

China Suntien Green Energy Corporation Limited

新天綠色能源股份有限公司

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

Articles of Association

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

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Articles of Association

Chapter 1 General Principles

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

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

The Company was established by way of promotion with the approval of the State-owned Assets Supervision and Administration Commission of the People’s Government of Hebei Province under Circular Ji Guo Zi Fa Gai Ge Fa Zhan [2009] No. 198, registered with Commerce and Administration Bureau in Hebei Province on 9 February 2010 and obtained its business license. The Uniform Social Credit Code is 91130000550443412N.

The promoters of the Company are: Hebei Construction & Investment Group Co., Ltd. and HECIC Water Investment Co., Ltd. With the authorisation of the China Securities Regulatory Commission, the Company conducted initial public offering of 1,238,435,000 RMB ordinary shares to the public on 1 September 2010, which became listed on the Main Board of the Hong Kong Stock Exchange on 13 October 2010.

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

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

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

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

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

If the president serving as the legal representative resigns as president, he/she shall be deemed to have resigned as the legal representative at the same time.

Upon resignation of the legal representative, the Company shall determine a new legal representative within 30 days from the date of the 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.

The limitation on the functions and powers of the legal representative in the Articles of Association or by the general meeting shall not be asserted against a bona fide counterpart.

Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall bear the civil liabilities for such damage. The Company may, after bearing such civil liabilities, seek indemnification from the legal representative at fault in accordance with laws or the Articles of Association.

Article 7 The Company is a joint stock limited company of perpetual existence.

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

Shareholders of the Company are liable to the extent of their capital contribution, and the Company is liable for its debts to the extent of all of its properties.

Article 8 The Articles of Association shall become effective on the date when a special resolution of the general meeting of the Company is passed.

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

Article 9 The Articles of Association shall have binding effect on the Company and its shareholders, directors, and senior management, and the aforesaid personnel shall be entitled to assert their rights on matters in relations to the Company in accordance with the Articles of Association.

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

“Senior management” mentioned in the Articles of Association refers to the Company’s president, vice president, chief accountant, general engineer, and secretary of board of directors.

Article 10 Subject to the approval of the relevant governmental authority, the Company shall set up subsidiaries, branches, representative office and offices out of the PRC and in Taiwan, the special administrative regions such as Hong Kong and Macau based on the business requirement of the Company itself.

Article 11 The Company may invest in other enterprises. If any law provides that the Company shall not become a capital contributor that shall bear several and joint liabilities for the debts of the enterprises in which it invests, the provisions shall prevail.

Article 12 In accordance with the requirements of the “Constitution of the Communist Party of China”, an organisation of the Communist Party of China shall be established and play the leadership role of the Company, providing direction, managing the overall situation and ensuring implementation. A working committee of the Party shall be established within the Company, and shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organisation.

Chapter 2 Purpose and Scope of Business

Article 13 The Company’s business purpose is: based on the growing requirement for electricity due to healthy, stable and sustainable development of domestic economy, rely on both domestic and foreign advanced technology and modernized management experience, to invest and exploit new energy such as wind and solar energy, so as to provide clean electric power for the society; to invest in project of natural gas exploiting facility, to promote the utilization and development of clean energy, to participate in the creation of social prosperity and promotion of social progress, to build an outstanding corporate image with health, excellence and a sense of social responsibility.

Article 14 The scope of business of the Company shall be based on the projects approved by the company examination and approval department and examined by the industry and commerce administrative authorities.

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

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

Chapter 3 Shares, Transfer of Shares and Registered Capital

Article 15 The Company may, at any time, issue ordinary shares. The Company may issue other types of shares in accordance with relevant national laws, administrative regulations, and the relevant provisions of the China Securities Regulatory Commission (the “CSRC”) and other regulatory

Article 16 The shares of the Company may take the form of share certificate. Shares issued by the Company shall have a par value, the nominal value of each share shall be RMB 1.

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

Article 17 The share of the Company shall be issued in accordance with the open, fair and impartial principles that each share of the same class shall enjoy equal rights.

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

Article 18 Where the Company issues shares to domestic and overseas investors, it should fulfill the registration or filing procedures with the CSRC or other regulatory authorities in accordance with the law.

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

Article 19 Shares issued by the Company in RMB to domestic investors are called domestic shares. Shares issued by the Company to overseas investors and subscribed in foreign currency are called foreign invested shares. Foreign invested shares which are listed overseas are called foreign invested shares listed overseas.

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

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

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

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

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

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

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

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

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

On 14 May 2024, the Company completed the registration of the grant of shares under the 2023 Restricted A Share Incentive Scheme, and the number of shares granted was 18,600,000 shares. After the grant, the total share capital of the Company was 4,205,693,073 shares, comprising of 2,366,688,677 A shares, representing 56.27% of the total share capital of the Company, and 1,839,004,396 H shares, representing 43.73% of the total share capital of the Company.

Article 21 The registered capital of the Company is RMB4,205,693,073.00.

The domestic shares issued by the Company are centrally deposited with the China Securities Depository and Clearing Corporation Limited. The foreign invested shares listed overseas issued by the Company are deposited in accordance with Article 36 of the Articles of Association.

Article 22 The Company or a subsidiary of the Company (including an affiliated company of the Company) shall not provide any financial assistance in the form of gifts, advances, guarantees, or lending for others to acquire shares of the Company or its parent company, except when the Company implements the employee share ownership plan.

For the interests of the Company, by resolution of the general meeting, or by resolution of the board of directors in accordance with the Articles of Association or the authorization of the general meeting, the Company may provide financial assistance for others to acquire shares of the Company or its parent company, provided that the total cumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. Such resolution made by the board of directors shall be passed by two-thirds or more of all directors.

Article 23 The Company may, in accordance with the requirements of its business operations and development, increase its capital in the following ways based on the provisions of laws and regulations and by separate resolution of the general meeting:

- (1) issuing shares to unspecified parties;
- (2) issuing shares to specified parties;
- (3) conduct a bonus issue of shares to the existing shareholders;
- (4) conversion of capital reserve; or
- (5) other methods as required by laws, administrative regulations and the CSRC.

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

Article 24 The Company shall not accept its shares as subject matter of pledge.

Article 25 Shares of the Company shall be transferred legally. Shares of the Company that are already in issue prior to their public offering shall not be transferred within one (1) year commencing from the date on which the shares of the Company were listed and traded on a stock exchange.

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

Article 26 Any gains from the sale of shares or other securities with the nature of equity interests of the Company by any Company's director, senior management or shareholders holding 5% or more of the shares in the Company within six (6) months after purchasing such shares or other securities, or any gains from repurchasing such shares or other securities in the Company within six (6) months after the sale thereof, shall be vested in by the Company. The board of the Company shall seize such gains from the abovementioned parties, except for the circumstance where a securities company underwrites the unsold shares and then holds more than 5% of the shares, and other circumstances stipulated by the CSRC or the stock exchange in the place where the Company's shares are listed..

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

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

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

Chapter 4 Reduction of Capital and Buyback of Shares

Article 27 The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be dealt with in accordance with the Company Law, other related regulations and provisions of the Articles of Association.

Article 28 When the Company reduces its registered capital, it will prepare a balance sheet and inventory of assets.

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

Where the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in accordance with the proportion of shares held by shareholders, except as otherwise provided by the laws or the Articles of Association.

Article 29 If the Company still suffer losses after making up for them in accordance with the provisions of Article 203 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 it 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 second paragraph of Article 28 shall not apply. However, the Company shall announce the reduction through the press which is recognised 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 general 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 30 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 31 The Company may not acquire shares of the Company except in any of the following circumstances:

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

Article 32 Acquisition of the Company's shares by the Company may be carried out through open and centralised trading or in other ways recognised by laws, administrative regulations and the CSRC.

If the Company acquires its own shares under the circumstances described in items (3), (5) and (6) of Article 31 of these Articles, it shall conduct such buybacks through centralized public transaction.

Article 33 If the Company acquires its own shares under the circumstances described in (1) and (2) of Article 31 of these Articles, it shall obtain approval of the general meeting by way of resolution; if the Company acquires its own shares in (3), (5) and (6) of Article 31 of these Articles, it shall obtain approval by way of resolution at the board meeting attended by more than two-thirds directors.

After the Company acquires its own shares according to Article 31 of these Articles, it shall cancel the shares it has acquired within 10 days after the acquisition if such acquisition is made under the circumstances as described in (1) of Article 31; if the acquisition is made under the circumstances as described in (2) or (4) of Article 31, it shall transfer or cancel the shares it has acquired within 6 months after the acquisition. In case of the circumstances as stated in (3), (5) or (6) of Article 31, the total shares of the Company held by the Company shall not exceed 10% of its total shares in issue and the shares it has acquired shall be transferred or cancelled within 3 years after the acquisition. However, if laws, administrative regulations, departmental regulations, and the rules governing the listing of securities on securities exchanges requires otherwise on share cancellation, such provisions shall apply.

Chapter 5 Share Certificates and Shareholders Register

Article 34 The share certificates of the Company shall adopt the form of registered share certificates.

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

Article 35 A shareholder register shall be established by the Company to record the following items:

- (1) the name, address (or residence) and occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid for or amount payable for shares held by each shareholder;

- (4) the serial numbers of shares held by each shareholder;
- (5) the date on which the party registered as a shareholder; and
- (6) the date on which the party ceased to be a shareholder.

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

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

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

- (1) the Company should not register for joint shareholders of more than four people;
- (2) all joint holders of any shares shall jointly and severally assume responsibilities of paying for related shares;
- (3) in the case where one of the joint shareholders passes away, only the remaining joint shareholders are deemed as having the ownership of the related shares, however the board of directors shall have the rights to demand for related shareholder's death certificate it deems appropriate in respect of the alteration of shareholders register; and
- (4) in respect of joint holders of any shares, only the joint shareholders ranking the first in the shareholders register shall be entitled to receive the share certificates of related stocks and notices from the Company, attending or exercising part or all the voting rights of related shares in general meeting, and any notices sent to such persons shall be deemed to have served to all joint holders of related shares.

Article 36 In accordance with the mutual understanding and agreement reached between the CSRC and the overseas securities authority, the original of the Company's shareholders register of foreign invested shares listed overseas shall be maintained overseas and managed by an overseas agent entrusted by the Company. The original of the Company's shareholders register of foreign invested shares listed overseas that are listed in Hong Kong shall be maintained in Hong Kong.

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

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

Article 37 The Company shall maintain a complete shareholders register. A shareholders register shall consist of the following:

- (1) the shareholders register other than those stipulated in items (2) and (3) of this Article to be kept at the business premises of the Company;
- (2) the Company's shareholders register of foreign invested shares listed overseas to be kept at the location of the overseas stock exchange where the foreign invested shares listed overseas is listed; and

(3) the shareholders register to be kept in another place designated by the board of directors for the purpose of the listing of the Company's shares.

Article 38 There shall be no overlap between the various parts of the shareholders register. In the event of assignment of shares registered in a certain part of the shareholders register, those shares shall not be registered in another part of the shareholders register during the period when the registration of such shares subsists.

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

Article 39 The foreign invested shares listed overseas that are listed in Hong Kong with all the capital being fully paid shall be assigned freely in accordance with the Articles of Association. However, unless the following conditions are satisfied, the board of directors may refuse the admission of any instrument of transfer without giving any reasons:

(1) paying to the Company a fee of HK\$2.50 (per instrument of transfer) or such higher fee as the Hong Kong Stock Exchange may agree, for the registration of instrument of transfer and other documents relating to or potentially affecting the share ownership;

(2) the instrument of transfer shall only be associated with the foreign invested shares listed overseas which are listed in Hong Kong;

(3) the duty stamp payable has been paid for any instrument of transfer;

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

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

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

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

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

Article 40 H shares of the Company listed in Hong Kong shall be transferred in writing by an instrument of transfer in the usual or common form or in a form acceptable to the stock exchange or in a form acceptable to the board of directors. Such instrument of transfer may also be executed by hand or, if the transferor or transferee is a recognised clearing house within the meaning of the relevant ordinances from time to time in force under the laws of Hong Kong and the rules governing the regulation of securities in the place where the shares of the Company are listed (the "recognised clearing house") or its nominee, by machine imprinted signature.

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

Article 41 Where laws, administrative regulations, departmental rules, regulatory documents and the relevant stock exchange or the regulatory authority of the place where the Company's shares are listed stipulate on the period of closure of the register of members prior to the convening of a general meeting or the benchmark date of the Company for determination of dividend distribution, such provisions shall prevail.

Article 42 When the Company convenes a general meeting, distributes dividends, is in liquidation or conducts other activities involving the confirmation of shareholders' identity, the convener of the meeting of the board of directors or the general meeting shall confirm a date as the record date. At the end of the record date, shareholders registered in the shareholders register shall be the shareholders entitled to such rights and interests.

Article 43 Any party which raises objection to a shareholders register and requests its name to be registered in the shareholders register or requests that its name be deleted from the shareholders register may apply to the court having jurisdiction to amend that shareholders register.

Article 44 Any shareholders registered in the shareholders register or any party who requests that its name be registered in the shareholders register may apply to the Company for the issue of replacement certificates (i.e. “corresponding certificates”) if its share certificates (i.e. “original share certificates”) have been lost.

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

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

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

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

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

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

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

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

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

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

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

Article 45 After a replacement share certificate has been issued by the Company in accordance with the provisions of the Articles of Association, a bona fide purchaser who obtains the said new shares or a shareholder (if a bona fide purchaser) who later registers as owner of the said shares shall not be permitted to have its name deleted from the shareholders register.

Article 46 The Company shall not bear liability to compensate for any loss incurred by any party as a result of cancellation of the original share certificate or issue of the replacement share certificate unless the party concerned can prove that the Company has committed fraud.

Chapter 6 Shareholders' Rights and Obligations

Article 47 A shareholder of the Company shall be person who lawfully hold the Company's shares and whose names is entered in the shareholders register.

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

Article 48 Holders of ordinary shares of the Company shall have the following rights:

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

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

- (vi) to participate in, upon the Company's termination or liquidation, the distribution of the Company's remaining assets in proportion to their respective shareholdings;

- (vii) to request the Company to acquire their shares when shareholders disagree on the resolutions passed at the general meeting with regard to the Company's merger or division; and

- (viii) other rights conferred by laws, administrative regulations, departmental rules and the Articles of Association.

Article 49 If the content of the resolutions of the Company's general meeting or board of directors contravenes the law or administrative regulation, the shareholders can request the People's Court to void the resolutions.

If the convening procedure or voting method of a general meeting or board of director's meeting contravenes the law, administrative regulation or these Articles, or if the contents of the resolutions contravene the Articles, the shareholders can request the People's Court to cancel the resolutions within 60 days, except when there are only minor defects in the convening procedures or voting method of a general meeting or a board meeting, which do not materially affect the resolutions.

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

Where the people's court makes a judgement or ruling on a relevant matter, the Company shall fulfil its obligation to disclose the information in accordance with the laws, administrative regulations, the requirements of the CSRC and the stock exchange, fully explain the impact, and actively co-operate in the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they shall be handled in a timely manner and the corresponding information disclosure obligations shall be fulfilled.

Article 50 Resolutions of the general meeting or board meeting of the Company shall not be valid under any of the following circumstances:

- (1) no general meeting or board meeting has been convened to pass a resolution;
- (2) no voting is conducted on the resolution at the general meeting or board meeting;
- (3) the number of persons attending the meeting or the number of voting rights held does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles;
- (4) the number of persons or voting rights held approving the resolution does not reach the number of persons or voting rights held as stipulated in the Company Law or these Articles.

Article 51 If a director or a senior management personnel other than any member of the audit committee contravenes the law, administrative regulation, or these Articles when carrying out his duties in the Company, resulting in losses to the Company, shareholders individually or together holding 1% or more of shares for 180 days continuously, can request the audit committee in writing to start litigation in the People's Court. If any member of the audit committee contravenes the law, administrative regulation or these Articles, when carrying out his duties in the Company, resulting in losses to the Company, the aforesaid shareholders can request the board of directors in writing to start litigation in the People's Court.

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

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

If a director, supervisor or senior management of a wholly-owned subsidiary of the Company causes any losses to the Company for violation of the requirements of laws, administrative regulations or these Articles during performance of his/her duties, or if others infringe on the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause any losses to it, shareholders who hold 1% or more, individually or collectively, of the Company's shares for 180 or more consecutive days, may request the board of supervisors or the board of directors of the wholly-owned subsidiary in writing to start litigation at the People's Court or directly start litigation at the People's Court in their own name in accordance with the first three paragraphs in Article 189 of the Company Law.

If a wholly-owned subsidiary of the Company does not have a board of supervisors or any supervisors, but has an audit committee instead, the provisions of the first and second paragraphs of this Article shall apply.

Article 52 If a director or senior management personnel contravenes the law, administrative regulation, or these Articles, thereby damaging a shareholder's interests, the shareholder can start litigation in a people's court.

Article 53 A holder of ordinary shares of the Company shall assume the following obligations:

(1) to abide by the Articles of Association;

(2) to pay funds pursuant to the number of subscribed shares and the method of subscription;

(3) cannot withdraw his share capital except as prescribed by the law or administrative regulations;

(4) cannot abuse his rights as a shareholder to damage the Company's or other shareholder's interests; cannot abuse the legal personality of the Company and the limited liability of the shareholders to damage the interests of creditors;

(5) other obligations as stipulated in laws, administrative regulations and the Articles of Association. Apart from the conditions accepted at the time of subscribing to shares, a shareholder shall not bear liability for any additional share capital.

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

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

Article 54 The controlling shareholder or de facto controller of the Company cannot use his associated relationship to damage the Company's interests. If this requirement is contravened, resulting in damage to the Company, he should be responsible to compensate.

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

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

Article 55 The controlling shareholder or de facto controller of the Company shall exercise their rights and fulfil their obligations in accordance with the laws, administrative regulations, the provisions of the CSRC and the stock exchange, and safeguard the interests of the listed company.

Article 56 The controlling shareholder or de facto controller of the Company shall comply with the following provisions:

(1) to exercise their rights as shareholders in accordance with the laws and not to abuse their control or use their connected relationships to prejudice the legitimate interests of the Company or other shareholders;

(2) to strictly implement the public representations and undertakings made and shall not change or waive them without authority;

(3) to fulfil obligations of information disclosure in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;

(4) not to appropriate the Company's funds in any way;

(5) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of the laws and regulations;

(6) not to make use of the Company's undisclosed material information to gain benefits, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;

(7) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related 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 personnel, finance, organisation and business, and not to affect the independence of the Company in any way;

(9) other requirements of the laws, administrative regulations, the CSRC, the listing rules of the listing place of the Company's shares and these Articles.

Where a controlling shareholder or de facto controller of the Company does not act as a director of the Company but actually carries out the affairs of the Company, the provisions of these Articles relating to the obligations of loyalty and diligence of directors shall apply.

Where a controlling shareholder or de facto controller of the Company instructs a director or senior management to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly liable with such director or senior management.

Article 57 Where a controlling shareholder or de facto controller pledges the shares of the Company held by him/her or at his/her actual disposal, he/she shall maintain the stability of the Company's control as well as its production and operation.

Where a controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares as stipulated in the laws, administrative regulations, the CSRC and the stock exchange, as well as his/her undertakings in respect of the restriction on the transfer of shares.

Chapter 7 General Meeting

Article 58 The general meeting of the Company is comprised of all shareholders. The general meeting is the authority of the Company and shall exercise the following powers:

(1) election and replacement of directors who are not employee representatives and determining matters concerning the remuneration of those directors;

(2) discussion and approval of reports compiled by the board of directors;

(3) discussion and approval of the Company's profit distribution and loss recovery plans;

(4) passing resolutions on increase or reduction of the Company's registered capital;

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- (5) passing resolutions on the issue of corporate bonds, other securities and plans of listing;
 - (6) passing resolutions on matters such as merger, division, dissolution, liquidation or changing the form of the Company;
 - (7) amending the Articles of Association;
 - (8) passing resolutions on matters such as engagement, dismissal or non-renewal of the accounting firm engaged in the audit work of the Company;
 - (9) reviewing and approving provision of guarantees which should be decided by general meetings as required by the law, administrative regulations and these Articles;
 - (10) discussing and approving any acquisition or disposal to the extent that the value of the acquisition or disposal of material assets for the last one year reaches 30% or more of the latest audited total assets;
 - (11) reviewing share incentive plans and employee share ownership plan;
 - (12) discussing proposals raised by the shareholders who represent more than 1% (including 1%) of the Company's shareholders with voting rights;
 - (13) reviewing and approving the change of use of proceeds raised;
 - (14) reviewing other matters which should be decided by general meetings as required by the law, administrative regulations and these Articles.

The general meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

Without breach of law, regulations and the mandatory clause of the regulations at the place of listing, the general meeting may authorize or entrust the board of directors to handle the matters authorized or entrusted by it.

Article 59 The following external guarantees to be provided by the Company shall be reviewed and passed at the general meeting:

- (1) any external guarantee to be provided after the total amount of guarantees provided by the Company and its holding subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (2) any external guarantee to be provided after the total amount of guarantees provided by the Company has exceeded 30% of the latest audited total assets of the Company;
- (3) the provision of guarantees to others within one year with an amount exceeding 30% of the latest audited total assets of the Company;
- (4) any guarantee to be provided for a party which has a gearing ratio in excess of 70%;
- (5) any guarantee with a single guarantee amount in excess of 10% of the Company's latest audited net assets;
- (6) based on the principle of aggregation of guarantees within 12 consecutive months, any guarantee to be provided after the total amount of guarantees provided by the Company has reached or exceeded 50% of the Company's latest audited net assets, with the absolute amount exceeding RMB50 million;
- (7) any guarantee to be provided in favour of shareholders, de facto controller and their related parties (as defined in the SSE Listing Rules);

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

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

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

Article 60 Except for special circumstances such as a crisis, without the approval of a general meeting by way of a special resolution, the Company shall not enter into any contract with a person other than a director, president or other senior management where such contract grants responsibility to that person for the management or major business activities of the Company.

Article 61 General meeting shall be separated into annual and extraordinary meetings. An annual general meeting shall be held once a year within six (6) months after the end of the previous financial year.

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

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

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

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

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

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

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

Article 62 The venue to hold a general meeting of the Company is: the Company's domicile or other specified place notified by convener of the general meeting.

The general meeting should provide a venue for holding the meeting in the form of on-the-spot meeting. The Company may also provide online and other means as permitted by the listing rules of the place where the shares of the Company are listed for the convenience of shareholders to attend, speak and vote at the general meeting. Shareholders attending the general meeting using the above method are considered present at the meeting.

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

Article 63 When convening an annual general meeting, written notification shall be made to the shareholders registered in the shareholders register twenty (20) days (or (when convening an extraordinary general meeting, then) fifteen (15) days) before the convening of the meeting of those matters to be discussed at the meeting and the date and location of the meeting. Where laws, administrative regulations, departmental rules, regulatory documents and the relevant stock exchange or the regulatory authority of the place where the Company's shares are listed stipulate otherwise on the notice period of annual general meeting and/or extraordinary general meeting, such provisions shall prevail.

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

Article 64 When the Company convene a general meeting, the board of the directors, the audit committee and the shareholder(s) individually or collectively holding more than 1% of the shares of the Company shall have the right to put forward proposals to the Company. Shareholders who individually or collectively hold more than 1% of the Company's shares shall have the right to submit provisional proposals in writing to the Company and submit them in writing to the convener, and the convener shall add the provisional proposals which relate to the scope of duties of the general meeting to agenda of the meeting.

Shareholders individually or collectively holding more than 1% (including 1%) of the total number of shares of the Company carrying voting right may put forward a provisional proposal and submit it in writing to the convener ten (10) days prior to the convening of the general meeting or before the period of issuance of a supplementary circular of the general meeting as required by the Hong Kong Listing Rules, whichever is the earlier. The convener shall issue a supplementary circular or notice of the general meeting with the content of such provisional proposal within two (2) days upon receipt of the proposal and in accordance with the Hong Kong Listing Rules and submit the provisional proposals to the general meeting for consideration, except for the provisional proposals that violates the requirements of the laws, administrative regulations or these Articles, or are not within the terms of reference of the general meeting.

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

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

(1) the contents should not be in breach of laws and regulations and be within the business scope of the Company and the scope of duties of the general meetings;

(2) should have a clear topic and have concert resolutions; and

(3) should be submitted or delivered to the board of directors in writing pursuant to the second paragraph of this Article.

Article 65 Proposals which are not contained in the notice of the general meeting or which do not comply with the relevant provisions of these Articles of Association shall not be voted upon and resolved at the general meeting.

Article 66 The notice of a general meeting shall be made in writing, and contain the following:

(1) the location, time and duration of the meeting;

(2) those matters and proposals to be proposed for consideration at the meeting;

(3) specify the date of share registration which the shareholder is entitled to attend the general meeting;

(4) unequivocally state in clear language that all common shareholders (including preferred shareholders whose voting rights have been restored), shareholders holding special voting shares and other shareholders are entitled to attend the general meeting, and may, in writing, entrust proxies to attend the meeting and to vote, and that the proxy(ies) of that shareholder need not necessarily be shareholder(s);

(5) state clearly the place and date by which a letter of proxy for voting shall be received;

(6) name and telephone number of the contact person of the meeting; and

(7) voting time and voting procedures online or otherwise.

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

Article 67 If matters relating to election of directors are proposed to be discussed at a general meeting, detailed information concerning the candidates shall be fully disclosed in the notice of the general meeting, which shall at least include the following:

(1) personal information including educational background, work experience and other positions undertaken on a part-time basis;

(2) whether the candidates are connected with the Company, its controlling shareholders or de facto controllers;

(3) the candidates' shareholdings in the Company;

(4) whether the candidates have been subject to any punishment by the CSRC 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 of the Company, the notice of a general meeting shall be delivered to the shareholders (whether or not such shareholders are entitled to vote at the meeting) by means of an announcement, by mail, or by such means as may be permitted by the relevant stock exchange or regulatory authorities in the place where the Company's shares are listed.

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

Article 69 In the event of failure to send notice due to accidental omission to a certain person who has the right to obtain notice or where that person failed to receive notice, the meeting and resolutions passed at that meeting shall not become invalid as a result.

Article 70 Any shareholder who is entitled to attend and vote at the general meeting may appoint one or more proxies (who need not be a shareholder of the Company) to attend and vote on his behalf. The proxy may exercise the following rights as authorized by the shareholder:

(1) the right of shareholders to speak at the general meeting;

(2) to demand by himself/herself or with others to vote by poll; and

(3) Except for applicable listing rules of securities and otherwise stipulated in security laws and regulations, to vote by show of hands or to vote by poll, however when the number of appointed proxy is more than one, such proxies shall only vote by poll.

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

Article 71 A shareholder shall use written form when entrusting a proxy. The letter of proxy shall be signed by the principal or the proxy entrusted by the principal in writing. If a principal is a corporation, the letter of proxy shall be affixed with the seal of the corporation or shall be signed by its director or officially entrusted officer or proxy. The letter of proxy shall set out the following:

(1) the name of the principal and the class and number of shares of the Company held;

(2) the name of the proxy;

(3) the specific instructions from shareholders on, among others, whether to vote for or against or abstain from voting on each matter included in the agenda of the general meeting;

(4) whether the proxy has voting rights in respect of the provisional proposals as might be included in the agenda of the general meeting, and, if yes, the instructions on how to exercise the voting rights;

(5) the date of issue and effective period of the letter of proxy.

Article 72 A letter of proxy for voting shall be received and kept at the Company's premises or at another place designated in the notice of the meeting at least twenty-four (24) hours prior to commencement of the relevant meeting or before the designated time of voting. If a letter of proxy is signed by another party as authorised by the principal, a power of attorney to sign the letter of proxy or other document of authorisation shall be subject to notarisation. The notarised power of attorney or other authorisation document shall be kept with the letter of proxy at the Company's premises or other place as stipulated in the notice of meeting.

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

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

Article 73 Any format of a letter of proxy issued by the board of directors used in appointing a proxy on behalf of a shareholder shall allow the shareholder to freely choose to instruct that proxy as to whether to make an affirmative or negative vote and to give instructions respectively on matters to be decided by vote at the meeting. A letter of proxy shall include a note that if a shareholder does not give instructions, the proxy may vote according to his/her judgment.

Article 74 When the principal dies before voting, loses the capacity to act, withdraws a letter of proxy, withdraw the power of attorney to sign a letter of proxy or if the relevant shares have been assigned, and if the Company has not received written notice concerning this matter prior to commencement of the relevant meeting, a vote made by the shareholder's proxy according to the letter of proxy shall remain valid.

Article 75 The attendance register shall be prepared by the Company, which shall state the names (or names of the corporations), identification document numbers and the number of voting shares held or represented, names of the principals (or names of the corporations) and so on.

Article 76 In convening a general meeting, the convener and the lawyer appointed by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for the meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total amount of their voting shares.

Article 77 Where the general meeting requires directors and senior management to attend the meeting, such directors and senior management shall attend without voting rights and answer inquiries from shareholders.

Article 78 The Company shall formulate the Rules of Procedure of the General Meeting regulating the convening and voting procedure of general meetings, including notice, registration, consideration of resolutions, voting, counting of ballots, announcement of voting result, formation of resolution, meeting minutes and signing thereof and announcement, and the principles for authorisation to the board of directors by general meetings with specific and detailed authorisation content. The Rules of Procedure of the General Meeting shall be an appendix to the Articles of Association and shall be formulated by the board of directors and approved by the general meeting.

Article 79 The board of directors shall report its work in the preceding year at the annual general meeting. Every independent director shall also make his/her work reports.

Article 80 Directors and senior management shall make explanations in relation to the inquiries and suggestions made by shareholders at general meetings.

Article 81 The presiding person of the meeting should, before voting, announce the number of shareholders and their proxies as well as their shares held with voting rights. The number of shareholders and their proxies as well as their shares held with voting rights, are in accordance with those registered at the meeting.

Article 82 Resolutions of general meeting shall be divided into ordinary and special resolutions.

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

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

Article 83 When voting at a general meeting, a shareholder shall exercise voting rights according to the number of shares held. Each share held shall represent the equivalent of one voting right.

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

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

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

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

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

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

Article 84 The resolutions put forward at the general meeting shall be voted by poll, except that the presiding person of the meeting may allow in good faith the resolutions relating purely to the procedures or administrative matters to be voted by show of hands subject to the listing rules of the place where the shares of the Company are listed.

Article 85 If it has been requested that a decision to elect the presiding person of the meeting or on adjournment of the meeting be made by poll, the poll shall be promptly conducted. In relation to other matters to be decided by poll as requested, the presiding person shall decide when the poll shall be conducted, in which case the meeting may continue to proceed to discuss other matters. The results of the vote shall be regarded as a resolution passed by the meeting.

Article 86 When electing directors at the general meeting, if there are more than two candidates, each share that is holding by the shareholder, including proxy of shareholder shall carry the same voting right as to the number of candidates. Shareholders may concentrate all their votes on one candidate or distribute them among several candidates, but they shall specify the allocation of their voting rights.

Article 87 Should there be a tie between dissenting and affirmative votes on a matter, the presiding person of the meeting shall have the casting vote whether or not it is a vote by show of hands or by poll.

Article 88 Ordinary resolutions shall be proposed on the following matters at a general meeting:

- (1) reports of the board of directors;
- (2) profit distribution plan and loss recovery plan prepared by the board of directors;

(3) appointment and dismissal of members of the board of directors and their remuneration and payment methods;

(4) annual reports of the Company; and

(5) matters other than those which shall be approved by special resolutions as stipulated in laws, administrative regulations, listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association.

Article 89 Special resolutions shall be passed with respect to the following matters at a general meeting:

(1) increase or decrease of registered capital of the Company;

(2) division, split, merger, dissolution and liquidation or changing the form of the Company;

(3) amendments to the Articles of Association;

(4) any acquisition or disposal of material assets by the Company or the amount of guarantees provided to others exceeding 30% of the latest audited total assets of the Company within one year;

(5) share incentive plans; and

(6) other matters required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association to be passed by a special resolution and considered to have a material impact on the Company if approved by an ordinary resolution at the general meeting and thus requiring to be passed by a special resolution.

Article 90 The board of directors shall convene the general meeting on time within the prescribed period. With the consent of more than half of all independent directors, independent directors shall have the right to propose to the board of directors to convene an extraordinary general meeting. Regarding the proposal of the independent director(s) to convene an extraordinary general meeting, the board of directors shall, according to provisions of the laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting within 10 days after receipt of the proposal. If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the board of directors. If the board of directors does not agree to hold the extraordinary general meeting, it shall give the reasons and make an announcement in respect thereof.

Article 91 The audit committee shall have the right to propose to the board of directors to convene an extraordinary general meeting, and shall put forward its proposal to the board of directors in writing. The board of directors shall, according to provisions of the laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting within 10 days after receipt of the proposal.

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

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

Article 92 Shareholders who request the convening of an extraordinary general meeting or a class meeting of shareholders shall do so in accordance with the following procedures:

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

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

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

If the audit committee agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within five days after receipt of the request. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

(3) If the audit committee does not issue the notice of general meeting within the prescribed period, it shall be deemed as the audit committee not convening and not holding the general meeting. Then shareholders individually or together holding more than 10% of the shares for more than 90 days can convene and hold the meeting by themselves.

Except for matters involving the Company's trade secret, the board of directors and the audit committee should explain with respect to questions and suggestions from shareholders at the general meeting.

Article 93 Where the audit committee or the shareholders initiate procedures to convene a general meeting, it/ they shall give a written notice to the board of directors and shall simultaneously file the case with the stock exchange.

Prior to the announcement of the resolution of the general meeting, the shareholding by the convening shareholders shall be no less than 10%.

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

Article 94 The board of directors and the secretary of the board of directors shall provide cooperation for the general meetings initiated by the audit committee or shareholders. The board of directors shall provide the register of members as at the date of registration of shareholding.

If shareholders or the audit committee convene a general meeting themselves/itself, the reasonable expenses incurred in connection thereto shall be borne by the Company and offset against sums owed by the Company to the defaulting directors.

Article 95 The chairman of the board of directors shall preside over the general meeting. If the chairman of the board of directors is unable or fails to perform his duties, the vice chairman of the board of directors (or the vice chairman elected by more than half of directors if there are two or more vice chairmen of the Company) shall preside over the meeting; if the vice chairman is unable or fails to perform his duties, a director elected by more than half of the directors shall preside over the meeting.

A general meeting convened by the audit committee on its own shall be presided over by the chairman of the audit committee. In the event that the chairman of the audit committee is unable or fails to perform his/her duties, a member jointly elected by more than half of the members of the audit committee shall preside over the meeting.

For the general meeting initiated and convened by shareholders, the convener or a nominated representative shall preside over the meeting.

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

Article 96 Minutes of a general meeting shall be kept by the secretary of the board of directors. The minutes shall set out:

(1) date, venue, agenda, and the convener of the meeting;

(2) the name of the presiding person of the meeting, and the directors, president and other senior management attending or present at the meeting;

(3) the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and the percentage of such shares against the total number of shares of the Company;

(4) the process of consideration, highlights of the speeches and voting result in respect of each resolution;

(5) the inquiries and suggestions of shareholders and the responses or explanations made;

(6) the names of the lawyer, vote counter and scrutinizer;

(7) other issues that shall be recorded in the minutes in accordance with the provisions of the Articles of Association.

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

Article 97 The convener shall ensure the general meeting is held unceasingly until final resolutions are arrived at. If the general meeting is terminated or fails to reach any resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the general meeting as soon as possible, or the general meeting should be simply terminated, and in both cases a timely announcement shall be made. Meanwhile, the convener shall report to the local office of China Securities Regulatory Commission where the Company is located and to the stock exchange.

Article 98 If the presiding person of a meeting has any doubts as to the results of a resolution proposed at a meeting, the presiding person may count the number of the votes; if the presiding person of the meeting has not tallied the votes and a shareholder or a proxy of a shareholder attending the meeting objects to a result declared by the presiding person of the meeting, the shareholder or proxy shall have the right to request a re-count of votes followed by an immediate declaration; the presiding person of the meeting shall promptly count the votes.

Article 99 If counting of votes is held at a general meeting, the result of vote counting at the general meeting shall be recorded in the minutes of the meeting.

The minutes of the meeting should be kept together with the signature book of shareholders attending the meeting, authorization letters of proxies and valid information on the results of voting online or through other means in the Company's domicile. The aforementioned minutes, signature book and letters of proxies shall be kept for no less than 10 years.

Article 100 The list of candidates for directors shall be proposed in the form of resolution to the general meeting for voting.

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

When the general meeting elects two or more independent directors, a cumulative voting mechanism shall be implemented.

Article 101 Where directors are elected based on the cumulative voting mechanism, independent directors and other directors shall be elected separately, and the elected directors shall be determined in the descending order of the number of votes received in the election, based on the number of directors to be elected.

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

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

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

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

Article 102 Other than the cumulative voting mechanism, the general meeting shall vote on all proposals one by one. Where different proposals for the same issue are proposed, such proposals shall be voted on in the order of time in which they are proposed. Other than special reasons such as force majeure which results in the interruption of the general meeting or makes it impossible to come to resolution, the general meeting shall not set aside the proposals or withhold from voting.

Article 103 A resolution being considered at the general meeting shall not be revised, otherwise it shall be regarded as a new resolution and shall not be voted at the same general meeting.

Article 104 The voting right of the same shares shall be exercised by one of the following means only: on-site voting, online voting or other means of voting. In case of repeated voting by the same shares, only the first vote is valid.

Article 105 Voting is conducted by open ballot at the general meeting.

Article 106 Prior to the voting on a resolution at the general meeting, two shareholder representatives shall be elected to participate in the counting and ballot examination. If any shareholder has connected relation in the matter being considered, the shareholder and his/her/its proxy shall not participate in the counting and ballot examination.

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

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

Article 107 The onsite general meeting shall not end earlier than the online means or other means. The chairman of the meeting shall announce the voting and results of each of the resolutions, and announce whether or not they are approved in accordance with the results.

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

Article 108 Shareholders attending the general meeting shall express their opinions on the resolutions proposed for voting in one of the following manners: For, Against or Abstain, unless the securities registration and clearing institution, as the nominal holder of the shares under the connection mechanism between the Mainland and Hong Kong stock markets, makes declaration in accordance with the instructions of the actual holder of the shares.

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

In the case of abstaining from voting, when calculating the voting results on such matter, such votes shall be counted as votes with voting rights, but will not be counted as votes “For” or “Against” such matter.

Article 109 An announcement on the resolutions passed at the general meeting shall be made in a timely manner, which shall set out the number of proxies present, the number of shares held by them with voting rights and the percentage to total voting shares of the Company, voting method, voting results on each resolution and details of the resolutions passed.

Article 110 If a resolution is not passed or if a resolution passed at previous general meeting is changed at the general meeting, special notes shall be made in the announcement of the resolutions of the general meeting.

Article 111 If a resolution on the election of a director is approved at the general meeting, the term of office of the new director shall commence on the date on which the resolution is approved at the general meeting or the date otherwise determined at the general meeting.

Article 112 If a proposal on the distribution of cash dividends, bonus issue or capitalisation of reserve is passed at the general meeting, it shall be implemented with detailed plans by the Company within two months of the conclusion of the general meeting.

Article 113 In convening a general meeting, the Company shall engage a lawyer to provide legal opinions and publish an announcement on the following matters:

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

Chapter 8 Special Voting Procedures for Shareholders of Different Classes

Article 114 Shareholders holding different classes of shares shall be regarded as different classes of shareholders.

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

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

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

Article 115 If a Company intends to change or abolish the rights of a class of shareholder, this shall be passed by a special resolution proposed at a general meeting and at a class meeting according to the provisions of Articles 117 to 122 respectively.

Article 116 The following circumstances shall be deemed to be a variation or abrogation of the rights of a class of shareholders:

(1) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of a class having voting or distribution rights or other privileges equal or superior to the shares of such class;

(2) to effect an exchange of all or part of the shares of such class into those of another class or to effect an exchange or grant a right of exchange of all or part of the shares of another class into the shares of such class;

(3) to remove or reduce the rights to accrued dividends or cumulative dividends attached to the shares of such class;

(4) to reduce or remove the right with a priority to acquire dividends or property distribution during the liquidation of the Company attached to shares of such class;

(5) to add, remove or reduce the conversion, options, voting, transfer or pre-emptive rights or rights to acquire securities of the Company attached to the shares of such class;

(6) to remove or reduce the rights to receive payables from the Company in a particular currency attached to the shares of such class;

(7) to create a new class of shares having voting or distribution rights or other privileges equal or superior to the shares of such class;

(8) to restrict the transfer or ownership of the shares of such class or to impose additional restrictions thereon;

(9) to grant the right to subscribe for, or convert into, the shares of such class or another class;

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

(11) to cause the holders of different classes of shares to bear a disproportionate burden of obligations in the restructuring as a result of the restructuring scheme of the Company; and

(12) to amend or abrogate any provision in this Chapter.

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

Article 117 Regardless of whether an affected class of shareholders originally has voting rights or not, concerned shareholders shall have voting rights at a general meeting on those matters mentioned in items (2) to (8) and items (11) and (12) of Article 116; however, if a shareholder is an interested party, he/she shall not have voting rights at a class meeting.

The aforesaid interested shareholder shall include the following meanings:

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

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

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

Article 118 A resolution at a class meeting may be proposed only after obtaining approval of more than two-thirds of shareholders representing shares with voting rights present at the meeting, in accordance with the provisions of Article 117 of the Articles of Association.

Article 119 When convening a class meeting, the period of issuance of the written notice shall be the same as that of the non-class general meeting proposed to be convened together with the class meeting. The notice of the meeting shall notify that class of registered shareholders of those matters to be discussed at the meeting and the date and location of the meeting.

Article 120 If the number of shares with voting rights represented by shareholders intending to attend the meeting is more than half of the total number of the said class of shares with voting rights, the Company may convene the class meeting. If not, the Company shall, within five (5) days, make further notice on those matters to be discussed at the meeting and the date and location of the meeting, to shareholders through a public announcement. After this public announcement is made, the Company may convene a class meeting.

Article 121 The notice of a class meeting shall only be to those shareholders who have the right to vote at the meeting.

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

Article 122 Apart from shareholders with other classes of shares, holders of domestic shares and holders of foreign invested shares listed overseas shall be recognised as different classes of shareholder.

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

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

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

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

Chapter 9 Party Committee

Article 123 According to the Constitution of the Communist Party of China and other requirements, and with the approval of the superior Party organizations, the Company shall set up the CPC Party Committee of China Suntien Green Energy Corporation Limited. Meanwhile, in accordance with relevant requirements, the Company shall set up a disciplinary inspection committee of the Party.

Article 124 The Party Committee of the Company shall be elected by the Party member representative assembly, with each term of office generally for five (5) years. Upon the expiration of the term of office, a re-election shall be conducted as scheduled. Each term of office of the disciplinary inspection committee of the Party shall be the same as that of the Party Committee.

Article 125 The Party Committee of the Company consists of 8 members, including 1 secretary of the Party Committee. The disciplinary inspection committee of the Company consists of 5 members, including 1 secretary of the disciplinary inspection committee.

Article 126 The Party Committee of the Company shall set up the office of Party Committee, the organisation department of Party Committee, the supervision department (office of disciplinary inspection committee), the Party and mass work department and other working bodies under the Party Committee, of which the supervision department (office of disciplinary inspection committee) and the Party and mass work department are co-located. Party affairs personnel shall be allocated according to the principle of not being less than the average staffing of departments at the same level.

Article 127 The Party Committee of the Company shall play a leading role, supervising the direction of development, managing the major fundamentals and ensuring the policy implementation, discussing and making decisions on significant matters of the Company in accordance with the regulations. The main duties are:

(1) to enhance the political construction of the Party in the Company, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics as well as educating and guiding all the Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path;

(2) to thoroughly study and adhere to Xi Jinping's socialist ideology with Chinese characteristics in the new era, learn and propagate the Party's theory, consistently implement the Party's path, principles and policies as well as supervise and ensure the implementation of major decision-makings and deployments of the Party Central Committee as well as the resolutions of the Party organization at a higher level in the Company;

(3) to study and discuss the significant operation and management matters of the Company and support the general meetings, the board of directors, and the management to exercise their authorities in accordance with the laws;

(4) to strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, cadre and talents team of the Company;

(5) to fulfill the main responsibility in improving the Party's conduct and upholding integrity, lead and support the internal disciplinary inspection organisation to fulfil their supervisory, disciplining and accountability responsibilities as well as strictly enforce political discipline and political rules and promote the overall and strict governance of the Party to the grassroots extension;

(6) to strengthen the building of grassroot Party organizations and team of Party members, unite and lead employees to actively devote themselves into the reform and development of the Company;

(7) to lead the Company's ideological and political work, the spirit and civilization construction, the united front work and lead mass organizations such as the Labour Union, Communist Youth League and Women's Organization of the Company;

(8) to discuss and decide other important matters within the scope of duties of the Party Committee.

Article 128 The Company shall formulate a list of major operation and management matters in accordance with relevant requirements. Major operation and management matters shall be subject to prior study and discussion by the Party Committee before decisions are made by the board of directors and others in accordance with their terms of reference and prescribed procedures. Matters to be studied and discussed in advance mainly include:

(1) Adhering to the decisions and deployments of the Party Central Committee and the implementation of major initiatives based on the national development strategy, as well as the work arrangements of the provincial Party Committee and the provincial governments;

(2) Formulation of business principles, development strategies, development planning, business plans and investment plans;

(3) Major investment and financing, asset reorganisation, asset disposal, property rights transfer, capital operation and guarantee matters, annual financial budget and final accounts, profit distribution, loss recovery proposals, proposals for increasing or decreasing registered capital, mobilisation and use of substantial capital within the budget, mobilisation and use of funds exceeding the budget, substantial donations and sponsorships as well as other matters of substantial capital operation;

(4) Major matters of risk control such as internal audit supervision, financial and accounting supervision and internal risk management;

(5) Any proposals on important reforms, any proposals on establishment, merger, division, change of form, dissolution, bankruptcy or change of corporate form of enterprises, and any proposals on formation and adjustment of internal management bodies;

(6) The formulation of the Articles of Association and the submission of amendment proposals, and the formulation of the basic management system;

(7) Important matters involving the rights and interests of employees, such as the distribution of wages and income, democratic management of the enterprise, the streaming and resettlement of employees, as well as production safety, ecological and environmental protection, the maintenance of stability, and social responsibilities;

(8) Decision-making proposals authorised by the board of directors;

(9) Other important matters requiring prior study and discussion by the Party committee.

Articles 129 The Party Committee of the Company shall study and discuss major operation and management matters in advance in line with the Party's theories, routes, principles and policies, adhere to the decision-making and deployment of the Party Central Committee and the provincial Party Committee, and implement the development strategies of the country and the province; it shall be conducive to promoting the high-quality development of the enterprise, enhancing the competitive strength of the enterprise, and realising the preservation and appreciation of the value of state-owned assets; and it shall be conducive to safeguarding the public interests of society and the lawful rights and interests of the employees.

Article 130 The Party Committee of the Company shall study and discuss major operation and management matters in advance, adhere to the unity of decision-making quality and efficiency, grasp the procedures of study and discussion in advance taking the actual situations into account, and achieve scientific standardisation, simplicity and high efficiency. If there are significant disagreements regarding any proposal during pre-meeting communications of the board of directors, it shall generally be postponed from being presented at the meeting. For proposals that have been postponed from being presented at the meeting or not yet passed by the meeting of the board of directors, analyses, studies, communications and coordinations shall be strengthened, and adjustments and improvements shall be made in accordance with the procedures; where any significant adjustments to the proposals are required, the Party Committee shall study and discuss the matter again. If it is still difficult to reach a consensus after repeated communications, the matter shall, if necessary, be promptly reported to the superior Party organisation or the provincial SASAC.

Article 131 The Company shall implement the leadership system of “Dual Entry and Cross Appointment”. Eligible members of the leading group of the Party Committee may be appointed to join the board of directors and the management through legal procedures, and eligible Party members in the board of directors and the management may be appointed to join the leading group of the Party Committee in accordance with the relevant regulations and procedures.

Chapter 10 The Board of Directors

Section 1 Directors

Article 132 The Company shall have a board of directors. The board of directors shall consist of 11 directors, of which four shall be independent directors. The board of directors shall have one chairman and two vice chairmen. The chairman and vice chairmen are elected by the board of directors by a majority of all directors.

Article 133 Directors of the Company shall be natural persons. A person who falls under any of the following circumstances shall not serve as a director of the Company:

- (1) the person has no civil capacity or has restricted civil capacity;
- (2) the person who has been sentenced to a term of imprisonment for the offences of corruption, bribery, misappropriation of property, embezzlement of property or violating the socialist market economic order, or has been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension of sentence;
- (3) the person who has served as a director, the factory chief or the manager of an insolvent and liquidated company or enterprise and is held personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of such company or enterprise;
- (4) the person who has served as the legal representative of a company or enterprise whose business license is revoked and is ordered to close down due to any violation of the laws, and the person is held personally liable therefor, where less than three years have elapsed since the date when the business license has been revoked or the company or enterprise has been ordered to close down;
- (5) the person who has been listed as a dishonest person subject to enforcement by the People’s Court due to the failure to pay off a relatively large sum of due debt;
- (6) the person who has been banned by the CSRC from entering the securities market for a term which has not expired;
- (7) the person who has been publicly identified by the stock exchange as unsuitable to serve as a director, senior management, etc. of listed companies and whose term has not yet expired;
- (8) Other circumstances stipulated by the laws, administrative regulations or departmental rules.

Any election, appointment or hiring of a director in violation of the provisions of this Article shall be invalid. If a director, during his/her term of office, falls under any of the circumstances listed in this Article, the Company shall remove him/her from his/her position and stop him/her from performing duties.

Article 134 Directors shall be elected or removed by a general meeting and may be discharged from their positions by the general meeting prior to the expiry of the terms of office. The term of office of a director shall be three years. If the term of office of a director expires, he/she may be re-appointed for consecutive terms if re-elected.

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

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

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

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

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

Article 135 Directors shall comply with the laws, administrative regulations and these Articles and shall perform their obligations of loyalty to the Company. They shall take measures to avoid conflicts between their own interests and the Company's interests, and shall not use their powers to gain undue benefits.

Directors shall perform the following obligations of loyalty to the Company:

(I) not to take illegal possession of the property of the Company or misappropriation of the Company's funds;

(II) not to deposit the Company's funds in an account in his or her personal name or in the name of any other individual;

(III) not to exploit his/her power to bribe or accept other illegal income;

(IV) not to conclude any contract or enter into any transaction with the Company directly or indirectly, without reporting to the board of directors or the general meeting, and without being approved by a resolution of the board of directors or the general meeting in accordance with the provisions of these Articles;

(V) not to take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, except when reported to the board of directors or the general meeting and approved by a resolution of the general meeting, or when the Company, according to the laws, administrative regulations, or the provisions of these Articles, cannot utilize such business opportunities;

(VI) not to operate for themselves or others any business similar to that of the Company, without reporting to the board of directors or the general meeting and obtaining approval through a resolution of the general meeting;

(VII) no commissions from transactions with the Company shall be accepted for personal use;

(VIII) no unauthorised disclosure of the Company's secrets is allowed;

(IX) not to use their connected relationships to harm the interests of the Company;

(X) other obligations of loyalty as stipulated by the laws, administrative regulations, departmental rules and these Articles.

Any income derived by a director from a breach of this Article shall accrue to the Company. Where any losses are caused to the Company, the violating director shall be responsible to compensate.

Immediate family members of directors and senior management, enterprises directly or indirectly controlled by directors, senior management or their immediate family members, and related parties with other connected relationships with directors and senior management, when entering into contracts or conducting transactions with the Company, are subject to the provisions of item (IV) of the second paragraph of this Article.

Article 136 The directors shall comply with the laws, administrative regulations and these Articles and shall diligently perform their obligations to the Company. In performing their obligations, they shall exercise the reasonable care that a manager shall typically have for the Company's best interests.

The directors shall diligently perform the following obligations to the Company:

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

(2) They shall treat all shareholders fairly;

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

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

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

(6) Other obligations of diligence as stipulated by the laws, administrative regulations, departmental rules, and these Articles.

Article 137 The minimum period during which notice to the Company of the intention to propose a person for election as a director and during which notice to the Company by such person of his willingness to be elected may be given will be at least 7 days, and that the period for lodgment of the notices aforementioned shall commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.

Article 138 A director can resign before the expiry of his term of service. When a director resigns, he should submit a written resignation report to the board of directors, with the resignation becoming effective on the day when the Company receives the resignation report, and the board of directors will disclose the relevant information within two trading days upon receipt of the resignation report by the Company.

If the members of the board of directors fall below the minimum legal requirement due to a director's resignation, the resigned director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules, and these Articles until a newly elected director takes office.

Article 139 The Company shall establish a management system for resignations of directors, clearly specifying the protective measures on accountability and compensation for unfulfilled public commitments and other outstanding matters. When a director's resignation becomes effective or his/her term of office expires, he/she shall complete all handover procedures with the board of directors. His/her obligations of loyalty to the Company and shareholders shall not be automatically released upon resignation or expiry of his/her term of office, but shall remain valid for 2 years thereafter. The responsibilities that a director shall bear during his/her term of office due to the performance of his/her duties shall not be waived or terminated upon leaving office.

Article 140 The general meeting may resolve to dismiss a director, and the dismissal shall take effect from the date when the resolution is made.

If a director is dismissed before the expiration of his term of office without justifiable reasons, the director may demand compensation from the Company.

Article 141 In the absence of a legal authorisation by these Articles or by the board of directors, no director can use his personal capacity to represent the Company or the board of directors. When a director makes use of his personal capacity, but a third party reasonably thinks that the director is representing the Company or the board of directors, that director should declare his position and capacity in advance.

Article 142 Where a director causes any damage to others during the performance of his duties for the Company, the Company shall be liable for compensation; where a director acts with willful or material default, he shall also be liable for compensation. When a director contravenes the law, administrative regulations or these Articles when carrying out his duties, causing losses to the Company, he should be responsible to compensate.

Article 143 When a director leaves his office before the expiry of his term of service, causing losses to the Company, he should be responsible to compensate.

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

Section 2 Independent Directors

Article 144 The Company has independent directors. Independent directors refer to those who do not serve non-director positions in the Company and have no direct or indirect interest in the Company and the controlling shareholders, and the de facto controller, or any other relationship that may affect their independent and objective judgment as a director of the Company.

Independent directors shall, in accordance with the provisions of laws, administrative regulations, the CSRC, the stock exchange and these Articles, earnestly perform their duties, play the roles of participating in decision-making, supervising, checking and balancing, and professional consultation in the board of directors, safeguard the interests of the Company as a whole and protect the legitimate rights and interests of minority shareholders.

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

Article 145 Independent directors shall maintain their independence. The following persons shall not serve as independent directors:

- (1) employees of the Company or its subsidiaries, and their spouse, parents and children, and major social relatives;
- (2) natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or who rank among the top ten shareholders of the Company, as well as their spouses, parents and children;
- (3) employees of those shareholders who directly or indirectly hold more than 5% of the issued shares of the Company or employees of the top five shareholders of the Company, as well as their spouses, parents and children;
- (4) employees of the subsidiaries of the Company's controlling shareholders or de facto controllers, and their spouses, parents and children;
- (5) persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or employees of the entities which have significant business dealings with the Company and their controlling shareholders or de facto controllers;

(6) persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, including but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the reports, partners, directors, senior management and principal responsible persons;

(7) any persons who fell within the categories stated in (1) to (6) during the last twelve months;

(8) any other persons who do not possess independence as stipulated under the laws, administrative regulations, the CSRC, the listing rules of the stock exchange of the place where the shares of the Company are listed and these Articles.

The subsidiaries of the controlling shareholders and de facto controllers of the Company mentioned in items (4) to (6) of the preceding paragraph do not include those enterprises which are controlled by the same state-owned assets administrative authority as the Company and do not constitute any connected relationship with the Company under the relevant provisions.

The independent directors shall conduct an annual self-examination of their independence and submit the findings of their self-examination to the board of directors every year. The board of directors shall annually assess the independence of the incumbent independent directors and issue special opinions, which shall be disclosed at the same time in the annual report.

Article 146 An independent director is required to have the following qualifications:

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

(2) complying with the independence requirements as stipulated in these Articles;

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

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

(5) having no less than five years' experience in the law, accounting, economics, finance or other working experience related to the Company's industry required for performing the duties and responsibilities of an independent director;

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

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

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

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

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

Article 147 Independent directors, as members of the board of directors, shall be loyal and diligent to the Company and all shareholders, and shall perform the following duties prudently:

(1) to participate in the decision-making of the board of directors and express clear opinions on the matters under consideration;

(2) to supervise the matters with potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors, and senior management, and protect the legitimate rights and interests of minority shareholders;

(3) to provide professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making level of the board of directors;

(4) to perform other duties prescribed by the laws, administrative regulations, provisions of the CSRC, the listing rules of the stock change of the place where the shares of the Company are listed and these Articles.

Article 148 In addition to the functions and powers granted to the directors under the Company Law and other relevant laws and administrative regulations, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association, the following special functions and powers should also be granted:

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

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

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

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

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

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

Independent directors should obtain the consent of at least half of all the independent directors before exercising the functions and powers referred to in items (1), (2) and (3). If an independent director exercises the powers listed in the first paragraph, the Company shall disclose it in a timely manner. If the above-mentioned powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 149 The following matters shall be submitted to the board of directors for consideration with the consent by more than half of all independent directors of the Company:

(1) Related transactions that shall be disclosed;

(2) Any plans of the Company and related parties to change or waive their commitments;

(3) The decisions made and measures taken by the board of directors of the acquired listed company regarding the acquisition;

(4) Other matters as stipulated by the laws, administrative regulations, the CSRC, the listing rules of the stock change of the place where the shares of the Company are listed and these Articles.

Article 150 The Company shall establish a mechanism of special meetings attended entirely by independent directors. Where the board of directors considers matters such as related transactions, it shall be approved in advance by a special meeting of independent directors.

The Company shall hold regular or ad hoc meetings attended by all independent directors. Matters listed in items (1) to (3) of the first paragraph of Article 148 and Article 143 of these Articles shall be considered at a special meeting of independent directors.

The special meetings of independent directors may also study and discuss other matters of the Company as needed.

The special meetings of independent directors shall be convened and presided over by an independent director jointly elected by more than half of the independent directors. Where the convener does not perform or fails to perform his/her duties, two or more independent directors may convene and elect one representative to preside over the meeting.

The minutes of special meeting of independent directors shall be prepared as prescribed, and the opinions of independent directors shall be stated in the minutes. Independent directors shall sign and confirm the minutes.

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

Article 151 An independent director shall not be removed without cause before the expiration of his term. If an independent director is removed before the expiration of his term, the Company should disclose the same as a matter for special disclosure.

If an independent director fails to attend in person two consecutive board meetings and does not appoint other independent directors to attend on his/her behalf, the board of directors shall propose the convening of a general meeting to dismiss such independent director within 30 days from the date of such fact.

Article 152 For matters in relation to the system of independent directors not covered herein, the relevant law, administrative regulations and the relevant rules of the stock exchange where the stocks of the Company are listed shall be complied with.

Section 3 The Board of Directors

Article 153 The board of directors shall be accountable to the general meeting and shall exercise the following function and powers:

- (1) responsible for convening general meetings and report to those meetings on work matters;
- (2) execution of resolutions passed by a general meeting;
- (3) determination of the Company's business plans and investment plan;
- (4) determination of the Company's annual budget and final accounting plan;
- (5) formulation of the Company's profit distribution and loss recovery plans;
- (6) formulation of increase or reduction plans of the Company's registered capital plans and formulation of the bond issue plans or other securities and listing plans;
- (7) drafting of plans on such matters as major acquisitions of the Company, acquisition of the Company's shares or merger, division, dissolution and changing of form of the Company;
- (8) determination of the internal administrative structure of the Company, determination of the incorporation or withdraw of subsidiaries or other affiliates of the Company;

(9) election of chairman and vice chairmen of the board of directors; deciding the employment or dismissal of the president of the Company, the secretary of the board of directors and other senior management, and determination of their remuneration as well as rewards and punishments; appointment or dismissal of the vice president, chief accountant and chief engineer of the Company based on the nomination of the president, and determination of their remuneration as well as rewards and punishments;

(10) formulation of the Company's general management system;

(11) formulation of a plan for the amendment of the Articles of Association;

(12) formulation of the Company's share incentive plans;

(13) determination of the formulation of the board of directors' special committees;

(14) managing the disclosure of information of the Company;

(15) suggesting the general meeting on the hiring or replacement of the accounting firm as the Company's auditors;

(16) receiving the regular or ad hoc working reports of the Company's president or entrusted senior management, approving president's working report;

(17) Company's external guarantee matters outside the scope authorised by the general meeting, as stipulated in the Articles of Association;

(18) within the scope authorised by the general meeting, to decide the Company's external investment, purchase and sale of assets, offering assets as guarantees, appointment to manage finance or to manage connected transactions or donations;

(19) other powers as stipulated in laws, administrative regulations, the listing rules of the stock exchange of the place where the Company's shares are listed and these Articles or being granted in the general meeting.

When the board of directors proposes resolutions on the aforesaid matters, the resolutions shall be passed only upon approval by voting of more than half of directors. Approval by voting of more than two-thirds of the directors is required for the passing of resolutions in the following circumstances:

(1) to formulate the plan for the increase or decrease of the registered capital of the Company and to formulate the plan for the issuance and listing of bond or other securities of the Company;

(2) to formulate the plan for the merger, division, dissolution or changing the form of the Company;

(3) to formulate the plan for the amendment to the Articles of Association;

(4) the matters subject to the passing by voting of more than two-thirds of the directors as required by the laws, administrative regulations and China Securities Regulatory Commission, as well as the listing rules of the place where the Company's shares are listed and the Articles of Association.

The board of directors shall exercise its powers in accordance with the State law, administrative regulation, the Articles of Association and resolutions of general meetings.

The board of directors of the Company should explain at the general meeting the non-standard audit opinions issued by the certified public accountants on the Company's financial reports.

Article 154 The board of directors shall formulate its rules of procedure to ensure its implementation of the resolutions of the general meeting, improve its work efficiency and ensure scientific decision-making.

Article 155 The board of directors shall determine the permissions for external investments, acquisition and sale of assets, pledge of assets, external guarantees, entrustment of finance, connected transactions, and donations by establishing strict procedures for review and decision-making. Major investment projects shall be evaluated by relevant experts and professionals and reported to the general meeting for approval.

Article 156 The board of directors shall not, without the approval of shareholders in general meeting, dispose or agree to dispose of any fixed assets where the aggregate value of the consideration for the proposed disposal and the fixed assets that have been disposed of in the period of four months immediately preceding the proposed disposal exceeds 33% of the value of the fixed assets as shown in the latest audited balance sheet considered by the general meeting.

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

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

Article 157 The chairman of the board of directors shall exercise the following powers:

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

Article 158 The vice chairman assists the chairman of the board of directors. When the chairman cannot or does not carry out his duties, they will be carried out by the vice chairman (if the Company has two or more vice chairmen, then these duties will be carried out by the vice chairman nominated by more than half of directors). If the vice chairman cannot or does not carry out his duties, a director nominated by more than half of directors will carry out the duties.

Article 159 The board of directors shall hold at least four meetings per annum and shall be convened by the chairman of the board of directors who shall notify all the directors 14 days before the date of such meeting is held.

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

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

Article 160 The form of a notice of meetings and extraordinary meetings of the board of directors shall be as follows: by telephone, fax or electronic mail; The time limit for notification shall be: fourteen (14) days before the convention of meeting of the board of directors, there is no time limit for notification of the extraordinary meeting of the board of directors.

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

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

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

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

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

Article 161 Except for approving the connected transaction by the board of directors as stipulated in Article 163, a board of director's meeting shall be held provided that it is attended by more than half of the directors.

Each director shall have one voting right. Except for approving the connected transaction matters by the board of directors as stipulated in Article 163, resolutions of the board of directors must be passed by more than half of all the directors.

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

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

Article 162 A director shall attend meetings of the board of directors in person. Where a director is unable to attend a board meeting due to any reasons, he/she may authorize another director in writing to vote on his/her behalf at the meeting according to his/her intentions. The letter of proxy shall stipulate the name of the proxy, the subject matter, scope of authorization and valid period, and shall be executed or sealed by the authorizing party. The authorizing party shall bear the legal responsibilities individually.

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

Article 163 In the event that a director is connected to companies (it means that the director acts as a director or senior management of the counter party, or can exercise direct or indirect control over a legal person entity of the counter party, or acts as a director or senior management in a legal person entity under direct or indirect control of the counter party) associated with matters to be resolved at the board meeting, such director shall not exercise his/her voting rights on such resolution, nor shall he/she votes on behalf of other director. The board meeting may be convened with a majority of the directors without such connected relationship. Resolutions shall be approved by a majority of directors without such connected relationship at the board meeting. When there is less than three directors without such connected relationship present at the board meeting, such matters shall be submitted to the general meeting for consideration.

Article 164 Minutes of meetings of the board of directors shall be recorded on matters discussed at those meetings, the minutes shall be signed by the directors and secretary of the board of directors (minutes taker) present at the meeting. Minutes of board of director's meeting shall be kept for no less than 10 years. Directors shall assume responsibility for any resolution passed at the board meeting. If a resolution passed by the board of directors is in violation of laws, administrative regulations or the Articles of Association so as to result in the Company incurring serious losses, those directors who participated in making those resolutions shall bear liability for compensation towards the Company. However, if a director is able to prove his/her objection to that resolution, and such objection has been recorded in the minutes of the meeting, that director may be exempt from liability.

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

- (1) Date and location of meeting and name of convenor;

(2) Names of directors present at the meeting, as well as name of director (proxy) that accept a delegate to attend the meeting of board of directors;

(3) Agenda of the meeting;

(4) Script of directors;

(5) Way of voting for each resolution matters and results (results should set forth the number of votes for or against, or abstained).

Article 165 For the purpose of a resolution to be passed by an extraordinary meeting of board of directors, if the content of the propose resolutions in writing has been distributed (including facsimile and e-mail) by the board of directors to all directors and it is ensured that the directors can fully express their views and adopt resolutions via electronic means without convening the board of directors meeting, the resolutions shall be valid provided that the number of directors signed for the resolutions must reach the required number as stipulated in the provisions of Article 153.

Article 166 Meeting of the board of directors shall be convened at the Company's legal address in principle, however other places in or outside PRC shall be allowed to convene the meeting if approved by the resolution of the board of directors.

Article 167 Reasonable expenses incurred by the directors in relation to his attendance at the meeting of the board of directors shall be borne by the Company. Such expenses include travelling expenses from the place of the directors to the place holding the meeting (if the place to hold the meeting is not where the director is), and accommodation during the period of the meeting. Reimbursement such as local travelling expense shall also be borne by the Company.

Article 168 The opinions of the Party Committee shall be heard before the board of directors decides on material issues of the Company.

Section 4 Special Committees of the Board of Directors

Article 169 The board of directors of the Company shall establish an audit committee to exercise the powers and functions of the board of supervisors as stipulated in the Company Law.

Article 170 Members of the audit committee shall consist of directors who do not hold senior management positions in the Company. Among them, more than half of the members shall be independent directors, and an accounting professional among the independent directors shall serve as the chairperson.

Article 171 The audit committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the board of directors for consideration with the consent by more than half of all members of the audit committee:

(1) disclosure of financial information in the financial accounting reports and regular reports, and the evaluation reports on internal control;

(2) engagement or dismissal of the accounting firm that conducts auditing for the Company;

(3) appointment or dismissal of the financial controller of the 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 as stipulated by the laws, administrative regulations, requirements of the CSRC, the listing rules of the listing place of the Company's shares and these Articles.

Article 172 The audit committee shall meet at least once every quarter.

The audit committee may convene an extraordinary meeting 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 of the audit committee shall be passed by more than half of the members of the audit committee. Each member of the audit committee shall have one vote for any voting to be resolved by the audit committee. The resolutions of the audit committee shall be recorded in minutes as required, and the members of the audit committee attending the meeting shall sign the minutes.

The rules of procedure of the audit committee shall be formulated by the board of directors.

Article 173 In addition to the audit committee, the board of directors of the Company shall also establish the strategic and investment committee, the nomination committee, and the remuneration and appraisal committee. They shall perform their duties in accordance with these articles and the authorization of the board of directors. Proposals of the special committees shall be submitted to the board of directors for consideration and decision. The working procedures of the special committees shall be formulated by the board of directors. The independent directors in the nomination committee and the remuneration and appraisal committee shall account for more than half of the members, and the independent directors shall serve as the conveners.

Article 174 More than half of the members of the nomination committee shall be independent directors, and one chairperson shall be appointed, who shall be an independent director. The nomination committee shall be responsible for formulating criteria and procedures for the selection of directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications for appointment, and making recommendations to the board of directors in respect of the following matters:

(1) nomination or removal of directors;

(2) appointment or dismissal of senior management;

(3) other matters as stipulated by the laws, administrative regulations, requirements of the CSRC, the listing rules of the listing place of the Company's shares and these Articles.

If the board of directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinions of the nomination committee and the specific reasons for its non-adoption in the resolution of the board of directors and disclose the same.

Article 175 More than half of the members of the remuneration and appraisal committee shall be independent directors, and one chairperson shall be appointed, who shall be an independent director. The remuneration and appraisal committee shall be responsible for formulating assessment standards and conducting assessments for directors and senior management, formulating and reviewing remuneration policies and plans such as the remuneration determination mechanism, decision-making process, payment of remuneration and recourse arrangements to stop payment for directors and senior management, and making recommendations to the board of directors on the following matters:

(1) remuneration of directors and senior management;

(2) to formulate or change equity incentive schemes and employee stock ownership schemes, and to ensure that participants are granted with interests and the conditions for exercising their interests are met;

(3) directors and senior management to arrange the stock ownership schemes in the subsidiaries to which the Company intends to spin-off;

(4) other matters as stipulated by the laws, administrative regulations, requirements of the CSRC, the listing rules of the listing place of the Company's shares and these Articles.

If the board of directors does not adopt or does not fully adopt the recommendations of the remuneration and appraisal committee, it shall record the opinions of the remuneration and appraisal committee and the specific reasons for its non-adoption in the resolution of the board of directors and disclose the same.

Article 176 The strategic and investment committee shall have one chairperson, who shall be the chairman of the board of directors or a member designated by the chairman. The strategic and investment committee shall be responsible for studying and making recommendations on the Company's long-term development strategies and major investment decisions. Subject to the authorization by the board of directors, it shall supervise and inspect the implementation of the annual business plan and investment proposals, and makes recommendations to the board of directors on the following matters:

(1) to study the Company's development strategies and major investment decisions and make recommendations;

(2) to organize the formulation of the Company's medium and long-term development plannings, guide and approve the strategic development plannings of key subsidiaries;

(3) to consider the Company's annual business plan and investment plan;

(4) to study and make recommendations on major investment, financing and capital operation plans that require the approval of the board of directors;

(5) to study and put forward recommendations on other major matters that affect the Company's development, such as corporate restructuring and organizational structure adjustment;

(6) other matters as stipulated by the laws, administrative regulations, requirements of the CSRC and these Articles.

Chapter 11 Senior Management of the Company

Article 177 The Company shall have one president, several vice presidents who assist the president with his work; one chief accountant; one general engineer. The president, vice presidents, chief accountant and general engineer shall be appointed and removed by the board of directors.

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

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

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

The provisions of these Articles regarding the circumstances under which one is not allowed to serve as a director and the management system on resignations shall also apply to the senior management. The provisions of these Articles regarding the duty of loyalty and diligence of directors shall also apply to the senior management.

Article 178 The president of the Company shall be accountable to the board of directors and exercise the following functions and powers:

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

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

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

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

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

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

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

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

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

Article 179 The president of the Company shall attend the meetings of the board of directors; if the president is not a director, he/she shall have no voting rights at meetings of the board of directors.

Article 180 The president of the Company shall report the status of signing and fulfillment of material contracts and application of funds to the board of directors according to the requirements of the board of directors. The president shall ensure the authenticity of the report.

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

Article 181 The president of the Company shall lay down his detailed working rules, which shall be implemented after approval by the board of directors.

The detailed working rules of the president shall contain the followings:

(1) conditions, procedures and participants of the president's meeting;

(2) specific duties and respective responsibilities of the president and other senior management;

(3) funds of the Company, use of assets, authority to enter into material contracts and systems for reporting to the board of directors;

(4) such other matters as are deemed necessary by the board of directors.

Article 182 The president and other senior management may resign prior to the expiration of his/her term of office. The detailed procedures and methods for the resignation of the president and other senior management shall be set out in the labour contracts between the president and other senior management and the Company, unless otherwise provided by the laws, administrative regulations and the rules of the place where the shares of the Company are listed.

Article 183 The board of directors of the Company shall have a secretary. The secretary of the board of directors shall be a senior officer of the Company and held responsible to the board of directors.

Article 184 The secretary of the board of directors shall be a natural person who has the requisite professional knowledge and experience and shall be appointed by the board of directors. The main duties of the secretary are:

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

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

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

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

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

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

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

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

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

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

Article 185 A director or other senior management of the Company may hold the post of secretary of the board of directors concurrently. An accountant of the accounting firm engaged by the Company shall not be permitted to hold the post of secretary of the board of directors concurrently.

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

Article 186 If the senior management perform their duties for the Company and cause any damage to others, the Company shall be liable for compensation. The senior management who acts with willful or material defaults shall also be liable for compensation.

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

Article 187 When exercising powers of office, the president shall comply with laws, administrative regulations and the Articles of Association and shall assume obligations of sincerity and diligence towards the Company.

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

Chapter 12 Financial and Accounting System and Distribution of Profits

Article 188 The Company shall establish a financial and accounting system in accordance with the law, administrative regulations and the PRC accounting standards formulated by the State Council financial department.

Article 189 The Company shall produce financial reports at the end of each financial year which shall be subject to auditing and verification in accordance with the law.

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

Article 190 The board of directors of the Company shall place before the shareholders at every annual general meeting such financial report as are required by any laws, administrative regulations or directive promulgated by competent local government and central governmental authorities to be prepared by the Company.

Article 191 Financial statements of the Company shall be prepared in accordance with the PRC accounting standards for business enterprises and relevant regulations.

Article 192 When the Company announces or disclose interim results or financial information, it shall be prepared in accordance with the PRC accounting standards for business enterprises and relevant regulations.

Article 193 The Company shall submit its annual financial reports to the local office of the CSRC and the stock exchange within four months of the end following each financial year (or within such other period as required by the stock exchange of the place where the Company's shares are listed), submit its interim financial reports to the local office of the CSRC and the stock exchange within two months following the end of the first six months of each financial year (or within such other period as required by the stock exchange of the place where the Company's shares are listed), and submit its quarterly financial reports to the local office of the CSRC and the stock exchange within one month following the end of the first three and nine months of each financial year.

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

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

Article 194 The Company shall not be permitted to establish account books other than statutory account books. The Company's capital shall not be permitted to be deposited under any personal accounts.

Article 195 The Company establishes a fund of board of directors which is to be withdrawn once a year, and the maximum amount of withdrawal is restricted to 0.1 per cent (0.1%) of the profits before tax in the year. Fund is mainly used to award the directors, president, other senior officers and employees of the Company who have made special contributions or as a source of risk fund of the directors, president and other senior management with the specific management measures to be formulated separately by the remuneration and appraisal committee.

Article 196 The capital reserve fund shall include the following items:

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

Article 197 When the Company is distributing after-tax profits of one year, it should allocate 10% of the profits into the statutory reserve fund. If the cumulated statutory reserve fund reaches more than 50% of the registered capital of the Company, no further allocation is required.

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

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

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

If the general meeting has, in violation of the provisions of the Company Law, distributed profits to the shareholders, the shareholders shall return the profits so distributed to the Company. If any losses are caused to the Company, shareholders and the directors and senior management who are responsible shall be liable for compensation.

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

Article 198 The Company may use the following for distribution of dividends either way (or simultaneously):

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

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

Article 199 Basic principles for the profit distribution policy of the Company:

- (1) The Company shall take into full account of the returns for investors;

(2) The profit distribution policy of the Company shall be consistent and stable, while taking into account the long-term interests of the Company, the entire interests of shareholders as a whole, and the sustainable development of the Company;

(3) The Company shall give priority to the method of profit distribution in cash dividends.

Article 200 The details of the profit distribution policy of the Company are as follows:

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

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

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

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

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

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

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

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

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

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

Article 201 Procedures for reviewing the profit distribution proposal of the Company:

(1) The annual profit distribution proposal of the Company shall be raised and prepared by the board of directors in accordance with the requirements of the Articles of Association and in view of the profitability and capital supply and needs, which is subject to the consideration and approval by the board of directors before submission to the general meeting for consideration and approval by the shareholders.

(2) In considering the profit distribution proposal at the general meeting, the Company shall provide shareholders with the channel for online voting in respect of the voting on the profit distribution proposal.

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

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

Article 202 The Company may adjust its profit distribution policy under the following circumstances:

(1) occurrence of force majeure such as war and natural disasters;

(2) the Company suffers loss as a result of material adverse effect on the production and operation of the Company due to significant changes in the national laws, administrative regulations and industry policies;

(3) the percentage of net cash flows from operating activities to net profit of the Company for each of three consecutive financial years is lower than 20% due to material changes in the external operating environment or the own operation of the Company;

(4) there are material changes in the own operation of the Company which require the adjustment to the profit distribution policy;

(5) the adjustment to the profit distribution policy is required in order to protect the interests of the shareholders or maintain the normal and sustainable development of the Company.

Article 203 The reserves of the Company may be utilised to make up for the losses of the Company, expand its production and operation or increase its registered capital. To make up for the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be utilised first. If still insufficient, the capital reserve fund may be utilised in accordance with the regulations.

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

Article 204 That any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

Article 205 The Company shall commission a collecting agent for holders of foreign invested shares listed overseas. A collecting agent shall collect dividends on foreign invested shares and other payable items from the Company on behalf of relevant shareholders.

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

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

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

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

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

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

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

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

Article 206 The Company implements an internal audit system and is equipped with full-time auditors. The Company's financial revenues and expenditures and economic activities are under internal auditing supervision. The leadership system, responsibilities and authorities, personnel allocation, financial guarantee, application of audit results and accountability for internal audit work shall be clearly set forth. The internal audit system of the Company shall be implemented after being approved by the board of directors and disclosed externally.

Article 207 The internal audit institution of the Company shall supervise and inspect matters such as the Company's business activities, risk management, internal control, and financial information.

Article 208 The internal audit institution is accountable to the board of directors.

During the supervision and inspection of the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall be subject to the supervision and guidance of the audit committee. If the internal audit institution discovers any significant issues or clues, it shall report directly to the audit committee forthwith.

Article 209 The internal audit institution shall be responsible for the specific organization and implementation of the Company's internal control evaluation. Based on the evaluation report issued by the internal audit institution and reviewed by the audit committee, as well as relevant information, the Company shall issue its annual evaluation report on internal control.

Article 210 When the audit committee communicates with external audit units such as accounting firms and national audit institutions, the internal audit institutions shall actively cooperate and provide necessary supports and collaborations.

Article 211 The audit committee shall participate in the assessment of the person in charge of internal audit.

Chapter 13 Appointment of an Accounting Firm

Article 212 The Company shall appoint an accounting firm as required by the Securities Law to perform services such as auditing of accounting statements, verification of net assets, and other related consulting services for a period of one year, which may be renewed.

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

Article 213 The Company warrants that the Company will provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and the Company shall not refuse to provide or conceal or falsify such documents.

Article 214 The audit fee of an accounting firm shall be decided at a general meeting.

Article 215 The Company shall give at least 15 days' notice to the accounting firm if it is to be dismissed or not to be reappointed. The accounting firm is allowed to make a statement in respect of voting on its dismissal at the general meeting of the Company. If an accounting firm resigns, it shall explain to the general meeting whether or not the Company has been involved in any improper dealings.

Chapter 14 Insurance

Article 216 The Company shall take out insurance in accordance with relevant insurance law of the PRC.

Article 217 The Company shall formulate a liability insurance system for directors, president and other senior management.

Chapter 15 Labour System

Article 218 The Company is allowed to institute a labour contract system and is entitled for employment and lay-off staff in accordance with its requirement of business development within the scope of the relevant State law and regulations.

Article 219 The Company is allowed to determine the salaries and labour system in consideration of its own economic interests and in accordance with the relevant requirements of legislations and the Articles of Association.

Article 220 The Company shall strive to improve its staff's benefit and working as well as living environment.

Article 221 Pursuant to the relevant State law and regulations, the Company shall use insurance fund for staff's medical treatment, retirement and unemployment, and formulate labour insurance system.

Chapter 16 Labour Union

Article 222 The Company's staff shall organise labour union, hold labour activities and protect legitimate rights of staff in accordance with the law. The Company shall provide necessary conditions for the labour union.

Chapter 17 Merger and Division of the Company

Article 223 Merger of the Company may be made by the consolidation merger method or by the new establishment merger method. The circumstance under which a company consolidates another company is known as consolidation merger whereby the company being consolidated shall be dissolved. The merger of two or more companies by the establishment of a new company is known as the new establishment merger whereby the merged companies shall be dissolved.

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

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

Article 224 Where the payment for the merger of companies does not exceed 10 percent of the net assets of the Company, it may be made without a resolution of the general meeting, except as otherwise provided in these Articles.

Where any merger of the Company is not subject to a resolution of the general meeting in accordance with the provisions of the preceding paragraph, it shall be subject to a resolution of the board of directors.

Article 225 If the Company is to be demerged, its assets shall be divided accordingly.

In case of any division, the parties to the division shall sign a division agreement and a balance sheet and inventory of properties shall be drawn up. Within 10 days of the proposal of a resolution on a division, the Company will notify the various creditors and within 30 days a public announcement shall be made in the newspaper which is recognised by the stock exchange of the place where the Company's stocks are listed or on the National Enterprise Credit Information Publicity System.

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

Article 226 Where registered items are changed as a result of a company merger or division, application shall be made to the Company registration authority or register the amendment in accordance with the law. Where the Company is dissolved, application shall be made to register the cancellation in accordance with the law; where a company is newly established, application shall be made to register the establishment.

Chapter 18 Dissolution and Liquidation of the Company

Article 227 The Company shall terminate its operations and enter into liquidation in accordance with the law in any of the following circumstances:

(1) the expiration of the term of business provided for in these Articles of Association or any other cause of dissolution provided for in these Articles of Association occurs;

(2) a general meeting resolves that there shall be a dissolution;

(3) dissolution becomes necessary because of company merger or division;

(4) cancellation of the business licence, ordered to be closed or cancelled according to the law;

(5) the operation and management of the Company experience a great difficulty, continuation will lead to significant losses suffered by the shareholders, and the crisis cannot be solved by other means. Shareholders with more than 10% of the voting rights can request the People's Court to dissolve the Company.

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 228 Where the Company encounters circumstances as stipulated in items (1) and (2) of Article 227 of these Articles and has not yet distributed its property to shareholders, it may survive by amending the Articles of Association or by a resolution of the general meeting.

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

Article 229 In the case of the Company being dissolved in accordance with the provisions of items (1), (2), (4) and (5) of the Article 227, it should be liquidated. The directors shall be the liquidation obligors of the Company, and the Company shall, within 15 days, establish a liquidation committee for liquidation.

The liquidation committee shall be comprised of directors, except as otherwise provided in these Articles or as resolved by the general meeting to elect other persons. If the liquidation obligor fails to perform the liquidation obligation in a timely manner and causes any losses to the Company or creditors, it shall be liable for compensation.

Article 230 The liquidation committee shall, within 10 days of its establishment, notify creditors and make a public announcement in the press or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall, within 30 days of receipt of the notice or within 45 days of the date of the first public announcement if the notice has not been received, report their creditors' right to the liquidation committee. When reporting creditors' right, the matters regarding the creditors' right shall be explained and the supporting documents shall be provided. The liquidation committee shall register the creditors' rights in accordance with the law. During the period of creditors' declaration, the liquidation committee is not permitted to pay debts to creditors.

Article 231 The liquidation committee shall exercise the following powers of office during the period of liquidation:

- (1) perform a stocktake of the Company's property and formulate a balance sheet and property inventory;
- (2) notify creditors and make public announcement of the liquidation;
- (3) handle and finalise matters in relation to the unfinished business affairs of the Company;
- (4) pay overdue taxes and taxes incurred during the liquidation process;
- (5) clear debts receivable and payable;
- (6) allocate the remaining assets after all debts have been paid;
- (7) participate in civil proceedings on behalf of the Company.

Article 232 A liquidation plan shall be formulated by the liquidation committee after the stocktake of the Company property has been performed and the balance sheet and property inventory have been compiled, and this shall be submitted to the shareholders at general meeting or to the People's Court for confirmation.

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

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

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

Article 233 Where liquidation is carried out as a result of dissolution of the Company, after stocktaking of the Company's assets and compilation of a balance sheet and property inventory, the liquidation committee found that the amount of assets is insufficient to settle debts, it shall promptly apply to the People's Court for a declaration of bankruptcy and liquidation.

After the bankruptcy application is accepted by the People's Court, the liquidation committee shall hand over liquidation matters to the bankruptcy administrator designated by the People's Court.

Article 234 After the conclusion of liquidation proceedings, the liquidation committee shall compile a liquidation report which shall be submitted to the shareholders at general meeting or the People's Court for confirmation, and filed with the company registrar to apply for cancellation of the Company's registration.

Article 235 Members of the liquidation committee shall perform their liquidation duties and are obligated to be loyal and diligent

Where a 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 intentionally or through gross negligence, he or she shall be liable for compensation.

Article 236 Where the Company is declared bankrupt according to the laws, bankruptcy liquidation shall be conducted in accordance with the law on enterprise bankruptcy.

Chapter 19 Procedures for Amendment of the Articles of Association

Article 237 The Company shall amend the Articles of Association in any of the following circumstances:

(1) the provisions of the Articles of Association are in conflict with those of the Company Law or the relevant laws or administrative regulations following their amendments;

(2) any change in the position of the Company, resulting in inconsistency with the records in the Articles of Association;

(3) it is decided at the general meeting to amend the Articles of Association.

Article 238 Amendments to the Company's Articles of Association resolved by the general meeting shall be reported to the competent authorities for approval if such amendments should be subject to the approval of the competent authorities; where an amendment to the Company's Articles of Association involves matters of company registration, the registration shall be amended according to law.

Chapter 20 Notices

Article 239 Subject to the requirements of laws, administrative regulations and the listing rules of the stock exchanges of the place where the shares of the Company are listed, a notice of the Company shall be delivered:

(I) by hand;

(II) by mail;

(III) by way of public announcement on the websites of stock exchanges where the shares are listed and of the Company;

(IV) by mean of facsimile or email;

(V) other means recognised by the relevant stock exchanges or regulatory authorities where the shares of the Company are listed or as provided for in these Articles of Association.

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

Article 240 In relation to the way the Company provides and/or distributes corporate communications to the shareholders in accordance with the Hong Kong Listing Rules requirements, the Company may, in accordance with the related laws and regulations and the requirements of the Hong Kong listing rules as amended from time to time, send or provide corporate communications to the shareholders of the Company by electronic means or by way of announcement on the websites of the Hong Kong Stock Exchange and/or the Company. Corporate communications include, but are not limited to: circulars, annual report, interim report, quarterly results, notice of a general meeting, as well as other types of corporate communications as listed in the Hong Kong Listing Rules.

Chapter 21 Supplementary Provisions

Article 241 In the Articles of Association, ‘over’, ‘within’ all include the number immediately proceeding. ‘more than’, ‘exceed’, ‘over’ do not include the preceding number.

Article 242 In the Articles of Association, the “senior management” means the Company’s president, vice president, chief accountant, general engineer, secretary of board of directors. “president” and “vice president” in these Articles refer to “manager” and “deputy manager” in the Company Law.

Article 243 The term “accounting firm” as used in the Articles of Association shall have the same meaning as “auditor”.

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

The term “controlling shareholder” as referred in these Articles means a shareholder whose shareholdings account for more than 50% of the total share capital of a company, or a shareholder whose shareholdings are less than 50%, but the voting rights on the basis of his/her shareholdings are sufficient to exercise significant influence over the resolutions of the general meeting.

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

Article 244 The Articles of Association are in Chinese. In case of inconsistency with a version in any other language, the authentic version is the Chinese version most recently examined and registered by company registration authority. In case of discrepancy between the Chinese version and a version of any other language, the Chinese version shall prevail.

The board of directors of the Company has the right to interpret the Articles of Association; matters not covered in the Articles of Association shall be submitted by board of directors to the general meeting for resolution and approval.

Article 245 These Articles of Association shall become effective and enforceable on the date of passing a special resolution at the general meeting of the Company. The original Articles of Association of the Company shall automatically become null and void as of the effective date of these Articles of Association.