong to items (2) and (4), the Company shall transfer or cancel such Shares within six months; for conditions which belong to items (3), (5) and (6), the total number of Shares of the Company held by the Company shall not exceed 10% of the total Shares issued by the Company, and the Company shall transfer or cancel such Shares within three years.

Where the Company repurchases its own shares, it shall fulfill its information disclosure obligations in accordance with the provisions of the Securities Law.

Where the repurchased Shares are cancelled by the Company due to the repurchase thereof, the Company shall apply to the original company registration authority for registration of the change of its registered share capital. The amount of the Company's registered share capital shall be reduced by the aggregate par value of those cancelled Shares.

Where the purchase and cancellation of Shares are otherwise stipulated in the relevant rules by the regulatory authorities and the stock exchange of where the Company's Shares are listed, such provisions shall prevail.

CHAPTER 5 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 33

Share certificates of the Company shall be in registered form.

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

During the period of H Shares listing on the Hong Kong Stock Exchange, the Company shall ensure that all of its documents relating to the title of all of its Shares listing on the Hong Kong Stock Exchange (including H Shares), include the statements stipulated below and shall instruct and procure each of its share registrars not to register the subscription, purchase or transfer of any of its Shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such Shares bearing statements to the following effect:

- (1) The acquirer of Shares agrees with the Company and each Shareholder of the Company, and the Company agrees with each Shareholder, to observe and comply with the Company Law, the Special Regulations and other requirements related to the laws, administrative regulations and the Articles of Association.
- (2) The acquirer of Shares agrees with the Company, each Shareholder, Director, supervisor, general manager and other senior management members of the Company and the Company acting for itself and for each Director, general manager and other senior management members agrees with each Shareholder to refer all disputes and claims arising from the Articles of Association or any right or obligation conferred or imposed by the Company Law and other relevant laws of China and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive.

- (3) The acquirer of Shares agrees with the Company and each Shareholder of the Company that Shares in the Company are freely transferable by the holder thereof.
- (4) The acquirer authorizes the Company to enter into a contract on his behalf with each Director, general manager and other senior management members whereby such Directors, general manager and other senior management members undertake to observe and comply with their obligations to Shareholders stipulated in the Articles of Association.

Article 34

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

Article 35

The Company shall establish a register of shareholders in accordance with the evidence from the securities registration and clearing organization, which shall contain the following particulars:

- (1) the name, address (residence), occupation or nature of each Shareholder;
- (2) the class and number of shares subscribed for by each shareholder;
- (3) the amount paid-up or payable in respect of Shares held by each Shareholder;
- (4) the serial numbers of the Shares held by each shareholder in paper form;
- (5) the date on which a person registers as a Shareholder; and
- (6) the date on which a person ceases to be a Shareholder.

The register of Shareholders shall be the sufficient evidence for the Shareholders' shareholding in the Company, except in cases with contrary evidence.

All acts or transfer of overseas listed foreign Shares will be recorded in the register of Shareholders of overseas listed foreign Shares which is kept in the place where such Shares are listed.

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

- (1) the Company are not bound to register more than four persons as joint holders for any share;
- (2) all the joint holders of any share shall jointly or severally assume the liability to pay for all amounts payable for the relevant Shares;
- (3) 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. But the Board shall have the right, for the purpose of making amendments to the register of Shareholders, to demand a death certificate of such Shareholder where it deems it appropriate to do so; and
- (4) for joint holding of any Shares, only the joint holder whose name appears first in the register of Shareholders 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 shareholders' meetings of the Company. Any notice served on the above persons shall be deemed to have been served on all joint holders of the relevant Shares.

Article 36

The Company may, in accordance with the mutual understanding and agreements made between the securities supervision and administrative authority of the State Council and overseas securities regulatory authorities, maintain its original register of holders of overseas listed foreign Shares outside China and appoint overseas agent(s) to manage such register. The original register of holders of overseas listed foreign Shares listed in Hong Kong shall be maintained in Hong Kong.

The Company shall maintain a duplicate of the register of holders of overseas listed foreign Shares at the Company's residence; the appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of holders of overseas listed foreign Shares at all times.

If there is any inconsistency between the original and the duplicate of the register of holders of overseas listed foreign Shares, the original version shall prevail.

Article 37

The Company shall maintain a complete register of Shareholders.

The register of Shareholders shall include the following:

- (1) the register of Shareholders maintained at the Company's residence (other than those parts as described in sub-clauses (2) and (3) of this Article;
- (2) the register of Shareholders in respect of the holders of overseas listed foreign Shares of the Company maintained at the place where the overseas stock exchange on which the Shares are listed is located; and
- (3) the register of Shareholders maintained at such other place as the Board may consider necessary for the purpose of listing of the Company's Shares.

Article 38

Different parts of the register of Shareholders shall not overlap with 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 Shareholders.

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

Article 39

All fully paid-up overseas listed foreign Shares which are listed in Hong Kong are freely transferable pursuant to the Articles of Association. However, the Board may refuse to recognize any instrument of transfer without giving any reason unless such transfer fulfils the following conditions:

- (1) a fee (for each instrument of transfer) of HK\$2.5 or any maximum fees as stipulated by the Hong Kong Stock Exchange then has been paid to the Company for registration of any instrument of transfer or any other document with is related to or will affect the ownership of the Shares;
- (2) the instrument of transfer involves only the overseas listed foreign Shares listed in Hong Kong;
- (3) the stamp duty payable on the instrument of transfer has been paid;
- (4) the relevant share certificates and any evidence in relation to the right of the transferor to transfer the Shares reasonably requested by the Board has been submitted;
- (5) if the Shares are intended to be transferred to joint holders, the number of such joint holders shall not exceed four;
- (6) the Company does not have any lien over the relevant Shares; and
- (7) no transfer shall be made to minors or persons of unsound mind or under other legal disability.

If the Company refuses to register the transfer of Shares, the Company shall deliver a notification related to the refusal of Shares transfer to the transferor and transferee within 2 months from the date of the application for transferring the Shares.

- Article 40** All transfers of overseas listed foreign Shares listed in Hong Kong shall be affected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board (including the standard transfer format or form of transfer specified by the Hong Kong Stock Exchange from time to time); the instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) by the company's seal. Where the transferor or transferee is a recognized clearing house ("Recognized Clearing House") (as defined by relevant regulations in Hong Kong laws in effect from time to time) or its nominee, the form of transfer may be signed by hand or 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 41** Where laws, administrative regulations, departmental rules, normative documents and the relevant stock exchange or regulatory authorities at the places where the Company's Shares are listed stipulate on the period of closure of the register of Shareholders prior to a shareholders' meeting or the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.
- Article 42** When the Company intends to convene a shareholders' meeting, distribute dividends, liquidate and engage in other activities that involve confirmation of shareholder identity, the Board of Directors or the convener of the shareholders' meeting shall determine a date as the share registration date. Shareholders registered after the close of trading on the share registration date shall be entitled to the relevant rights and interests.
- Article 43** Any person who objects to the register of Shareholders and requests to have his name entered in or removed from the register of Shareholders may apply to a court of competent jurisdiction for rectification of the register.
- Article 44** Any Shareholder who is registered in, or any person who requests to have his name entered in, the register of Shareholders may, if his share certificates (the "original certificates") are 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 certificates and applies for their replacement, 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 certificates and applies for their replacements, 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.

The issue of replacement certificates to holders of overseas listed foreign Shares of the Company shall comply with the following requirements:

- (1) the applicant shall submit an application to the Company in prescribed form accompanied by a notarial act or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as declaring that no other person shall be entitled to request to be registered as the Shareholder in respect of the relevant Shares.
- (2) no statement has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant Shares before the Company came to a decision to issue the replacement certificate.
- (3) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board; the announcement shall be made at least once every thirty (30) days in a period of ninety (90) days.
- (4) the Company shall have, prior to the publication of its announcement of intention to issue a replacement 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 exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety (90) days.

In case an application to issue a replacement certificate has been made without the consent of the registered holder of the relevant Shares, the Company shall send by post to such registered Shareholder a copy of the announcement to be published.

- (5) if, upon expiration of the 90-day period referred to in items (3) and (4) of this Article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant according to his application.
- (6) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the original certificate and enter the cancellation and issue in the register of Shareholders accordingly.
- (7) all expenses relating to the cancellation of an original certificate and the issue 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 45

The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company had acted fraudulently.

CHAPTER 6 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 46

A Shareholder of the Company is a person who lawfully holds Shares of the Company and whose name is entered in the register of Shareholders.

A Shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of Shares he holds. Shareholders holding the same class of Shares shall be entitled to the same rights and assume the same obligations. Shareholders holding Shares of different classes shall be entitled to the same rights during the dividend distribution or any other type of distribution.

When the Shareholder of the Company is a legal person, its legal representative or proxy of legal representative 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 attached to any Shares of the Company by reason only that a person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

Article 47

The Shareholders of the Company shall be entitled to the following rights:

- (1) the right to dividends and other distributions in proportion to the number of Shares held;
- (2) the right to file a petition for, convene, preside over, attend or appoint a proxy to attend shareholders' meetings in accordance with the laws and to speak at the shareholders' meetings; to exercise or appoint a proxy to exercise voting rights thereat, unless individual Shareholders are required to abstain from voting on individual matters by laws, administrative regulations, the securities regulatory rules in the place where the Shares of the Company are listed or the Articles of Association;
- (3) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (4) the right to transfer, bestow or pledge Shares held by them in accordance with the laws, administrative regulations and provisions of the Articles of Association;
- (5) the right to inspect, duplicate the Articles of Association, the register of shareholders, minutes of the shareholders' meetings, resolutions of the meetings of the Board of Directors and financial and accounting reports. Shareholders who meet the requirements may inspect the Company's accounting books and certifications;

The Company shall lodge documents aforementioned and any other applicable documents with the Company's Hong Kong address under the requirements of the listing rules, for the purpose of inspection by the public and holders of overseas-listed foreign Shares free of charge.

- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of Shares held;
- (7) the right to demand the Company to acquire Shares held by Shareholders (upon their request) who vote against any resolution proposed in any shareholders' meeting on the merger or division of the Company; and
- (8) other rights conferred by laws, administrative regulations, regulatory rules in the place where the Shares of the Company are listed and the Articles of Association.

Where shareholders request for inspection or duplication the relevant information of the Company, they shall comply with the provisions of the Company Law, the Securities Law and other laws and regulations.

Article 48

If a resolution passed at the Company's shareholders' meeting or Board meeting violates the laws or regulations, the Shareholders shall have the right to submit a petition to the court to render the same as invalid.

If the procedures for convening, or the method of voting at, a shareholders' meeting or Board meeting violate the laws, regulations or the Articles of Association, or the contents of a resolution violates the Articles of Association, Shareholders shall be entitled to submit a petition to the court to rescind such resolutions within sixty (60) days from the date on which such resolution is adopted. However, this does not apply if such procedures for convening the shareholders' meeting and the board meeting, or the voting thereat, have only minor flaws that have no substantial impact on the resolution.

Where the board of directors, shareholders and other stakeholders dispute the validity of a resolution of a shareholders' meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgement or ruling, such as a cancellation of a resolution, the stakeholders shall execute the resolution of the shareholders' meeting. The Company, its directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

Where the People's Court makes a judgement or ruling on the relevant matter, the Company shall fulfil its obligations to disclose the information in accordance with laws, administrative regulations, and the rules of the securities supervision and administrative authority of the State Council and the stock exchange, fully explain the impact of the judgement or ruling on the Company, and actively cooperate with the authorities in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the correction in a timely manner and fulfil its obligations to disclose the information accordingly.

Article 49

A resolution of the shareholders' meeting or board meeting of the Company shall not be valid under any of the following circumstances:

- (1) no shareholders' meeting or board meeting has been convened to pass the resolution;
- (2) the resolution is not voted on at the shareholders' meeting or board meeting;
- (3) the number of persons attending the meeting or the number of voting rights held by them does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles of Association;
- (4) the number of persons or the number of voting rights held by them voting for the resolution does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles of Association.

Article 50

Where the Company incurs losses as a result of Directors' and senior management members' violation of the laws (other than members of the audit committee under the Board of Directors), regulations or the Articles of Association in the course of performing their duties with the Company, Shareholders individually or jointly holding 1% or more of the Company's Shares for more than 180 consecutive days shall be entitled to request in writing the audit committee under the Board of Directors to initiate proceedings in the court. Where the Company incurs losses as a result of the members of the audit committee under the Board of Directors' violation of any provision of laws, regulations or the Articles of Association in the course of performing its duties with the Company, such aforementioned Shareholders shall be entitled to make a request in writing to the Board to initiate proceedings in the court.

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

Shareholders described in the first paragraph of this article may also initiate proceedings in the court in accordance with the preceding two paragraphs in the event that the lawful interests of the Company are infringed upon by any third parties.

In the event the directors and senior management of a wholly-owned subsidiary of the Company violate the law, administrative regulations or the provisions of these Articles of Association in performing their duties, and incur a loss to the Company, or in the event the legal interests of a wholly-owned subsidiary of the Company are violated by other parties and a loss is incurred, shareholders, either individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days may, in accordance with the provisions of the preceding three paragraphs of Article 189 of the Company Act, submit a written request to the audit committee or the board of directors of the wholly-owned subsidiary for commencing legal proceedings in the People's Court, or directly file a lawsuit with the People's Court in their own name.

If a wholly-owned subsidiary of the Company does not have a supervisory board or supervisors, but has an audit committee, it shall be executed in accordance with the provisions of paragraphs 1 and 2 of this Article.

Article 51

Shareholders may initiate proceedings in the court in the event that a Director or a senior management member has violated the laws, regulations or the Articles of Association, thereby infringing the interests of Shareholders.

Article 52

The Shareholders of the Company shall assume the following obligations:

- (1) to abide by laws, administrative regulations and the Articles of Association;
- (2) to pay subscription monies according to the number of Shares subscribed and the method of subscription;
- (3) not to withdraw the share capitals unless required by the laws and regulations;
- (4) not to abuse their Shareholders' rights to harm the interests of the Company or other Shareholders; and not to abuse the independent legal person status of the Company and the limited liability of Shareholders to harm the interests of any creditor of the Company;
- (5) other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders of the Company who abuse their Shareholder's rights and thereby cause loss on the Company or other Shareholders shall be liable for indemnity according to the law. Where Shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of Shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such Shareholders shall be jointly and severally liable for the debts owed by the Company;

Article 53

The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfil their obligations in accordance with laws, administrative regulations, the requirements of the securities supervision and administrative authority of the State Council and stock exchanges to safeguard the interests of the listed company.

Article 54

Controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

- (1) to exercise their rights as shareholders in accordance with the law and not to abuse their control or use their connected relationship to prejudice the legitimate interests of the Company or other shareholders;
- (2) to strictly fulfil their public statements and various undertakings and not to change or waive such statements and undertakings;
- (3) to fulfil their information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are intended to occur;
- (4) not to appropriate the Company's funds in any way;
- (5) not to order, instruct, or request the Company and its relevant personnel to provide guarantees in violation of laws and regulations;

- (6) not to make use of the Company's undisclosed material information to gain benefits, or disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-term trading, market manipulation or other illegal and unlawful acts;
- (7) not to prejudice the legitimate interests of the Company and other shareholders through unfair connected transactions, profit distribution, asset restructuring, external investment or any other means;
- (8) to ensure the integrity of the Company's assets, and the independence of its personnel, finance, organization and business, and not to affect the independence of the Company in any way;
- (9) laws, administrative regulations, and the rules of the securities supervision and administrative authority of the State Council, business rules of stock exchanges and other requirements of these Articles of Association.

Where a controlling shareholder or de facto controller of the Company instructs a director or senior officer to engage in an act that is detrimental to the interests of the Company or its shareholders, he/she shall bear joint and several liability with the director or senior officer.

Article 55

A controlling shareholder or actual controllers shall maintain control over the Company and the stability of its production operations if they pledge the Company's shares held or effectively controlled by them.

Article 56

In the event of any transfer of the Company's shares held by a controlling shareholder or actual controllers they shall comply with the restrictive provisions regarding the transfer of shares stipulated under the laws, administrative regulations and the rules of the securities regulatory body under the State Council and the stock exchange, as well as the undertakings they have made in respect of restrictions on share transfer.

CHAPTER 7 SHAREHOLDERS' MEETING

Article 57 The shareholders' meeting of the Company, composed of all shareholders, is the organ of authority of our Company and shall exercise its functions and powers in accordance with the law.

Article 58 The shareholders' meeting may exercise the following functions and powers:

- (1) to elect and remove Directors (not being staff representatives) and to fix the remuneration of the relevant Directors;
- (2) to consider and approve the reports of the Board;
- (3) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (4) to adopt resolutions on any increase or reduction of registered capital of the Company;
- (5) to adopt resolutions on matters such as merger, division, spin off, dissolution, liquidation or conversion of corporate form of the Company;
- (6) to adopt resolutions on the issue of bonds or other securities and listing plans of the Company;
- (7) to adopt resolutions on the appointments, dismissals or non-reappointments of any accounting firm engaged in the audit work of the Company;
- (8) to amend the Articles of Association;
- (9) to consider and approve matters relating to external guarantees under the Article 59 of the Articles of Association;
- (10) to consider and approve matters relating to the purchases and disposals of the Company's material assets which exceed 30% of the Company's latest audited total assets within one (1) year;

- (11) to consider and approve the changes in the use of proceeds;
- (12) to consider and approve the equity incentive plans and employee shareholding plan;
- (13) to consider the proposals submitted by Shareholders holding 1% or more of the Company's voting Shares;
- (14) to consider other matters required by the regulatory rules of the place where the Shares of the Company are listed to be resolved by the shareholders' meeting;
- (15) other matters required by laws, administrative regulations, and the Articles of Association to be resolved by the shareholders' meeting.

Shareholders' meeting may authorize or engage the Board to attend to matters authorized or engaged by the shareholders' meeting under the condition that the laws, regulations and listing rules of the places of listing of the Company will not be contravened.

Article 59

The following external guarantees by the Company are subject to consideration and approval of the shareholders' meeting:

- (1) any guarantee provided by the Company and its controlled subsidiaries after the total amount of external guarantees exceeds 50% of the Company's latest audited net assets;
- (2) any guarantee provided by the Company and its controlled subsidiaries after the total amount of the Company's external guarantees exceeds 30% of the Company's latest audited total assets;
- (3) accumulated guarantee provided to others within recent 12 months exceeding 30% of the Company's latest audited total assets;
- (4) guarantees provided for the target of guarantees with asset-liability ratio exceeding 70%;
- (5) a single guarantee exceeding 10% of the Company's latest audited net assets;

- (6) guarantees provided to Shareholders, de facto controllers and their related parties;
- (7) other guarantees required to be considered and approved by the shareholders' meeting as stipulated by the listing rules and the stock exchange of the place in which the Company's Shares are listed or by the Company's Articles of Association.

When the shareholders' meeting considers the resolution in relation to the provision of guarantees to the Shareholders, the de facto controller and their related parties, such Shareholders or the Shareholders controlled by the de facto controller shall refrain from the voting, and this voting shall be passed by more than half of the voting rights represented by other Shareholders present at the shareholders' meeting.

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

Article 60

Unless the Company is in a crisis or under any special circumstances, the Company shall not enter into any contract with any party other than the Directors, general managers and other senior management members pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business, unless otherwise approved by a special resolution at the shareholders' meeting.

Article 61

Shareholders' meetings shall be annual shareholders' meetings and extraordinary shareholders' meetings. A shareholders' meeting shall be convened by the Board. The annual shareholders' meeting shall be held once every year within six months after the end of the previous accounting year.

The Board shall hold an extraordinary shareholders' meeting within two months upon the occurrence of one of the following circumstances:

- (1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (2) the uncovered losses are in excess of one third of the Company's total share capital;

- (3) Shareholders individually or jointly holding 10% or more of shares request in writing to hold an extraordinary shareholders' meeting;
- (4) the Board considers it necessary or the audit committee under the Board of Directors proposes to hold such a meeting;
- (5) Other circumstances required by laws, administrative regulations, the securities regulatory rules in the place where the Shares of the Company are listed or the Articles of Association.

Article 62

The place for holding the shareholders' meeting of the Company shall be the domicile of the Company or such other location as informed by the convenor of the shareholders' meeting.

The shareholders' meeting shall have a venue and be held onsite. The Company shall also provide the internet or other conveniences to facilitate the participation of Shareholders in the shareholders' meeting. Shareholders may attend virtually and vote electronically via technological means. A Shareholder who participated in a shareholders' meeting in the aforesaid manners shall be deemed to have been present at the meeting.

Article 63

A twenty (20) days' prior announcement for convening the annual shareholders' meeting shall be given to all shareholders; a fifteen (15) days' prior announcement for convening the extraordinary shareholders' meeting shall be given to all shareholders. Where the relevant rules of the regulatory authorities and the stock exchange of the place where the Company's Shares are listed provide otherwise for that, such provisions shall prevail.

When calculating the time limit, the date of convening the meeting and the date of issuing the notice of the meeting shall not be included.

Article 64

In the event the Company convenes a shareholders' meeting, a Board meeting, the audit committee meeting under the Board of Directors, the Shareholders individually or jointly holding an aggregate of 1% or more of the Company's Shares with voting rights are entitled to propose ad hoc motions in writing to the Company. The Company incorporates any matters under such motions which fall within the scopes of the duties and functions of the shareholders' meeting into the agenda of the meeting.

Shareholders individually or jointly holding more than 1% of Shares of the Company shall have the right to make ad hoc proposals and submit them in writing to the convener ten (10) days prior to the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting announcing the contents of the ad hoc proposals within two (2) days upon receipt of the proposals and submit the temporary motion to the shareholders' meeting for consideration, provided the temporary motion that violates the laws, administrative regulations or the provisions of the Articles of Association, or is not fall within the duties of the shareholders' meeting.

Save for the provisions set forth in the preceding paragraph, neither modification nor addition shall be made to the proposals listed in the notice of the shareholders' meeting after issuing the notice thereof by the convener.

The content of the proposal shall fall within the scope of authority of the shareholders' meeting, have a clear subject matter and specific resolution items, and comply with the relevant provisions of laws, administrative regulations, and these Articles of Association.

Article 65

Proposals not set out in the notice of the shareholders' meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the shareholders' meeting.

Article 66

A notice of shareholders' meeting shall meet the following requirements:

- (1) it shall be in written form;
- (2) it shall specify the place, date and time of the meeting;
- (3) it shall state the matters and proposals to be considered at the meeting;
- (4) it shall state the date of registration of equity entitlements for Shareholders having the right to attend the shareholders' meeting;

- (5) it shall provide Shareholders with such information and explanation as are necessary for them to make informed decisions in connection with the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its Shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and effects of the same must be properly explained;
- (6) if any Director, general manager and other senior management members have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such Director, general manager and other senior management members in their capacity as Shareholders is different from that of other Shareholders of the same class, the differences shall also be specified;
- (7) it shall set out the full text of the special resolutions proposed for approval at the meeting;
- (8) it shall contain a clear statement that all ordinary shareholders have the right to attend and vote at the shareholders' meeting either in person or by proxy in writing, and that such proxy need not be Shareholders;
- (9) it shall state the date and place for the service of the proxy forms for the meeting;
- (10) it shall state the names and contact telephone numbers of the contact persons in connection with the meeting; and
- (11) voting time and voting procedure of the network or other means.

The notice and supplementary notice of a shareholders' meeting shall adequately and completely disclose the specific contents of all proposals.

The period between the date of registration of equity and the date of the meeting shall be no more than seven (7) working days. Once the date of registration of equity is confirmed, it shall not be changed.

Article 67

If the election of Directors is proposed to be discussed at a shareholders' meeting, the notice of the meeting shall adequately specify the detailed information on the Director candidates, which shall at least include:

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

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

Article 68

Unless otherwise provided in the Articles of Association, a notice of the shareholders' meeting shall be dispatched to Shareholders (regardless of their voting rights at the shareholders' meeting) by hand or by prepaid mail. The addresses of the recipients shall be such addresses shown in the register of members. For holders of domestic-invested Shares, a notice of the shareholders' meeting may also be made by way of announcement.

The announcement referred in the preceding paragraph shall be published in one or more newspapers and journals designated by securities supervision and administrative authorities of the State Council. Once an announcement is made, all holders of the domestic-invested Shares are deemed to have received the relevant notice of the shareholders' meeting.

After the notice of shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without a proper reason and the proposals stated in the notice of the shareholders' meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall issue an announcement and state the reasons therein at least two working days before the original date of the shareholders' meeting.

Article 69

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

Article 70

The Board of Directors of the Company and other conveners shall take necessary measures to ensure the normal order of the shareholders' meeting. Conducts that interfere with the order of the shareholders' meeting, provoke trouble and infringe on the legal rights and interests of shareholders shall be stopped by taking appropriate measures and shall be promptly report to the relevant authorities for investigation and handling.

Article 71

All holders of ordinary shares registered on the share register as at the equity registration date (including holders of preference shares with restored voting rights), holders of shares with special voting rights, and other shareholders, as well as their proxies, shall have the right to attend the shareholders' meeting and to exercise their voting rights in accordance with applicable laws, regulations, and the Articles of Association.

A shareholder may either attend the shareholders' meeting in person, or appoint a proxy to attend or vote on his/her behalf.

Where such Shareholder is a recognized clearing house (or its nominee), such Shareholder is entitled to appoint one or more persons as it deems fit to act on its behalf at any shareholders' meetings or any other Class Meetings; where not less than one person is authorized, the letter of authorization shall specify the number and class of Shares involving each person so authorized. Such persons so authorized shall be entitled to exercise their rights on behalf of the recognized clearing house (or its nominee) as if they were individual Shareholders of the Company.

If a creditors' meeting is held by the Company, the above-mentioned recognized clearing house (or its proxy) shall be entitled to appoint a proxy or representative in writing to attend the creditors' meeting and have the same rights as other Shareholders, including the right to express its opinion and vote.

Article 72

The instrument appointing a proxy shall be in writing under the hand of the appointing Shareholder, specifying the matters, authority, and term of the proxy.

The instrument appointing a proxy shall state the following:

- (1) the name of the appointing Shareholder and the name of the proxy;
- (2) the class and number of Shares in respect of which the proxy is given (if more than one (1) person are appointed as proxies, the instrument shall state the number of Shares in respect of which the proxy is given to each such person);
- (3) the specific instructions from the shareholder, including instructions to vote for or against or abstain from voting on each matter included in the agenda of the shareholders' meeting;
- (4) the date of issue and effective period of the instrument;
- (5) signature (or seal) of the appointing Shareholder, if the appointing shareholder is a legal person, the company seal shall be affixed;
- (6) other requirements of regulatory rules of the place in which the Company's Shares are listed.

Article 73

If an individual shareholder attends the meeting in person, he or she shall present his or her identity card or other valid documents or certificates proving his or her identity. If attending the meeting as a proxy for another person, he or she shall present his or her own valid identity documents and the shareholder's proxy form.

A legal person shareholder shall be represented at the meeting by its legal representative or a proxy duly authorized by the legal representative. If the legal representative attends the meeting in person, he or she shall present valid proof of identity and documents evidencing his or her qualification as the legal representative. If a proxy attends the meeting, the proxy shall present valid proof of identity and a written authorization issued by the legal representative of the legal person shareholder in accordance with the law.

Article 74

The Company shall be responsible for compiling the attendee register which shall include, among others, the name of attendee (or name of relevant unit), ID number, domicile, the number of voting Shares that he/she holds or represents, and name of the person (or name of relevant unit) who attends the meeting by proxy.

Article 75

The convener and the lawyer appointed by the Company shall examine legality of the Shareholders' qualifications according to the register of Shareholders provided by the securities registrations and clearing organizations. The names (titles) of Shareholders and the number of voting Shares shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of Shareholders and proxies attending the meeting in person and the total number of voting Shares held.

Article 76

If the shareholders' meeting requests that directors or senior management attend the meeting, the directors or senior management shall attend and respond to inquiries from the shareholders.

Article 77

The Company formulates the Rules of Procedures for Shareholders' meetings, specifying in details the procedures for convening and voting at the shareholders' meeting, including notification, registration, reviewing, voting, counting of votes of proposals, announcement of voting results, formation of meeting resolutions, minutes of meeting and signing and announcement thereof, as well as principle for the authorization granted to the Board by the shareholders' meeting, and the authorization shall be clear and specific. The Rules of Procedures for Shareholders' meetings shall be appended to the Articles of Association, and shall be formulated by the Board and approved by the shareholders' meeting.

Article 78

At the annual shareholders' meeting, the Board shall report their work for the past year to the shareholders' meeting. Each independent Director shall also present a work report.

- Article 79** Directors and senior management shall provide explanations regarding the enquiries and suggestions from Shareholders at the shareholders' meeting.
- Article 80** The Chairman of the Board of the meeting shall, prior to voting, announce the number of Shareholders and proxies attending the meeting in person as well as the total number of their voting Shares, which shall be the number of Shareholders and proxies attending the meeting in person and the total number of their voting Shares as indicated in the meeting's registration record.
- Article 81** Resolutions of shareholders' meetings are divided into ordinary resolutions and special resolutions.
- An ordinary resolution of a shareholders' meeting shall be passed with the approval of Shareholders present at the meeting who together hold or represent more than one half of the voting rights held or represented by all the Shareholders present at the meeting.
- A special resolution of a shareholders' meeting shall be passed with the approval of Shareholders present at the meeting who together hold or represent more than two thirds of the voting rights held or represented by all the Shareholders present at the meeting.
- Article 82** Shareholders shall exercise their voting rights at a shareholders' meeting according to the number of voting Shares they represent, with one vote for each share, except for shareholders of shares of special classes.
- When material matters affecting the interests of small and medium investors are being considered at a shareholders' meeting, votes of small and medium investors shall be counted separately. The results of the separate vote count shall be disclosed publicly in a timely manner.
- Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting Shares represented by Shareholders present at a shareholders' meeting.
- If a shareholder acquires shares with voting rights of the company in violation of Article 63, Paragraphs 1 and 2 of the Securities Law, the portion of shares exceeding the prescribed limit shall not carry voting rights for a period of thirty-six months following the acquisition and shall not be counted toward the total number of shares with voting rights present at the shareholders' meeting.

In soliciting voting rights of Shareholders, information such as specific voting intention shall be sufficiently disclosed to the Shareholders from whom voting rights are being solicited. Solicitation of voting rights at any consideration, whether in direct or indirect form, is prohibited. Except as required by law, the Company may not propose any minimum shareholding restriction on the solicitation of voting rights.

When connected transactions are being considered at a shareholders' meeting, the connected Shareholders shall abstain from voting, and the number of voting Shares held by them shall not be counted in the total number of valid votes. The announcement on the resolutions of the shareholders' meeting shall fully disclose the voting of the Shareholders who are not connected parties.

Pursuant to applicable laws and regulations as well as the listing rules of the stock exchange on which the Company's Shares are listed, where any Shareholder is 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 83

Provided that a shareholders' meeting is legally and validly held, the Company shall facilitate the participation of Shareholders in the shareholders' meeting by giving priority to online voting platform and other modern information technology means through a variety of ways and methods.

Article 84

The following matters shall be resolved by ordinary resolutions at shareholders' meetings:

- (1) work reports of the Board;
- (2) plans formulated by the Board for distribution of profits and for making up losses;
- (3) the election and removal of members of the Board and their remuneration and payment methods; and
- (4) matters other than these required by the laws, administrative regulations, the listing rules of the stock exchange on which the Company's Shares are listed or by the Articles of Association to be adopted by special resolutions.

Article 85

The following matters shall be resolved by special resolutions at shareholders' meetings:

- (1) increase or reduction of the share capital and issue of Shares of any class, stock warrants or other similar securities;
- (2) the division, merger, dissolution, liquidation or change of corporate forms of the Company;
- (3) amendments to the Articles of Association;
- (4) the purchase and disposal of the Company's material assets or the amount of guarantee provided to others which exceed 30% of the Company's latest audited total assets within one (1) year;
- (5) equity incentive plans; and
- (6) any other matters required by laws, administrative regulations, the listing rules of the place where the Shares of the Company are listed or the Articles of Association to be passed by a special resolution and considered and approved at a shareholders' meeting, by way of an ordinary resolution, to have a substantial impact on the Company and subject to approval by a special resolution.

Article 86

The Board of Directors shall convene shareholders' meetings within the prescribed time limit.

Upon approval by more than half of all independent directors, the independent directors shall have the right to propose to the Board the convening of an extraordinary shareholders' meeting. Regarding the proposal of the independent Director(s) to convene an extraordinary shareholders' meeting, the Board shall, according to provisions of the laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary shareholders' meeting within ten (10) days after receipt of the proposal. If the Board agrees to convene the extraordinary shareholders' meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board. If the Board does not agree to hold the extraordinary shareholders' meeting, it shall give the reasons and make an announcement in respect thereof.

Article 87

The audit committee of the Board shall have the right to propose to the Board to convene an extraordinary shareholders' meeting, and shall put forward its proposal to the Board in writing. The Board shall, according to provisions of the laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary shareholders' meeting within ten (10) days after receipt of the proposal.

If the Board agrees to convene the extraordinary shareholders' meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board. In the event of any change to the original proposal set forth in the notice, the consent of the audit committee is required.

If the Board does not agree to hold the extraordinary shareholders' meeting or fails to give a written reply within ten (10) days after receipt of the proposal, it shall be deemed as unable to perform or failing to perform the duty of convening the shareholders' meeting, and may convene and preside over the meeting by itself.

Article 88

When requesting the convening of an extraordinary shareholders' meeting or a Class Meeting, Shareholders shall comply with the following procedures:

- (1) Shareholders individually or jointly holding more than 10% of the Shares carrying the right to vote at the forthcoming meeting, shall submit a written request to the Board of Directors. The Board shall furnish a written reply stating its agreement or disagreement to the convening of the extraordinary shareholders' meeting or a Class Meeting within ten (10) days following the receipt of such written requests pursuant to the provisions of laws, administrative regulations and the Articles of Association.

In the event that the Board agrees to convene a shareholders' meeting or a Class Meeting, it shall issue the notice of the shareholders' meeting or the Class Meeting within five (5) days after making the resolution of the Board. If there is any change to the original requests in the notice, it shall be approved by the relevant Shareholders.

- (2) In the event that the Board disagrees to convene a shareholders' meeting or a Class Meeting, or fails to furnish any reply within ten (10) days from the date of receipt of such request, Shareholder(s) individually or jointly holding 10% or more of the Shares carrying the right to vote at the forthcoming meeting shall be entitled to propose to the audit committee of the Board in writing for the purpose of convening an extraordinary shareholders' meeting or a Class Meeting.

In the event that the audit committee of the Board agrees to convene a shareholders' meeting or a Class Meeting, it shall issue the notice of the shareholders' meeting or the Class Meeting within five (5) days from the date of receipt of such request. If there is any change to the original proposals in the notice, it shall be approved by the relevant Shareholders.

In the event that no notice of the shareholders' meeting or the Class Meeting is issued by the audit committee of the Board within the stipulated period, the audit committee of the Board is deemed not to convene and chair the shareholders' meeting or the Class Meeting, in which case the Shareholder(s) individually or jointly holding 10% or more of the Company's Shares for more than consecutive ninety (90) days may convene and chair such meeting on their own.

In the event that Shareholders or the audit committee of the Board convene a meeting due to the failure by the Board to duly convene the same upon the above requests, all reasonable expenses so incurred shall be borne by the Company, by deducting from such sums owed by the Company to the Director who is in breach of his duty. Save for the trade secrets of the Company, the Board and the audit committee of the Board shall reply to or explain on enquiries and advice from the Shareholders at shareholders' meetings.

Article 89

In the event that the audit committee of the Board or Shareholders decide to convene the shareholders' meeting on its/their own, it/they shall send a written notice to the Board, and at the same time file the notice with the stock exchange of the place.

When issuing the notice of the shareholders' meeting and the announcement of resolutions of the shareholders' meeting, the audit committee of the Board and convening Shareholders shall submit relevant supporting materials to the stock exchange of the place where the Company is located.

Before the resolutions of shareholders' meeting are announced, the shareholding proportion of the convening Shareholders should not be less than 10%.

Article 90

In the event that the audit committee of the Board or Shareholders convene a shareholders' meeting on its/their own, the Board and the Secretary to the Board shall assist. The Board shall provide the register of Shareholders as at the equity registration date.

Article 91

A shareholders' meeting shall be convened and presided over by the Chairman of the Board; where the Chairman of the Board fails to attend the meeting, Vice Chairman of the Board (Vice Chairman of the Board jointly elected by more than half of the Directors if the Company has two or more Vice Chairmen of the Board) shall convene and preside over the meeting; where both of Chairman of the Board and Vice Chairman of the Board fail to attend the meeting, a director of the Company shall be elected by a majority of the directors to preside over the meeting.

A shareholders' meeting convened by the audit committee of the Board on its own shall be presided over by the chairman of the of the audit committee. In the event that the chairman of the of the audit committee is unable or fails to perform the duty thereof, more than half of the audit committee members shall elect a member of the audit committee to preside over the meeting.

A shareholders' meeting convened by Shareholders on their own shall be presided over by a representative recommended by the convener.

Where the chairman of the meeting violates the rules of procedure during the shareholders' meeting and renders it impossible for the shareholders' meeting to continue, a person may be elected at the shareholders' meeting to act as the chairman of the meeting to proceed with the meeting, subject to the approval of more than half of Shareholders carrying voting rights present at the meeting.

Article 92

The shareholders' meeting shall be recorded in minutes, for which the Secretary to the Board shall be responsible. The minutes of meeting shall cover the following:

- (1) the date, place and agenda of the meeting, and the name or title of the convener;
- (2) the name of the chairman of the meeting, and the Directors, general managers and other senior management attending or present at the meeting;
- (3) the number of Shareholders or their proxies attending the meeting, the total number of voting Shares held them, and its proportion to the total number of Shares of the Company;
- (4) the number of voting shares and the proportion of the Company's total shares held by domestic shareholders and domestic-listed foreign-invested shareholders attending the shareholders' meeting, including both ordinary shareholders and class shareholders;
- (5) the process of consideration, highlights of speeches and the voting results in respect of each proposal;
- (6) the voting results of domestic shareholders and domestic-listed foreign-invested shareholders, including both ordinary shareholders and class shareholders, on each resolution;
- (7) details of the inquiries or suggestions of Shareholders, and the corresponding response or explanations;
- (8) the name(s) of the lawyer(s), vote counter(s) and scrutineer(s);
- (9) other contents that shall be recorded in the minutes of the meeting in accordance with the Articles of Association.

The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. The attending Directors, Secretary to the Board, convener or its representative, and the chairman of the meeting shall sign or affix their seal on the minutes of the meeting. The minutes shall be retained together with the attendance register of shareholders present at the meeting, the proxies' powers of attorney, and valid records of voting conducted online or by other means, for a period of no less than ten years.

The convener shall ensure the shareholders' meeting goes on smoothly until final resolutions are made. Where the shareholders' meeting is adjourned or unable to make resolutions due to special reasons, e.g., force majeure, necessary measures shall be taken to resume the shareholders' meeting as soon as possible or terminate it outright, and an announcement shall be made in a timely manner. And the convener shall report it to the local office of the securities regulatory authority of the State Council in the region where the Company operates and the stock exchange.

Article 93 In the event that the Chairman of the Board of the meeting has any doubt as to the result of a resolution put forward for voting, he may have the votes counted. In the event that the Chairman of the Board of the meeting fails to have the votes counted, any Shareholder present in person or by proxy objects to the result announced by the Chairman of the Board of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the Chairman of the Board of the meeting shall have the votes counted immediately.

Article 94 In the event that the votes are counted at the shareholders' meeting, the counting results shall be recorded in the minutes of the meeting.

Article 95 Copies of the minutes of the meeting shall be available for inspection during business hours of the Company by any Shareholder without charge. If a Shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within 7 days after receipt of reasonable charges.

Article 96 The list of candidates for Directors shall be submitted to the shareholders' meeting for voting by way of proposal.

When the shareholders' meeting votes for election of Directors, the cumulative voting system may be adopted according to the provisions of the Articles of Association or the resolutions of the shareholders' meeting. When the shareholders' meeting elects two or more independent directors, cumulative voting shall be applied.

The cumulative voting system as referred to in the preceding paragraph means that in the election of Directors at a shareholders' meeting, each share shall carry the same number of voting rights as the number of Directors to be elected, and the voting rights owned by Shareholders may be cumulatively used. The Board shall announce biography and basic information of candidates for Directors to the Shareholders.

- Article 97** Other than the cumulative voting system, the shareholders' meeting shall vote on all proposals one by one. For different proposals on the same matter, such proposals shall be voted in chronological order. Unless such special reasons as force majeure result in the interruption of the meeting or make it impossible to come to resolution, the shareholders' meeting shall not set aside the proposals or withhold from voting.
- Article 98** A proposal being considered at the shareholders' meeting shall not be amended; If amended, any amendment made to such proposal shall be considered as a new proposal, which shall not be eligible for voting at the same meeting.
- Article 99** The same voting right shall be exercised only by either onsite voting, online voting or other voting form. The first vote shall prevail when a given voting right is exercised repeatedly.
- Article 100** Voting at the shareholders' meeting will be in registered form.
- Article 101** Two Shareholder representatives shall be elected to participate in counting and scrutinizing the votes before voting on proposals at the shareholders' meeting. In the event that the Shareholders have interests in the proposals to be considered, such relevant Shareholders or their proxies shall not participate in counting and scrutinizing the votes.
- The lawyers, Shareholder representatives, and other inspectors appointed according to the listing rules of the stock exchange in the place where the Company's Shares are listed shall be jointly responsible for counting and scrutinizing the votes when voting on proposals at the shareholders' meeting. The voting results shall be announced on the spot. The voting results on resolutions shall be recorded in the minutes of the meeting.
- The Shareholders of the Company or their proxies who cast their votes online or by other means shall be entitled to check their respective voting results through corresponding voting systems or by other means.

Article 102

The on-site shareholders' meeting shall not close earlier than that held online or by other means. The chairman of the meeting shall announce the voting details and results of each proposal and declare whether each proposal has been passed according to such results.

The Company, vote counters, scrutineers, significant Shareholders, the internet service providers and other parties involved in on-site, online or other means of voting at the shareholders' meeting are obliged to keep the voting results confidential before such results are officially announced.

Article 103

Shareholders attending the shareholders' meeting shall express their opinions on every proposal submitted at the meeting in one of the following manners: For, Against or Abstain, unless the securities registration and clearing institution, acting as the nominal holder of Shares under the connection mechanism between Mainland and Hong Kong stock markets, makes reporting in accordance with the instructions of the de facto holders of relevant Shares.

Any unfilled, improperly filled or illegible votes or votes not cast shall be deemed as having waived the voting rights and the voting result in respect of their shares shall be counted as "Abstain".

Any abstention votes or abstaining from voting shall not be treated as the votes carrying voting rights while the Company calculating the voting results on such matter.

Article 104

Resolutions of a shareholders' meeting shall be announced in a timely manner, and the announcement shall contain the number of Shareholders and proxies attending the meeting, the total number of voting Shares held by them and its proportion to the total number of voting Shares of the Company, the means of voting, the voting result for each proposal and the details of each resolution passed and other contents which shall be published according to the listing rules of the stock exchange in the place where the Company's Shares are listed.

Article 105

A special note should be made in the announcement on the resolutions of shareholders' meeting if a proposal is not passed or any resolution passed at previous meeting is amended at the shareholders' meeting.

Article 106 Where a proposal on the election of Directors is passed at the shareholders' meeting, the term of office of such new Directors shall commence on the date on which the relevant resolution is passed at the shareholders' meeting or on the date determined by the shareholders' meeting.

Where the staff representative Director in the new session of the Board are determined through democratic election before the new session of the Board are determined, the term of office of the staff representative Director shall commence on the date on which the new session of the Board is determined. In any other cases, the term of office of the staff representative Director shall commence on the date of democratic election.

Article 107 Where the shareholders' meeting has passed proposals regarding cash distribution, bonus issue or conversion of statutory surplus reserve into share capital, the specific proposals shall be implemented by the Company within two (2) months after the conclusion of the shareholders' meeting.

Article 108 When convening a shareholders' meeting, the Company shall engage lawyers to provide legal opinions on the follow matters and make announcements:

- (1) Whether the convening of the meeting and its procedures are in compliance with the provisions of laws, administrative regulations and the Articles of Association;
- (2) Whether the qualifications of attendees and conveners are legal and valid;
- (3) Whether the procedures of voting and the voting results of the meeting are lawful and valid;
- (4) Legal opinions on other related matters at the request of the Company.

CHAPTER 8 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 109 Shareholders holding different classes of Shares shall be class Shareholders.

Class Shareholders shall be entitled to the rights and assume obligations pursuant to the provisions of laws, administrative regulations and the Articles of Association.

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

Where the capital of the Company includes Shares with different voting rights, the designation of each class of Shares, other than those with the most favourable voting rights, shall include the words “restricted voting” or “limited voting”.

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

Transfer of all or part of the shares held by holders of domestic shares of the Company to overseas investors or conversion of domestic shares to foreign shares listed overseas, and arrange to deal with on overseas securities stock exchange, shall not be deemed to be a proposed variation or abrogation of the rights conferred on class shareholders.

Article 111 The following circumstances shall be deemed to be a variation or abrogation of the rights of Shareholders of a certain class:

- (1) to increase or decrease the number of shares of a particular class, or increase or decrease the number of shares of another class having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;
- (2) to affect an exchange of all or part of shares of such class into shares of other classes, or to affect an exchange or grant a right of exchange of all or part of the shares of other classes into shares of such class;

- (3) to remove or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) to reduce or remove the rights to a dividend preference or a liquidation preference to distribution of property attached to shares of such class;
- (5) to add, remove or reduce the rights to conversion, options, voting, transfer, pre-emptive rights to placement and acquire securities of the Company attached to shares of such class;
- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of such class;
- (7) to create a new class of shares having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;
- (8) to restrict the transfer or ownership of the shares of such class or increase such restrictions;
- (9) to issue subscription rights or share conversion rights for shares of such class or other classes;
- (10) to increase the rights and privileges of shares of other classes;
- (11) to restructure the Company where the proposed restructuring scheme will result in different classes of Shareholders bearing a disproportionate burden of obligations of such restructuring; and
- (12) to vary or abrogate the terms provided in this chapter.

No approval by a class meeting is required for variation or abrogation of rights of class Shareholders resulting from any change in the laws and regulations in and outside of the PRC, listing rules of the place where the Company's Shares are listed, and those resulting from the decisions made by the regulatory authorities in and outside of the PRC.

Article 112

Shareholders of the affected class, whether or not having the right to vote at the shareholders' meeting, shall nevertheless have the right to vote at class Shareholders' meetings on matters referred to in clause (2) to (8) and (11) to (12) of Article 111 of the Articles of Association, but interested Shareholders shall not be entitled to vote at class Shareholders' meetings.

The interested Shareholders mentioned in the preceding paragraph shall have the following meanings:

- (1) in the case of a repurchase of its own shares by the Company by making offers to all Shareholders on a same pro rata basis or through public dealing on a stock exchange, "interested Shareholder" shall refer to the controlling Shareholders;
- (2) in the case of a repurchase of its own shares by the Company through an off-market agreement, "interested Shareholders" shall refer to the Shareholders to which the proposed agreement relates;
- (3) in the case of a restructuring of the Company, "interested Shareholder" shall refer to a Shareholder within a class who bears liabilities less than the proportion burden imposed on other Shareholders of that class or who has interests different from those held by Shareholders of the same class.

Article 113

The quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of that class. A resolution of the class Shareholders' meeting shall be passed in accordance with Article 110 of the Articles of Association by Shareholders present in the meeting representing not less than two-thirds of voting rights.

Article 114

Period for written notice of a class Shareholders' meeting convened by the Company shall be the same as the period for written notice of the non-class Shareholders' meeting to be convened together with such class meeting. Written notice shall specify all Shareholders of such class whose names appear on the register of members of the matters to be considered and the date and place of the meeting.

Article 115

Notices of the class Shareholders' meeting only need to be served on Shareholders entitled to vote thereat.

The procedures for holding the class Shareholders' meeting shall be similar to those for holding the shareholders' meeting as far as possible, and the provisions in the Articles of Association relating to the procedures for a shareholders' meeting shall apply to the class Shareholders' meeting.

Article 116

Save for Shareholders of shares of other classes, the holders of Domestic shares and holders of Overseas listed Foreign shares are deemed to be different classes of Shareholders.

The special procedures for voting by class Shareholders shall not apply in the following circumstances:

- (1) where the Company issues, upon approval by a special resolution at a shareholders' meeting, Domestic shares and Overseas listed Foreign shares once every twelve (12) months, either separately or concurrently, and the respective numbers of Domestic shares and Overseas listed Foreign shares proposed to be issued do not exceed 20% of the respective numbers of the issued Domestic shares and Overseas listed Foreign shares;
- (2) where the Company's plan to issue Domestic shares and Overseas listed Foreign shares at the time of incorporation is carried out within 15 months from the date of approval by the securities supervision and administrative authority of the State Council; or
- (3) transfer of shares held by holders of Domestic shares to overseas investors or domestic Shares to be converted into foreign shares listed overseas under the approval by the securities supervision and administrative authority of the State Council, and are dealt with on overseas stock exchanges.

CHAPTER 9 THE PARTY COMMITTEE

- Article 117** In accordance with the requirements of the Constitution of the Communist Party of China and with approval of higher-level Party organizations, the Company has established the Committee of China Longyuan Power Group Corporation Limited of the Communist Party of China. Meanwhile, the Company has also established the Commission for Discipline Inspection of the Communist Party according to the relevant requirements.
- Article 118** The Party Committee of the Company shall be elected from the Party member congress or the Party representative congress; each term of office is generally five (5) years. Regular re-election shall be conducted upon the expiration of its term of office. Each term of office of the Commission for Discipline Inspection of the Communist Party shall be the same as the Party Committee.
- Article 119** The leadership team of the Company's Party Committee is generally composed of seven to nine members, including one Party secretary, one to two deputy secretary(ies) and several other Party Committee members.
- The Party Committee of the Company shall play a leading role, supervising the Company's direction of development, monitoring the whole picture and ensuring implementation, discussing and making decisions on significant matters of the Company in accordance with the regulations. Major operation and management issues shall be studied and discussed by the Party Committee in advance.
- Article 120** By insisting on and improving the leadership mechanism of "Dual Entry and Cross Appointment", eligible members of the Party Committee may take seats in the Board and the management through statutory procedures, while eligible members of the Board and the management who are also Party members may take seats in the Party Committee in accordance with related regulations and procedures.

CHAPTER 10 DIRECTORS AND THE BOARD

Section 1 Directors

Article 121

The directors of the Company shall be natural persons who shall not serve as a director if any of the following circumstances applies:

- (1) lacks civil capacity or has limited civil capacity;
- (2) as been sentenced for embezzlement, bribery, misappropriation of property, or disrupting the socialist market economic order, or has been deprived of political rights for committing a crime, and five years have not elapsed since the expiration of the sentence; or has been given a suspended sentence, and two years have not elapsed since the expiration of the probationary period;
- (3) has served as a director, factory manager, or manager of a company or enterprise undergoing bankruptcy liquidation and bears personal responsibility for the bankruptcy, and three years have not elapsed since the completion of the bankruptcy liquidation of such company or enterprise;
- (4) has served as the legal representative of a company or enterprise whose business license was revoked or was ordered to close due to violations of laws and bears personal responsibility, and three years have not elapsed since the revocation of the business license or the order to close;
- (5) as been listed by a people's court as a dishonest person subject to enforcement due to failure to repay substantial personal debts upon maturity;
- (6) has been subject to a securities market ban imposed by the securities supervision and administrative authority of the State Council, and the period of the ban has not yet expired;
- (7) has been publicly deemed by a stock exchange as unfit to serve as a director or senior management personnel of a listed company, and the period of such determination has not yet expired;
- (8) other conditions as provided by laws, administrative regulations, departmental rules or regulatory authorities at the places where the Company's Shares are listed.

Any election, appointment, or nomination of a director in violation of the provisions of this Article shall be invalid. If a director falls under any of the circumstances set out in this Article during his or her term of office, the Company shall remove him or her from office and suspend his or her performance of duties.

Article 122

The Company shall establish a Board. The Board consists of seven (7) to thirteen (13) Directors, one (1) Chairman. One (1) to two (2) Vice Chairmen may be appointed. The Board shall include at least three independent directors, representing at least one third of the total number of directors. The Board of Directors shall include representatives of the Company's employees. Employee representatives on the Board shall be elected by the Company's employees through the employees' representative assembly, the general employees' meeting, or other forms of democratic election.

Article 123

Directors shall be elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiration of their term. The term of office of the Directors shall be three (3) years. Upon expiration of the current term of office, a Director shall be eligible to offer himself for re-election and reappointment. The Chairman of the Board and Vice Chairman of the Board shall be elected and removed by more than one-half of all Directors. The term of office of the Chairman shall be three (3) years, renewable upon re-election. The term of office of Vice Chairman of the Board shall be three (3) years, renewable upon re-election.

The term of office of a Director shall commence from his accession till the expiry of the term of the current session of the Board. Where no new election is made upon expiry of the term of a Director, the original Director shall, before the newly-elected Director assumes his/her office, continue to perform his/her duties as a Director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association.

The senior management may serve concurrently as Directors, provided that the number of Directors who serve concurrently as the senior management and the Directors who also serve as the staff representative shall not exceed half of the total number of Directors of the Company. The Directors shall not be required to hold Shares of the Company.

Subject to the provisions of the relevant laws and administrative regulations, a Director can be removed by an ordinary resolution passed at the shareholders' meeting before the expiry of his/her term of office (such removal does not affect the Director's claim for compensation under any contract), the removal shall take effect on the date the resolution of the shareholders' meeting is passed.

Article 124

Directors shall comply with laws, administrative regulations, and the Articles of Association, owe duties of loyalty to the Company, take measures to avoid conflicts between their personal interests and those of the Company, and shall not use their authority to obtain improper benefits.

Directors owe the following duties of loyalty to the Company:

- (1) Shall not misappropriate the Company's property or funds;
- (2) Shall not deposit the Company's funds in accounts opened in their own name or in the name of any other individual;
- (3) Shall not use their authority to offer or accept bribes or receive other illegal gains;
- (4) Shall not, without reporting to the Board of Directors or the shareholders' meeting and obtaining approval in accordance with these Articles of Association, enter into contracts or conduct transactions with the Company directly or indirectly;
- (5) Shall not, by taking advantage of their position, seek for themselves or others any business opportunities that belong to the Company, except where such opportunities have been reported to the Board of Directors or the shareholders' meeting and approved by the shareholders' meeting, or where the Company, pursuant to laws, administrative regulations, or these Articles of Association, is unable to exploit such business opportunities;
- (6) Shall not, without reporting to the Board of Directors or the shareholders' meeting and obtaining approval by resolution of the shareholders' meeting, operate or manage, on their own account or on behalf of others, any business of the same kind as the Company;

- (7) Shall not accept commissions from others in connection with transactions with the Company as personal income;
- (8) Shall not disclose the Company's confidential information without authorization;
- (9) Shall not, by leveraging their relationships, damage the interests of the Company;
- (10) Other duties of loyalty as provided by laws, administrative regulations, departmental rules, and the Articles of Association.

Any income obtained by a director in violation of the provisions of this Article shall belong to the Company; any losses caused to the Company shall be compensated by the director.

Close relatives of directors or senior management personnel, enterprises directly or indirectly controlled by directors, senior management personnel, or their close relatives, as well as other related parties having a relationship with directors or senior management personnel, shall be subject to the provisions of sub-clause (4) of the second paragraph of this Article when entering into contracts or conducting transactions with the Company.

Article 125

Directors shall comply with laws, administrative regulations, and the Articles of Association, owe duties of diligence to the Company, and in performing their duties, shall exercise the level of care that a reasonably prudent manager would use to act in the best interests of the Company.

Directors owe the following duties of diligence to the Company:

- (1) Shall exercise the powers conferred by the Company prudently, carefully, and diligently to ensure that the Company's business activities comply with national laws, administrative regulations, and economic policies, and that such activities do not exceed the scope of business specified in the business license;
- (2) Shall treat all shareholders fairly;
- (3) Shall keep timely and informed of the Company's business operations and management status;

- (4) Shall provide written confirmation on the Company's periodic reports to ensure that the disclosed information is true, accurate, and complete;
- (5) Shall provide truthful information and materials to the audit committee and shall not obstruct the exercise of its powers;
- (6) Other duties of diligence as provided by laws, administrative regulations, departmental rules, and the Articles of Association.

Article 126

Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Company a written report in relation to their resignation which shall take effect from the date the Company receives the resignation letter, and the Company shall disclose the relevant information within two trading days.

If a director's resignation causes the Board of Directors to fall below the statutory minimum number or fail to meet the regulatory requirements of the securities market where the Company's shares are listed, the resigning director shall continue to perform his or her duties in accordance with laws, administrative regulations, departmental rules, and these Articles of Association until the newly elected director assumes office.

Article 127

The Company shall establish a director resignation management system, which sets out safeguard measures for holding directors accountable and recovering losses in respect of unfulfilled public commitments and other outstanding matters. Upon submission of his resignation or expiration of his term of office, his obligation of confidentiality in respect of the Company's trade secrets survives upon the expiration of his term of office until the same falls into public domain.

Where the Director's resignation takes effect or the term of office expires, all transfer procedures shall be completed with the Board. His/her loyalty obligations to the Company and Shareholders shall not be automatically released after the expiry of the term of office, but shall remain valid within reasonable periods as provided in the Articles of Association. Liabilities that a director incurs in the performance of his or her duties during the term of office shall not be exempted or terminated by reason of the director's resignation or removal.

Article 128 The shareholders' meeting may resolve to dismiss a director, and such dismissal shall take effect on the date the resolution is passed.

If a director is dismissed before the expiration of his or her term without just cause, the director may request compensation from the Company.

Article 129 No Directors shall act, in their personal capacity, on behalf of the Company or the Board beyond provisions of the Articles of Association or without appropriate authorization by the Board. The Director(s) shall, when acting in his/her personal capacity, state his/her standings and identities in advance if a third party has reasons to believe that the said Director is acting on behalf of the Company or the Board.

Article 130 If a director, in the course of performing his or her duties for the Company, causes damage to others, the Company shall bear the liability for compensation; if the director acts with intent or gross negligence, the director shall also bear the liability for compensation.

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

If the Company's controlling shareholder or actual controller instructs a director or senior management personnel to engage in conduct that harms the interests of the Company or its shareholders, the controlling shareholder or actual controller shall bear joint and several liability together with the director or senior management personnel.

Article 131 Any Director who has withdrawn from his office without authorization prior to the expiration of his term of office, and whereby a loss is incurred to the Company, shall be liable for compensation of such loss.

Any Director who has been absent from two consecutive Board meetings and failed to designate other Directors as proxies shall be regarded as having failed to fulfill his/her/its duty. The Board shall propose to the shareholders' meeting to dismiss and replace such Director.

Section 2 Independent Directors

Article 132 The Company shall establish an independent director system. Independent Directors are Directors who do not hold any positions in the Company other than as Director and do not maintain with the Company and its substantial Shareholders a connection which may possibly hamper their independent and objective judgments.

An independent Director shall serve a term of office of three years and is eligible for reelection but shall not serve for more than six years, except required by relevant laws, regulations and the listing rules of the stock exchange with which the Company is listed.

Article 133 Independent directors shall, in accordance with laws, administrative regulations, rules of the China Securities Regulatory Commission, stock exchange regulations, and these Articles of Association, diligently perform their duties, participate in decision-making, exercise supervision and checks and balances, provide professional advice within the Board of Directors, safeguard the overall interests of the Company, and protect the lawful rights and interests of minority shareholders.

Article 134 Independent directors must maintain independence. The following persons shall not serve as independent directors:

- (1) Persons employed by the Company or its subsidiaries, and their spouses, parents, children, or major social associates;
- (2) Natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares, or who are among the top ten shareholders of the Company, and their spouses, parents, or children;
- (3) Persons employed by shareholders who directly or indirectly hold more than 5% of the Company's issued shares, or by the top five shareholders of the Company, and their spouses, parents, or children;
- (4) Persons employed by subsidiaries of the Company's controlling shareholder or actual controller, and their spouses, parents, or children;
- (5) Persons who have significant business dealings with the Company, its controlling shareholder, actual controller, or their respective subsidiaries, or persons employed by entities that have such significant business dealings with the Company, its controlling shareholder, or actual controller;

- (6) Persons who provide financial, legal, consulting, sponsorship, or other services to the Company, its controlling shareholder, actual controller, or their respective subsidiaries, including but not limited to all members of the project team of the intermediary institution providing the services, review personnel at all levels, signatories on reports, partners, directors, senior management, and principal officers;
- (7) Persons who have fallen under any of the circumstances listed in sub-clause (1) to (6) within the past twelve months;
- (8) Other persons who do not meet the independence requirements as prescribed by laws, administrative regulations, rules of the China Securities Regulatory Commission, stock exchange regulations, and these Articles of Association.

For the purposes of sub-clause (4) to (6) above, subsidiaries of the Company's controlling shareholder or actual controller do not include enterprises controlled by the same state-owned asset management authority as the Company and that are not deemed related parties of the Company under relevant regulations.

Independent directors shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board of Directors shall evaluate the independence of the incumbent independent directors annually, issue a special opinion, and disclose it together with the annual report.

Article 135

An independent Director shall meet the following basic conditions:

- (1) qualified as independent Director of a listed company pursuant to relevant laws, administrative regulations, the listing rules of the stock exchange on which the Company is listed, and other regulations;
- (2) meeting the independence requirements as specified in the listing rules of the stock exchange with which the Company is listed and in the Articles of Association;
- (3) having the basic knowledge about operations of listed companies, and proficient in relevant laws, administrative regulations and rules;

- (4) having more than five years' experience in legal, accounting and economic work or other work required for fulfilling duties as independent Director;
- (5) having good personal integrity and have no record of major dishonesty or other adverse records;
- (6) other requirements as provided by laws, administrative regulations, the rules of the securities supervision and administrative authority of the State Council, the business rules of the stock exchange, and other conditions specified in the Articles of Association.

Article 136

As members of the Board of Directors, independent directors owe duties of loyalty and diligence to the Company and all shareholders, and shall prudently perform the following responsibilities:

- (1) Participate in the decision-making of the Board and express clear opinions on the matters under consideration;
- (2) Supervise potential significant conflicts of interest between the Company and its controlling shareholders, actual controllers, directors, or senior management, and protect the legitimate rights and interests of minority shareholders;
- (3) Provide professional and objective advice on the Company's business development to help improve the decision-making level of the Board;
- (4) Perform other duties as provided by laws, administrative regulations, the rules of securities regulatory authorities under the State Council, the business rules of the stock exchange, and the Articles of Association.

Article 137

In addition to those powers vested to independent Directors by the Company Law, other relevant laws and regulations and the listing rules of the stock exchanges on which the Company's shares are listed, independent Directors shall have the following special functions and powers:

- (1) engaging intermediaries independently to conduct audits, provide consultancy, or carry out verifications on specific matters of the Company;
- (2) proposing to the Board with respect to the holding of extraordinary shareholders' meetings;

- (3) proposing the holding of Board meetings;
- (4) publicly solicit shareholders' rights in accordance with law;
- (5) express independent opinions on matters that may harm the Company or the interests of minority shareholders;
- (6) exercise other powers as provided by laws, administrative regulations, the rules of securities regulatory authorities under the State Council, and the Articles of Association.

The exercise of the powers listed in sub-clause (1) to (3) of the preceding paragraph by the independent directors shall obtain the unanimous consents of more than one half of all independent directors.

When the independent directors exercise the powers set out in the first paragraph, the Company shall make timely disclosure. If any of the aforesaid powers could not be exercised properly, the Company shall disclose the specific circumstances and reasons.

Article 138

The following matters shall be submitted to the Board of Directors for consideration only after approval by more than one half of all independent directors of the Company:

- (1) Connected transactions required to be disclosed;
- (2) Plans for changes to or waivers of commitments by the Company and relevant parties;
- (3) Decisions and measures adopted by the Board of Directors in the event that the Company is the target of a takeover;
- (4) Other matters as provided by laws, administrative regulations, the rules of securities regulatory authorities under the State Council, and the Articles of Association.

Article 139

The Company shall establish a special meeting mechanism composed entirely of independent directors. Where the Board of Directors deliberates on matters such as connected transactions, such matters shall be subject to prior approval by the special meeting of independent directors.

The Company shall convene special meetings of independent directors on a regular or ad hoc basis. The matters set out in sub-clauses (1) to (3) of the first paragraph of Article 137 and in Article 138 of the Articles of Association shall be reviewed by the special meeting of independent directors.

The special meeting of independent directors may, as necessary, study and discuss other matters of the Company.

The special meeting of independent directors shall be convened and presided over by an independent director jointly nominated by more than one half of the independent directors; if the convener fails or is unable to perform his or her duties, two or more independent directors may convene the meeting themselves and nominate one to preside.

The special meeting of independent directors shall prepare minutes in accordance with the relevant regulations, and the opinions of the independent directors shall be recorded therein. The independent directors shall sign the minutes to confirm their accuracy.

The Company shall provide convenience and support for the convening of the special meeting of independent directors.

Article 140

The office of an independent Director cannot be terminated without any reason before expiration. In case of termination of a Director's office prior to expiration, it shall be disclosed as a special issue by the Company.

If any independent Director fails to attend Board meetings in person for three (3) consecutive times, the Board proposes to the shareholders' meeting to replace the said Director.

Article 141

In relation to provisions of the independent Director which are not provided in this section, are handled with relevant laws and regulations and the listing rules of the stock exchanges on which the Company's shares are listed.

Section 3 The Board

Article 142

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

- (1) to be responsible for the convening of shareholders' meetings and report its work to the shareholders' meeting;
- (2) to implement the resolutions of shareholders' meetings;
- (3) to decide on the Company's business plans and investment plans, specific annual business goals as well as financing plans other than the issue of debentures or other securities and listing by the Company;
- (4) to decide the Company's plans on annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;
- (6) to formulate the proposal for increase or decrease of the registered capital of the Company;
- (7) to formulate the proposal for issuance of bonds or other securities of the Company and listing thereof;
- (8) to propose plans for substantial acquisition, repurchase of shares of the Company or merger, division, spin off, dissolution and alteration of corporate form of the Company;
- (9) within the scope of authority granted by the shareholders' meeting, decide on matters including external investments, acquisitions or disposals of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions, and external donations;
- (10) to decide on the establishment of an internal management organization of the Company; decide the establishment or revocation of the subsidiaries or branches of the Company;
- (11) to elect Chairman of the Board and Vice Chairman of the Board of the Company, nominate, appoint or dismiss general manager of the Company;

- (12) according to the nomination of the Chairman, appoint or dismiss the Board secretary, appoint or dismiss the Director of each special committee of the Board;
- (13) upon the nomination of the general manager, appoint or dismiss deputy manager, the chief accountant and other senior management members of the Company, and decide their remunerations, incentives and punishments;
- (14) to formulate the basic management system of the Company;
- (15) to formulate proposals for amendment to the Articles of Association;
- (16) to formulate stock option incentive plan of the Company;
- (17) to manage information disclosure of the Company;
- (18) to decide the establishment of the special committee of the Company;
- (19) to decide upon the risk management system of the Company, including risk assessment, financial control, internal audit, legal risk control, and supervise its enforcement;
- (20) to propose to the shareholders' meeting to appoint or change accounting firm in charge of the audition of the Company;
- (21) to listen to the report of work by the general manager or senior management members appointed by him on a regular or irregular basis, and to approve the report of work by the general manager;
- (22) issue of guarantee made by the Company which is not necessary for the examination of the shareholders' meeting, as provided in the Articles of Association;
- (23) to decide sustainability goals and plans of the Company;
- (24) Regularly evaluate and continuously improve the Company's corporate governance, and periodically assess the performance of the Board of Directors.
- (25) other authorities provided by laws and regulations, and listing rules of the stock exchange where the stock of the Company is listed, and by and the Articles of Association or shareholders' meeting of the Shareholder.

Except for the Board resolutions in respect of the matters specified in sub-clauses (6), (7), (8) and (15) of the preceding sub-section which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by more than one half of the Directors. The Board shall perform its duties in accordance with laws, administrative regulations, the Articles of Association and Shareholder's resolution.

The Board shall explain to the shareholder's meeting when a registered accountancy firm issues an audit report with a non-standard opinion regarding the Company's financial report.

Article 143 The Board shall formulate the rules of procedures of Board meetings to ensure the Board to implement the resolutions of the shareholders' meeting, improve work efficiency and guarantee scientific decision-making.

Article 144 Prior to making decisions on material issues of the Company, including directions of reform and development, key objectives, and priority operational arrangements of the Company, the Board shall seek advice from the Party Committee of the Company.

Article 145 Unless otherwise required by the laws and regulations or rules of listing of the stock exchanges on which the Company's shares are listed, the provision of guarantees by the Company for other corporate investments or third parties shall be resolved by the Board. However, the provision of guarantees to any Shareholder of the Company or its beneficial controllers shall be resolved and approved at shareholders' meetings.

Any Shareholder referred to in the preceding clause or any Shareholder controlled by the actual controller referred to in the preceding clause shall not vote on such matters. Any such matter shall be decided by a majority of the voting rights held by other Shareholders attending the meeting.

The Company has established a strict internal control system over external guarantee. All members of the Board shall cautiously handle and strictly control the risk of debt created by external guarantee.

The external guarantee of the Company shall be arranged under risk avoidance measures such as a counter guarantee given by the guaranteed party, and the party giving the counter guarantee shall have actual ability to perform its obligation under the counter guarantee.

Where the provision of external guarantees violates relevant laws, regulations, rules and Articles of Association of the Company and result to losses, the responsible Directors should bear joint responsibility.

Article 146

The Board shall establish strict audit and approval procedures by setting the scope of authority for conducting external investment, assets acquisitions and disposals, asset pledge, guarantees, entrusted wealth management, connected transactions and external donations, etc.; major investment projects shall be examined by experts and other professionals, and be submitted to the shareholders' meeting for approval.

Article 147

The Chairman of the Board is entitled to the following powers:

- (1) to preside over shareholders' meetings and to convene and preside over Board meetings;
- (2) to procure and check on the implementation of resolutions of the Board and listen to relevant report of work;
- (3) to procure and to arrange for and formulate various rules and systems for the operation of the Board, and to coordinate the work of the Board;
- (4) to sign the securities certificates issued by the Company;
- (5) to sign important documents of the Board;
- (6) to sign important legally binding documents on behalf of the Company;
- (7) to exercise special rights of disposal over the Company's affairs that are in line with the requirements under the laws and the interests of the Company in the event of emergency caused by natural disasters or other force majeure and significant crises and under the critical situation where a Board meeting cannot be held timely, and to report at Board meetings and shareholders' meetings afterwards;
- (8) to exercise other powers conferred by the laws and regulation, the Articles of Association and the Board.

Should the Chairman of the Board be unable to exercise his functions or powers, the Vice Chairman of the Board shall exercise such functions or powers.

Article 148

The Vice Chairman of the Board of the Company shall assist the Chairman of the Board with his work. In the event of inability of the Chairman to perform his duties; where the Chairman fails to designate a Vice Chairman of the Board for such purpose, the Vice Chairman of the Board shall perform the duties of Chairman. If there are two or more Vice Chairmen of the Board, a Vice Chairman of the Board jointly elected by not less than half of the member of the Board shall perform the duties of Chairman.

Article 149

At least four meetings of the Board shall be convened every year by the Chairman of the Board, notice of the regularly scheduled Board meetings shall be served on all of the Directors at least fourteen (14) days before the date of the meeting.

In the event of any of the following circumstances, the chairman shall convene an extraordinary board meeting within ten days of receiving the proposal:

- (1) when proposed by more than one-third of the Directors;
- (2) when proposed by the audit committee;
- (3) when proposed by more than half of the independent Directors;
- (4) whenever the Chairman deems necessary;
- (5) when proposed by the Shareholders representing not less than 10% of the voting rights.

Article 150

Notices of the Board and extraordinary Board meetings should be served by phone, facsimile or email. Time limit for notice: three (3) days prior to the date of the extraordinary Board meeting. However, if it is a must to temporarily convene the Board meeting due to the special emergencies, a meeting notice may be given by phone or oral means. The notice requirement is not applicable to emergency Board meetings, and the convener shall make an explanation at the meeting.

The time and place of a meeting of the Board may be prescribed in advance, and recorded in the minutes, which are distributed to all Directors at least 14 days prior to the convening of the next Board meeting. No further notice shall be required to be served to the Directors in respect of the convening of the meeting.

A notice of the Board meeting shall at least include the following:

- (1) date and place of the meeting;
- (2) duration of the meeting;
- (3) reasons of the meeting and proposals to be considered;
- (4) date of the notice.

Oral meeting notice shall at least include items (1) and (2) above, and the explanation that an interim Board meeting shall be held as early as possible under the urgent circumstances.

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 meeting or extraordinary Board meeting may be convened by means of telephone conference or other similar communications 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 151

In addition to the circumstance stipulated in Article 153 herein that the Board to consider connected transaction, the Board meeting may be not be held unless half or more of the Directors are present.

Each Director shall have one vote. Unless otherwise stipulated in Article 153 herein for connected transactions, resolutions of the Board must be passed by more than half of the Directors.

Resolution signed by each and every Director and where the number of affirmative votes meet the requirements of laws and regulations and the Articles of Association shall be equally effective as the resolution passed at a Board meeting convened according to laws. Such written resolutions may consist of several counterparts each signed by one or more Directors. A resolution signed by a Director and transmitted to the Company by post, facsimile or personal delivery and a resolution bearing the name of a Director and transmitted to the Company by telegram or telex shall be deemed to be a document signed by him for the purposed of this Article.

Article 152

Directors shall attend a meeting of the Board in person. If they are not able to attend the meeting due to certain reasons, they may authorize other Directors in writing to attend the meeting on their behalf. A letter of authorization shall indicate the name of the proxy, agency matters, the scope of authorization and valid period and shall be executed or sealed by the appointer.

The appointed Director attending the meeting shall exercise the rights of a Director within the scope of authorization. If a Director does not attend a meeting of the Board in person, and does not authorize any representatives to attend the meeting, he/she shall be deemed to have waived the voting right in the meeting.

Article 153

In the event that a Director is connected to companies or individuals associated with matters to be resolved at the Board meeting, such Director shall promptly report it in writing to the Board. A Director with such a connected relationship shall not exercise his/her voting rights on such resolution, nor shall he/she vote on behalf of other Directors. The Board meeting may be convened with a majority of the independent Directors. Resolutions shall be approved by a majority of independent Directors at the Board meeting. When there are less than three (3) independent Directors present at the Board meeting, such matter shall be submitted to the shareholders' meeting for consideration.

Article 154

The Board shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the Directors, secretary to the Board present at the meeting (person who recorded the minutes). Custody period of minutes shall be ten (10) years. The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations or the Articles of Association and results in the Company sustaining serious losses, the Directors participating in the resolution shall be liable to compensate the Company. However, if it can be proved that a Director expressly objected to the resolution when the resolution was voted on, and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability.

The minutes of the Board shall consist of the following:

- (1) the date and venue for the convention of meeting and name of person summoning the meeting;
- (2) the name of the Director present and name of Director (attorney) being appointed to attend on the other's behalf;
- (3) the agenda;
- (4) the main point of Director's speech;
- (5) the voting result of each agenda and the result (the result shall state the number of votes for and against).

Article 155 For matters which would need to be passed at an extraordinary meeting, if the content of the proposed resolution to be passed has been sent to all the Directors in writing (including by fax and email) and each Director is ensured to be able to fully express his opinions, voting could be made by means of telecommunications without convening a Board meeting. A resolution is effective only when the number of Directors who signed such resolution meets the required number provided under Article 142 to the Articles of Association.

Article 156 In principle, the Board meeting shall be held at the statutory address of the Company, however, with resolutions adopted by the Board, it could be held elsewhere inside or outside of China.

Article 157 Costs reasonably incurred by Directors in attending the meeting of the Board are borne by the Company. These cost of transportation between the place of the Directors and the venue of the meeting (in the event that the location of venue is not where the Directors are located), accommodation expenses during the period of meeting, rental of the premises for holding the meeting and local transportation costs, etc.

Article 158 The Company shall establish a liability insurance system for its Directors, general manager and other senior management members. Upon approval by the shareholders' meeting, the Company may purchase or renew liability insurance for Directors, and the Board shall report the contents to the shareholders' meetings, including the sum of insurance amounts, the insurance coverage and the premium rates.

Section 4 Special Committee of the Board

Article 159 The Board of the Company shall establish an audit committee, which shall exercise the powers and functions of a supervisory committee as prescribed under the Company Law.

Article 160 The audit committee is composed of three non-executive Directors, with the majority being independent Directors. The audit committee has a chairman, who must be an independent Director. The chairman of the audit committee should be an accounting professional. Employee representatives from the Company's Board of Directors may serve as members of the audit committee, but senior management of the Company may not serve as members of the audit committee.

Article 161 The audit committee is responsible for reviewing the Company's financial information and its disclosure, monitoring and evaluating internal and external audit work and internal controls and the following matters shall be submitted to the Board for consideration with the approval of a majority of the members of the audit committee:

- (1) disclosure of financial information in financial accounting reports and regular reports, and the internal control evaluation reports;
- (2) engagement or dismissal of the accounting firm that undertakes the auditing of the listed company;
- (3) appointment or dismissal of the financial controller of the listed company;
- (4) changes in accounting policies, accounting estimates, or correction of significant accounting errors for reasons other than changes in accounting standards;
- (5) other matters stipulated by laws, administrative regulations, provisions of the securities regulatory authority under the State Council and the Articles of Association.

The audit committee shall convene a meeting at least once a quarter, and may convene extraordinary meetings upon the proposal of two or more members, or when the convener deems necessary. Meetings of the audit committee shall be held with the attendance of at least two-thirds of the members.

Resolutions made by the audit committee shall be approved by more than half of the members of the audit committee.

Voting on resolutions of the audit committee shall be conducted on the basis of one vote per member.

The resolutions of the audit committee shall be recorded in minutes according to relevant regulations, and the members of the audit committee present at the meeting shall sign the minutes.

The rules of procedure for the audit committee shall be formulated by the Board.

Article 162

The Board shall establish other special committees such as the nomination committee, remuneration and assessment committee, strategic committee and sustainable development committee to perform their duties in accordance with the Articles of Association and the authorization of the Board, and the proposals of the special committees shall be submitted to the Board for consideration and decision. The Board shall be responsible for formulating the rules of procedure of special committees.

Article 163

The nomination committee shall consist of three Directors, with the majority being independent Directors. It shall have a chairperson, who must be an independent Director. The nomination committee shall be responsible for formulating the selection criteria and procedures regarding Directors and senior management members, selecting and reviewing the candidates for Directors and senior management members and their qualifications, as well as making recommendations to the Board on the following matters:

- (1) nomination or appointment and dismissal of Directors;
- (2) appointment or dismissal of senior management members;
- (3) other matters as required by laws, administrative regulations, provisions of the securities regulatory authority under the State Council and the Articles of Association.

The Board shall record and disclose in its resolutions the opinion of the nomination committee and the specific reasons for not adopting or fully adopting the recommendations of the nomination committee.

Article 164

The remuneration and assessment committee shall consist of three Directors, with the majority being independent Directors. It shall have a chairperson, who must be an independent Director. The remuneration and assessment committee of the Board is responsible for formulating and reviewing the remuneration policies and proposals including the remuneration decision mechanism and process, as well as payment and stop-payment recourse arrangements for Directors and senior management, and making recommendations to the Board on:

- (1) remuneration of Directors and senior management;
- (2) formulating or amending share incentive schemes, employee stock ownership schemes, entitlements of incentive schemes participants and conditions of exercising such entitlements;
- (3) stock ownership schemes arrangements for Directors and senior management in the proposed spin-off subsidiary(ies);
- (4) other matters as stipulated by the laws, administrative regulations, provisions of the securities regulatory authority under the State Council and the Articles of Association.

If the Board fails to adopt or fails to fully adopt the recommendations of the remuneration and assessment committee, it shall record the opinions of the remuneration and assessment committee and the specific reasons for non-adoption in the resolutions of the Board, and make disclosures accordingly.

Article 165

The strategic committee shall consist of five Directors, with a chairperson appointed. The strategic committee is responsible for reviewing the rationality of the Company's development strategy, the scientific nature of investment decisions, and the effectiveness of internal controls. It shall study the following matters and provide recommendations to the Board:

- (1) the Company's development strategy and planning;
- (2) major investment decisions requiring approval from the shareholders' meeting and the Board;
- (3) other significant matters affecting the Company's development;
- (4) other matters authorized by the Board.

Article 166

The sustainable development committee shall consist of three Directors, with a chairperson appointed. The sustainable development committee is responsible for providing recommendations and opinions on the Company's sustainability, environmental, social, and governance (ESG) goals and plans, in line with the Company's actual circumstances. The sustainable development committee assists the Board in overseeing the implementation of the Company's sustainability policies and measures.

The committee shall study the following matters and provide recommendations to the Board:

- (1) the Company's sustainability strategy, policies, and measures;
- (2) the Company's sustainability and ESG governance, including the evaluation of ESG goals and plans, and supervising the implementation of the Company's ESG governance program;
- (3) the Company's annual sustainability report;
- (4) other significant matters affecting the Company's sustainability;
- (5) other matters authorized by the Board.

CHAPTER 11 SECRETARY TO THE BOARD OF THE COMPANY**Article 167**

The Company shall have one (1) Board secretary, responsible for the preparation of the shareholders' meetings and the meetings of the Board of the Company, the preservation of the documents and the management of the information on the Company's shareholders, and the handling of the information disclosure and other issues. The secretary shall be a senior management member of the Company accountable to the Board.

The secretary to the Board shall comply with the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Article 168

Secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His/her primary responsibilities are:

- (1) to be responsible for communication and coordination between the Company and the related parties, stock exchange and the securities regulatory authority, to ensure that the Company legally prepares and submits reports and documents as required by the regulatory authorities;
- (2) to be responsible for information disclosure of the Company, to procure the Company to formulate and implement the information disclosure system and material information internal reporting system, to procure the Company and the related parties to fulfill the information disclosure obligation in accordance with laws and to submit regular reports and temporary reports to the stock exchange;
- (3) to coordinate the relationship between the Company and its investors, to handle visits of the investors, to answer questions raised by the investors, and to provide the investors with information disclosed by the Company;
- (4) to preparations for Shareholders' meetings and Board meetings following the specific procedure and to prepare and submit relevant documents of the meetings;
- (5) to attend Board meetings and prepare and sign the minutes of the meetings;
- (6) to be responsible for confidentiality issues relating to information disclosure of the Company, formulate confidentiality measures, procure the Directors, general managers and other senior management members and related informed persons to keep confidential all information before disclosure thereof, make prompt responsive remedies in the event of divulgence of inside information and report to the stock exchange;

- (7) to be responsible for keeping Shareholders' register, Directors' register, data about shareholdings of major Shareholders, Directors, general managers and other senior management members, and documents and minutes of the shareholders' meeting and Board meetings, to ensure the Company has complete organizational documents and records, and to ensure the persons with right of access to relevant records and documents of the Company can have the said records and documents in time;
- (8) to help Directors, general managers and other senior management members learn about information disclosure related laws, regulations, rules, listing rules and other rules of the stock exchange, and the Articles of Association, and the provisions in the listing agreements concerning their legal liabilities;
- (9) to procure the Board to exercise functions and powers in accordance with law; to remind the attending Directors where the resolutions to be made by the Board do not comply with the relevant laws, regulations, rules, listing rules of the stock exchange, and the Articles of Association; to record the opinions of relevant Board and directors in the minutes and report to the stock exchange;
- (10) to fulfill other duties specified in the applicable laws, regulations, rules, listing rules of the stock exchange, and the Articles of Association.

Article 169

Directors or senior management members of the Company may also act as the Secretary to the Board.

Provided that where the office of the Secretary to the Board is held concurrently by a Director, and an act is required to be made by a Director and the Secretary to the Board separately, the person who concurrently holds the offices of Director and Secretary to the Board shall not perform the act in dual capacity.

CHAPTER 12 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Article 170 The Company shall have one general manager, a few deputy general managers who shall assist the general manager in his work, and one chief accountant. The general manager, deputy general manager and chief accountant shall be appointed and dismissed by the Board.

The term of office of the general manager and other senior management members shall be 3 years and they shall be eligible to offer themselves for reappointment.

Article 171 The provisions of the Articles of Association in relation to the circumstances in which he/she shall not act as a Director and the resignation management system shall apply to the senior management.

The fiduciary obligations and the diligent obligations of Directors stipulated in the Articles of Association shall apply to the senior management concurrently.

Article 172 Persons who hold administrative positions other than Director and supervisor in the Company's controlling shareholder shall not serve as the Company's senior management.

The senior management of the Company shall only receive remuneration from the Company, not from the controlling shareholders on behalf of the Company.

Article 173 The general manager shall be accountable to the Board and exercise the following powers:

- (1) to lead the Company's production, operation and management, and report to the Board;
- (2) to organize resources to carry out the Board's resolutions;
- (3) to organize the implementation of the Company's annual business plan, invest plan and financing plan formulated by the Board;

- (4) to draft plans for the Company's annual budget and final accounts;
- (5) to draft plans for the establishment of the Company's internal management structure;
- (6) to draft plans for the establishment of subsidiaries and other branches of the Company;
- (7) to draft the Company's basic management system;
- (8) to formulate detailed rules and regulations of the Company;
- (9) to propose the appointment or dismissal of the Company's deputy general manager(s) and chief accountant to the Board;
- (10) to appoint or dismiss other management members other than those required to be appointed or dismissed by the Board;
- (11) to exercise other powers conferred by the Articles of Association or the Board.

Article 174

The general manager of the Company shall attend Board meetings. The general manager who is not a Director shall not be entitled to vote at any meeting of the Board.

Article 175

The general manager of the Company shall, as required by the Board and the audit committee, report to the Board and the audit committee on the signing and performance of material contracts and use of proceeds. The general manager shall guarantee the truthfulness of such report.

The general manager of the Company shall seek opinions from labour union and employee representatives' meeting of the Company in determining matters which are closely related to employees such as the wages, fringe benefits, safe production, labour insurance, dismissal (or discharge) of employees of the Company.

Article 176 The general manager of the Company shall formulate the detailed working rules of the general manager, which shall be submitted to the Board for approval before implementation.

The detailed working rules for general managers consist of the followings:

- (1) the conditions to convene, procedures for and participants of the general manager meeting;
- (2) the specific duties and each respective division of general managers and other senior members;
- (3) the Company's funds, assets utilisation, the authority of entering into significant contracts, and the system for reporting to the board of directors and the audit committee;
- (4) the other matters considered necessary by the board of directors.

Article 177 The general managers and other senior management members may resign prior to the expiration of his/her term of office. The detailed procedures and methods in relation to resignation of the general managers and other senior management members shall be referred to the employment contracts between such persons and the Company, unless otherwise provided by the laws, administrative regulations and the rules of the place where the shares of the Company are listed.

Article 178 The senior management members shall be liable for any losses caused to the Company by their breach of any laws, administrative regulations, departmental rules or Articles of Association during performance of their duties to the Company.

Article 179 The senior management members of the Company shall perform their duties, and protect the maximum interests of the Company and all the shareholders.

The senior management members of the Company fail to perform their duty honestly and faithfully or violate their fiduciary duties to cause any damage on the interests of the Company and the public shareholders shall hold them legally liable for the compensation.

CHAPTER 13 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

- Article 180** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.
- Article 181** At the end of each fiscal year, the Company shall prepare a financial report which shall be audited by an accountants' firm in compliance with the laws.
- The fiscal year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.
- Article 182** The Board shall place before the Shareholders at every annual shareholders' meeting such financial reports as are required by any laws, administrative regulations or directives promulgated by competent regional and central governmental authorities to be prepared by the Company.
- Article 183** The Company's financial reports shall be made available for Shareholders' inspection at the Company twenty (20) days before the date of every annual shareholders' meeting. Each Shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.
- The Company shall publish the financial report together with balance sheet (including all documents to be attached thereto as required under applicable laws and regulations), profit and loss account or the statement of income and expenditure or financial summary report not later than twenty-one (21) days before the date of convening the annual shareholders' meeting.
- Article 184** The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas place where the Company's Shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

- Article 185** Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the Company's Shares are listed.
- Article 186** The Company shall submit and disclose its annual financial and accounting reports to the local office of the securities regulatory authority under the State Council and the stock exchange within four (4) months from the end of every fiscal year, submit and disclose its half-year financial and accounting reports to the local offices of securities regulatory authority under the State Council and the stock exchange within two (2) months from the end of the first six (6) months of every fiscal year, and submit and disclose quarterly financial and accounting reports to the local offices of the securities regulatory authority under the State Council and the stock exchange within one (1) month from the end of the first three (3) months and nine (9) months respectively of every fiscal year.
- The aforesaid financial and accounting reports shall be prepared in accordance with the provisions of relevant laws, regulations and departmental rules and published in accordance with the relevant rules of the securities regulatory rules in the place where the shares of the Company are listed.
- Where the securities regulatory rules in the place where the shares of the Company are listed has provided otherwise, such provisions shall be followed.
- Article 187** The Company shall not keep accounts other than those provided by law. Capital of the Company shall not be deposited in an account maintained in the name of any individual.
- Article 188** The Company shall set up a fund of the Board, which is to be drawn once each year. The maximum amount drawn shall be 0.1% of the profits before taxation of the year. The fund of the Board will be primarily used as incentives for special contributions made by Directors, general manager and other management members and staff of the Company, or as a source of the risk fund for Directors, general manager and other management members, and the details of its management procedures shall be formulated separately by the remuneration and assessment committee.

Article 189

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

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

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

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

If a shareholders' meeting violates the provisions in the preceding paragraph of this Article and profits are distributed to the Shareholders before the Company makes up losses or makes allocations to the statutory reserve fund, the profits distributed in violation of the provisions must be returned to the Company. In case of losses caused to the Company, the shareholders and the liable Directors and senior management shall be liable for compensation.

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

Article 190

The Company may distribute dividends by the following ways (or a combination of both):

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

Dividends and other payments declared by the Company to be payable to holders of domestic Shares shall be declared and calculated in RMB, and paid in RMB within two months after the consideration and approval of the plan at the shareholders' meeting. Those payable to holders of overseas listed foreign Shares shall be declared and calculated in RMB, and paid in RMB or foreign currency within two months after the consideration and approval of the plan at the shareholders' meeting. The exchange rate shall be based on the relevant average closing price of foreign exchange rate announced by the People's Bank of China for the five working days prior to the date on which such dividends or other payments are declared. Foreign currency, for which the Company requires to pay cash dividends and other monies to holders of overseas listed foreign Shares, shall be obtained pursuant to relevant state regulations on the administration of foreign exchange. The dividend distribution of the Company shall be executed by the shareholders' meeting through authorizing the Board by way of ordinary resolution.

Article 191

The Company's profit distribution policy aims at maximizing the value of the Company and the interests of Shareholders, in order to continuously and stably provide reasonable return on investment to Shareholders of the Company. The Company's Board will comprehensively consider the company's operating conditions, financial performance, cash flow conditions, investment demands and future development plans, decide whether to recommend the distribution of dividends and determine the amount of dividends. The Company intends to distribute dividends to Shareholders after each accounting year, and may also pay interim dividends or distribute special dividends at appropriate times.

Cash dividend shall take precedence in the Company's profit distribution.

If the Company has, in violation of the provisions of the Company Law, distributed profits to the shareholders, the shareholder shall return the profits distributed in violation of the provision to the Company; if the Company incurs losses as a result, the shareholder and the responsible Directors and senior management shall be liable for compensation.

Article 192

The profit distribution conditions and proportion of distribution of the Company are as follows:

- (I) Where the audited net profit of the Company for the year is positive and the conditions of dividend distribution as stipulated in the Company Laws are met, except for the special circumstances, the Company shall distribute dividends by way of cash provided that sufficient allocations have been made to statutory reserve and discretionary reserve, and the dividends distributed to the Shareholders in cash each year shall not be less than 20% of the distributable profit realized by the Company for the year.

Special circumstances refer to:

- (1) where the production and operation of the Company are materially affected by force majeure events such as war, natural disasters, etc.;
- (2) where the net cash flow generated from operating activities for the year is negative, and cash dividend will have an effect on the subsequent existence of the Company as a going concern;
- (3) where the auditor did not issue a standard unqualified audit report regarding the financial reports of the Company for the year;
- (4) where the Company has major investment plans or other major cash expenditures (other than any fund raising projects);
- (5) other special circumstances considered and approved at the shareholders' meetings.

(II) Where the Company distributes profit by way of shares, all following conditions shall be satisfied:

- (1) the Company is in a sound operating condition;
- (2) the stock price of the Company does not match its share capital size and profit distribution by way of shares are in interests of all the Shareholders of the Company as a whole;
- (3) the proportion of cash dividends to stock dividends is in line with the requirements under the Articles of Association;
- (4) other conditions as required under laws, regulations and normative documents.

In determining the specific amount for profit distribution by way of shares, the Company shall take into full consideration whether the total share capital after profit distribution by way of shares corresponds to the Company's current scale of operation and profit growth rate, and consider the impact on the cost of debt financing in the future, so as to ensure that the distribution plan is in the interests of all Shareholders as a whole.

(III) The Company may distribute interim dividend. The Board of the Company may propose to distribute interim dividend based on the capital needs of the Company, and submit the same to the shareholders' meeting of the Company for approval.

Article 193

No arbitrary change shall be made to the profit distribution policies of the Company. In the event of conflict between the current policies and the production and operation, investment plans and long-term developmental needs of the Company, the profit distribution policies shall be adjusted. The adjusted profit distribution policies shall not violate relevant requirements of the securities regulatory authority under the State Council.

Amendments to the profit distribution policies by the Board of the Company shall be subject to approval by more than half of the Directors before they are submitted to the shareholders' meeting of the Company for consideration. The Company shall, with an aim to protect the Shareholders' interests, provide explanation on the reasons for the amendments in the relevant resolutions submitted to the shareholders' meeting, and independent Directors shall express their independent opinions on the reasonableness of the amendments to the profit distribution plan. The amendments to the profit distribution policies of the Company shall be submitted to the shareholders' meeting of the Company for consideration and subject to approval by more than two-thirds of the voting rights represented by the Shareholders present at the shareholders' meeting.

The Board of the Company shall put forward a differentiated cash dividend policy in accordance with different situations, taking into full account various factors such as the characteristics of the industry in which the Company operates, the stage of development of the Company, its own business model and level of profitability, and whether there is significant capital expenditure arrangement:

- (1) If the Company is at the mature stage of development and has no significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 80% when the profit distribution is made;
- (2) If the Company is at the mature stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 40% when the profit distribution is made;
- (3) If the Company is at the growing stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 20% when the profit distribution is made;

If it is difficult to distinguish the development stage of the Company but there are major capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions.

- Article 194** After the profit distribution plan is resolved at the shareholders' meeting of the Company, the Board of the Company shall finish dividends (or shares) distribution within 2 months after conclusion of the shareholders' meeting.
- Article 195** The reserve of the Company shall be used to make up for losses of the Company, and expand the Company's production and operation or for conversion to increase the registered capital of the Company.
- When the reserve fund is used to make up for the Company's losses, the discretionary reserve fund and statutory reserve fund shall be utilised at first; if still insufficient, the capital reserve fund may be used according to regulations.
- Where the statutory reserve is converted into increased registered capital, the balance of such reserve shall not fall below 25% of the Company's registered capital prior to such conversions.
- Article 196** Any amount paid up by Shareholders in advance of calls on any Shares may carry interest but the holder of such Shares shall not be entitled to participate in respect thereof in a dividend subsequently declared.
- Article 197** The Company shall appoint receiving agents on behalf of the holders of overseas listed foreign Shares to receive on behalf of such Shareholders dividends declared and all other monies owing by the Company in respect of such Shares.
- The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company's Shares are listed.
- The receiving agents appointed for the holders of overseas listed foreign Shares listed on the Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.
- In relation to the receipt of dividends by Shareholders, the Company is entitled to forfeit unclaimed dividends, provided that such power shall be exercised in accordance with the relevant PRC laws, regulations and requirements under the Hong Kong Stock Exchange and after the expiration of the applicable limitation period.

The Company shall have the right to terminate delivery of dividend vouchers by mail to certain holders of overseas listed foreign Shares, but the Company may exercise such right only after two vouchers have not been cashed consecutively. However, if the first voucher failed to reach the recipient and was returned, the Company may also exercise the said right.

In the 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 destroy loss of the original warrants.

The Company shall have the right to sell the Shares of holders of overseas listed foreign Shares whom the Company has failed to contact by means regarded as appropriate by the Board, but the following provisions must be met:

- (1) dividends on the related Shares have been delivered at least 3 times within 12 years and have not been claimed; and
- (2) the Company place advertisements in one or more newspapers of the Company listing location after the 12 years have elapsed, stating its intention to sell the Shares and informing the Stock Exchange of such intention.

Article 198

The Company shall implement an internal audit system, which clearly defines the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit.

The internal audit system of the Company shall be implemented after being approved by the Board and disclosed to the public.

Article 199

The Company's internal audit institution supervises and inspects the Company's business activities, risk management, internal control, financial information and other matters.

Article 200

The internal audit institution is accountable to the Board.

The internal audit institution shall accept the supervision and guidance of the audit committee in the course of supervising and inspecting the Company's business activities, risk management, internal control and financial information. If the internal audit institution discovers relevant major issues or clues, it shall report directly to the audit committee immediately.

- Article 201** The internal audit institution is responsible for the specific organization and implementation of the internal control evaluation of the Company. The Company issues the annual internal control evaluation report based on the evaluation report issued by the internal audit institution and reviewed by the audit committee and relevant materials.
- Article 202** When the audit committee of the Board communicates with external audit entities such as certified public accountants' firms and national audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.
- Article 203** The audit committee participates in the assessment of the person in charge of internal audit.

CHAPTER 14 APPOINTMENT OF ACCOUNTANTS' FIRM

- Article 204** The Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the State to audit the annual financial statements and other financial reports of the Company. The term of service shall be one year, which is renewable upon expiry.
- Article 205** The Company undertakes to provide the engaged accounting firm with true and complete accounting invoices, accounting books, financial and accounting reports and other relevant accounting information, and shall not withhold, conceal or misrepresent the same.
- Article 206** Before the convening of the shareholders' meeting, the Board may fill any casual vacancy in the office of the certified public accountants' firm, but while any such vacancy continues, the surviving or continuing firm, if any, may act.
- Article 207** The Shareholders in shareholders' meeting may, by ordinary resolution, remove a certified public accountants' firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.
- Article 208** The audit fees payable to a certified public accountants' firm shall be determined by the shareholders' meeting.

Article 209 The Company's appointment of, removal of and non-reappointment of a certified public accountants' firm shall be submitted to the Board for review and consideration after obtaining the consent of more than half of the members of the audit committee and resolved by Shareholders in shareholders' meeting. The term of appointment shall be one year and renewable. The Board shall not appoint a certified public accountants' firm before the decision of the shareholders' meeting.

Article 210 Prior to the removal or the non-renewal of the appointment of a certified public accountants' firm, notice of such removal or non-renewal shall be given to the certified public accountants' firm concerned and such firm shall be entitled to make representation at the shareholders' meeting. Where the certified public accountants' firm resigns from its post, it shall make clear to the shareholders' meeting whether there has been any impropriety on the part of the Company.

CHAPTER 15 LABOUR SYSTEM

Article 211 The Company may at its discretion employ and dismiss employees and enter into employment contracts with such employees based on the business development needs of the Company and in accordance with relevant requirements under laws and regulations in PRC.

Article 212 The Company shall determine the labor wages system and method of payment according to relevant requirement in PRC, the Articles of Association of the Company and its economic efficiency.

Article 213 The Company shall spare no efforts to improve staff welfare, with a view to improving the labor conditions and living conditions of the staff continuously.

Article 214 The Company shall set aside staff medical, retirement and unemployment insurance funds, and set up labor insurance system in accordance with relevant laws and regulations in PRC.

CHAPTER 16 TRADE UNION

Article 215 Employees of the Company may form a trade union in accordance with Trade Union Law of the People's Republic of China, participate in union activities and protect workers' legal rights and interests. The Company shall provide all necessary conditions for the activities of any such trade union. The labour union shall, on behalf of the employees, conclude the collective contract with the Company with respect to the remuneration, rest and holidays, labour safety and health and insurance and benefits and other matters in accordance with the law.

The Company shall establish and improve the democratic management system with the employee representatives' meeting as the basic form in accordance with the provisions of the Constitution and relevant laws, and carry out democratic management through the employee representatives' meeting or other forms.

To make a decision or any important issue related to restructuring, dissolution, file for bankruptcy and business operation, or to formulate any important regulation, the Company shall solicit the opinions of the Company's labour union, and shall solicit the opinions and proposals of the employees through the meeting of the representatives of the employees or in any other way.

CHAPTER 17 MERGER, DIVISION, AND INCREASE AND DECREASE IN CAPITAL OF THE COMPANY

Article 216 If the payment for a merger to be made by a company does not exceed 10% of its net assets, a resolution of the shareholders' meeting is not required for the merger, unless otherwise stipulated in these Articles of Association.

In cases where a merger is not subject to a resolution of the shareholders' meeting according to provisions of the preceding paragraph, it shall be subject to a resolution of the Board.

Article 217

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

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on merger and shall make newspaper announcement approved by the stock exchange on which the Shares of the Company are listed or the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's resolution on merger. Creditors may, within thirty (30) days after receipt of such notice from the Company, or within forty-five (45) days of the date of the newspapers announcement for those who do not receive such notice, to demand that the Company repay their debts to that creditor or provide a corresponding guarantee for such debts.

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

Article 218

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

In the event of a division of the Company, all the parties involved shall execute a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on division and shall make an announcement on a newspaper approved by the stock exchange on which the Shares of the Company are listed or the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's resolution on division.

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

Article 219 If the Company still suffer losses after making up for them in accordance with the provisions of the second paragraph of Article 289 of the Articles of Association, it may reduce its registered capital to make up for the losses. Where the registered capital is reduced to make up for losses, the Company shall not make distributions to shareholders, nor shall its exempt shareholders from their obligations to make capital contributions or pay for shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of the second paragraph of Article 29 shall not apply. However, the Company shall announce the reduction on newspaper approved by the stock exchange where the Company's stocks are listed or on the National Enterprise Credit Information Publicity System within 30 days from the date on which the resolution to reduce the registered capital is made at the shareholders' meeting. After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the accumulated amount of the statutory reserve and the discretionary reserve reaches 50% of the Company's registered capital.

Article 220 If the registered capital is reduced in violation of the Company Law or other relevant regulations, shareholders shall return the funds received, and any reduction or exemption of shareholders' capital contributions shall be reversed; in case of any losses caused to the Company, shareholders and responsible Directors and senior management shall be liable for compensation.

Article 221 Where an increase in registered capital of the Company is made by means of issue of new shares, the shareholders shall not have any preemptive rights unless the Articles of Association provides otherwise or the shareholders' meeting resolves that the shareholders shall have such preemptive rights.

Article 222 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

Where the Company increases or reduces its registered capital, the Company shall, in accordance with law, apply for change in its registration with the Company registration authorities.

CHAPTER 18 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 223 The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) expiration of business term;
- (2) a resolution on dissolution is passed by Shareholders at a shareholders' meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the Company's business license is revoked or it is ordered to close down or it is cancelled according to law;
- (5) where the Company gets into serious trouble in operations and management and its continuation may cause substantial loss to the interests of its Shareholders, and no solution can be found through any other channel, Shareholders representing 10% or more of the voting rights may request the people's court to dissolve the Company;
- (6) other circumstances where the Company shall be dissolved pursuant to laws and regulations.

Where the Company encounters any of the circumstances mentioned in subparagraphs (1) and (2) of this Article and has not yet distributed its property to shareholders, it may survive by amending the Articles of Association or by a resolution of the shareholders' meeting. Any amendment to the Articles of Association pursuant to the preceding paragraph shall be passed by Shareholders representing more than two-thirds of voting rights at the shareholders' meeting.

Where the Company encounters the cause of dissolution as prescribed in the preceding paragraph, it shall, within ten days, make public the cause of dissolution through the National Enterprise Credit Information Publicity System.

Article 224

Where the Company is dissolved under subparagraphs (1), (2), (4) and (5) provisions of Article 223, it shall be liquidated. The Directors are the obligors of liquidation of the Company, and shall establish a liquidation committee to carry out liquidation within 15 days from the date of occurrence of events giving rise to dissolution.

The liquidation committee shall consist of Directors, unless other persons are elected by the shareholders' meeting.

If the liquidation obligor fails to perform its liquidation obligations in a timely manner and causes losses to the Company or its creditors, it shall be liable for compensation.

Article 225

The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make a newspaper announcement approved by the stock exchange on which the Shares of the Company are listed or the National Enterprise Credit Information Publicity System within sixty (60) days of that date. Creditors shall, within thirty (30) days after receipt of the notice, or for those who do not receive the notice, within forty-five (45) days from the date of the announcement, declare their claims to the liquidation committee.

The creditors who declare their claims shall explain matters relating to their claims and provide relevant evidential documents. The liquidation committee shall register the creditor's claims in accordance with laws. During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Article 226

During the liquidation period, the liquidation committee shall exercise the following functions and duties:

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

Article 227

After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same to a shareholders' meeting or the people's court for confirmation.

After the resolution of the shareholders' meeting to dissolve the Company or after the Company's declaration as bankrupt or ordered to close down in accordance with the law, no one shall distribute the Company's assets without the approval of the liquidation committee.

The assets of the Company shall be applied for liquidation in the following order of priority: payment of liquidation costs, staff salaries, social insurance premiums and statutory compensation, payment of outstanding taxes and settlement of debts of the Company.

The remaining assets of the Company after repayment of its debts in accordance with the provisions above shall be distributed to the Shareholders of the Company according to the class of Shares held by them and in proportion to their respective shareholdings.

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

Article 228 If the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall immediately apply to the people's court for a declaration of bankruptcy and liquidation.

After the bankruptcy application is accepted by the people's court, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the people's court.

Article 229 Following the completion of liquidation, the liquidation committee shall present a report on liquidation and submit it to the shareholders' meeting or the people's court for confirmation and submit the same to the Company registration authority for cancellation of the Company's registration.

Article 230 Any member of the liquidation committee shall perform their liquidation duties and be obligated to be loyal and diligent. Any member of the liquidation committee who is negligent in performing his/her liquidation duties and causes any losses to the Company shall be liable for compensation; If any member of the liquidation committee causes losses to creditors with will or serious negligence, the said member shall be liable for compensation.

Article 231 When the Company is declared bankrupt according to the law, the bankruptcy liquidation will be handled according to the relevant law on enterprise bankruptcy.

CHAPTER 19 PROCEDURES FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- Article 232** The Company may amend the Articles of Association under the requirements of laws, administrative regulations and the Articles of Association. The Company will amend the Articles of Association under any of the following conditions:
- (1) Anything as stipulated in the Articles of Association is inconsistent with the amended laws and administrative regulations after the Company Law or the relevant laws and administrative regulations are revised;
 - (2) Any change to the Company is inconsistent with those set forth under the Articles of Association;
 - (3) The shareholder' meeting determines to make amendments to the Articles of Association.
- Article 233** Amendments to the Articles of Association resolved by the shareholders' meeting shall be reported to the competent authorities for approval if such amendments should be subject to the approval of the competent authorities; If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with the laws.
- Article 234** The Board shall amend the Articles of Association according to the resolutions on amendments to the Articles of Association of the shareholders' meeting and the approval opinions of the relevant competent authorities.
- Article 235** Any amendments to the Articles of Association that involve information to be disclosed as required by the laws and regulations, shall be announced as required.

CHAPTER 20 NOTICE

Article 236 Notices of the Company shall be sent via the following methods:

- (1) by hand;
- (2) by post;
- (3) by announcement;
- (4) other ways required by the Articles of Association.

Article 237 The notice of the shareholders' meeting shall be made by announcement.

Article 238 Unless otherwise provided for in Articles of Association, notices issued by the Company to holders of overseas listed foreign Shares in the form of announcement shall be published on the website of Stock Exchange of Hong Kong through the Electronic Publication System of the Hong Kong Stock Exchange on the same date as required by the relevant listing rules. Such announcement shall also be published on the website of the Company.

Holders of overseas listed foreign Shares of the Company may opt in writing for receiving corporate communications that shall be dispatched to Shareholders by electronic means or by post and opt for the Chinese or English version or both. Such Shareholders may also give the Company a prior notice in writing within a reasonable time frame to alter the ways of receiving the abovementioned information and language versions subject to proper procedures.

Article 239 Where a notice is to be sent by post, it shall be placed in an envelope properly addressed with postage prepaid, and any such notice is deemed to be served forty-eight (48) hours after the date of dispatch when it is deposited at the post box.

An announcement on the notice to be sent to holders of domestic shares by the Company shall be published on one or several newspapers designated by the securities regulatory authority under the State Council or the stock exchange where the stocks are listed. All the holders of domestic shares are deemed to have received such notice upon the publication of such announcement.

Article 240 For the ways of provision and/or delivery of corporate communications to Shareholders by the Company under the requirements of the Hong Kong Stock Exchange Listing Rules, the Company may, upon obtaining the prior written consent or tacit consent of Shareholders, deliver or provide corporate communications to the Shareholders of the Company by electronic means or by publication of such information on the website of Hong Kong Stock Exchange or the Company, subject to the requirements of relevant laws and regulations as well as the Hong Kong Stock Exchange Listing Rules as amended from time to time. Corporate communications include but are not limited to, among others, circulars, annual reports, interim reports, quarterly reports, notices of shareholders' meetings and other types of corporate communications as set out in the Hong Kong Stock Exchange Listing Rules.

CHAPTER 21 APPENDICES

Article 241 In these Articles of Association, the terms “not less than”, “not more than” and “expiration” include the figure itself, while “over”, “less than”, “more than”, “other than” do not include the figure itself.

Article 242 In these Articles of Association, “senior management members” refer to the Company’s general managers, deputy general managers, chief accountant, Secretary to the Board and other personnel engaged by the Board. “General manger”, “deputy general manager” and “chief accountant” herein refer to “manger”, “deputy manager” and “financial controller” as defined in the Company Law.

Article 243 In the Articles of Association, “accounting firm”, “related”, “related parties” and “independent Directors” shall have the same meaning as “auditor”, “connected”, “connected persons” and “independent non-executive Directors” in the Hong Kong Stock Exchange Listing Rules.

Article 244

These Articles of Association are written in Chinese. In case of any discrepancies among the various versions in different languages, the latest Chinese version approved by and registered with the registered management department of the Company shall prevail. In case of any discrepancies between other language versions and the Chinese version, the Chinese version shall prevail.

These Articles of Association shall be interpreted by the Board of the Company, and any matters not covered herein shall be proposed at shareholders' meetings by the Board for consideration and approval.

Article 245

The Articles of Association shall take effect and implement on the date of consideration and approval at the shareholders' meeting of the Company.