

Shanxi Installation Group Co., Ltd.

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

Articles of Association

(Adopted by special resolution on 12 May 2023 and effective conditional and immediately upon the listing of the Company's H shares on the Main Board of The Stock Exchange of Hong Kong Limited)

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Note: In the marginal notes to the provisions of the Articles of Association, **the Guidelines for Articles of Association** refers to the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (as amended in 2022) promulgated by the China Securities Regulatory Commission (Announcement of the China Securities Regulatory Commission [2022] No. 2); **the Opinions** refers to the Opinions on Further Promoting Standardized Operation and Deepening Reform of Overseas Listed Companies (《關於進一步促進境外上市公司規範運作和深化改革的意見》) jointly promulgated by the China Securities Regulatory Commission and the former State Economic and Trade Commission (Guo Jing Mao Qi Gai [1999] No. 230); **the Rules for Independent Directors** refers to the Rules for Independent Directors of Listed Companies (《上市公司獨立董事規則》) promulgated by the China Securities Regulatory Commission (Announcement of the China Securities Regulatory Commission [2022] No. 14); the **Listing Rules** refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; **“Appendix 3”** refers to “Articles of Association” of Appendix 3 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; **“Appendix 13 Part D”** refers to “The People’s Republic of China” of Part D of Additional Requirements in Respect of Certain Jurisdictions of Appendix 13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; **“Appendix 14”** refers to “Corporate Governance Code and Corporate Governance Report” of Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; **the Guidelines on Application for “Full Circulation”** refers to the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies promulgated by the China Securities Regulatory Commission (《H 股公司境內未上市股份申請“全流通”業務指引》) (Announcement of the China Securities Regulatory Commission [2019] No. 22); **NO.97** refers to the Reply of the State Council on the Adjustment of the Notice Period for Convening General Meetings and Other Matters Applicable to the Overseas Listed Companies (Guo Han [2019] No. 97) (《關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》); **the Company Law** refers to the Company Law of the People’s Republic of China.

CHAPTER ONE GENERAL PROVISIONS

Article 1 In order to protect the legitimate rights and interests of Shanxi Installation Group Co., Ltd. (hereinafter, the “Company”), shareholders and creditors and regulate the organization and behavior of the Company, these Articles of Association are formulated pursuant to the Company Law of the PRC (hereinafter, the “Company Law”), the Securities Law of the PRC (hereinafter, the “Securities Law”), the Guide to Articles of Association of Listed Companies (hereinafter, the “Guide to Articles of Association”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter, the “Listing Rules of The Hong Kong Stock Exchange”) and other relevant provisions.

Article
1 of the
Guidelines
for Articles of
Association;
Section 1(a)
of Appendix
13 Part D

Article 2 The Company is a joint stock limited company reorganized and established by Shanxi Construction Investment Group Co., Ltd. (山西建設投資集團有限公司) and Shanghai Rongda Investment Management Co., Ltd. (上海榮大投資管理有限公司) through sponsorship in accordance with the Company Law, the Securities Law, the Special Regulations and other relevant laws and regulations of the People’s Republic of China (the “PRC”, which, for the purposes of the Articles of Association, does not include the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan). On December 31, 2021, the Company was registered over Shanxi Administration for Market Regulation and obtained a business license. The Uniform Social Credit Code of the Company is 91140000110011149W.

Article
2 of the
Guidelines
for Articles of
Association;

Article 3 Registered name of the Company:

Full name in Chinese: 山西省安裝集團股份有限公司

Short name in Chinese: 山西安裝

Full name in English: Shanxi Installation Group Co., Ltd.

Article
4 of the
Guidelines
for Articles of
Association

Article 4 Address of the Company: No.8 Xinhua Road, Tanghuai Industrial Park, Shanxi Transformation and Comprehensive Reform Demonstration Zone, Shanxi Province

Article
5 of the
Guidelines
for Articles of
Association

Postal code: 030032

Tel No.: 0351-5679326

Fax No.: 0351-5679326

Article 5 The registered capital of the Company is RMB1,333,334,000.

Article
6 of the
Guidelines
for Articles of
Association

Article 6 The chairman of the board of directors is the legal representative of the Company.

Article
8 of the
Guidelines
for Articles of
Association

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

Article
7 of the
Guidelines
for Articles of
Association

Article 8 The Articles of Association shall be effective on the date on which the overseas listed foreign shares issued by the Company are listed and traded on The Stock Exchange of Hong Kong Limited (hereinafter, the “Hong Kong Stock Exchange”), and the original Articles of Association of the Company filed with the Administration for Market Regulation shall be substituted.

Article
10 of the
Guidelines
for Articles of
Association

The Articles of Association of the Company shall, from the date when it comes into force, constitute a legally binding documents regulating the organization and activities of the Company, the rights and obligations between the Company and each of its shareholder and those among the shareholders, and the Company and its shareholders, directors, supervisors and senior management. Pursuant to the Articles of Association, shareholder may sue shareholders, and shareholders may sue the directors, supervisors, manager and other senior management of the Company. Shareholders may sue the Company and the Company may sue its shareholders, directors, supervisors, manager and other senior management.

Article 9 For the purposes of the Articles of Association, the term “senior management” shall include the Company’s general manager, deputy general manager, chief accountant, chief engineer, chief economist, general counsel, secretary of the board of directors, assistant to the general manager and other senior management appointed by the board of directors.

Article
11 of the
Guidelines
for Articles of
Association

Article 10 All assets of the Company shall be divided into equal shares. The liability of a shareholder to the Company shall be limited to the shares subscribed for by that shareholder. The Company shall be held liable for its debts with all of its assets.

Article
9 of the
Guidelines
for Articles of
Association

Article 11 The Company shall set up its Communist Party of China (hereinafter referred to as “CPC”) organization and carry out CPC activities in accordance with the requirements of the Constitution of the CPC. The Company shall provide the CPC organization with necessary conditions for its activities.

Article
12 of the
Guidelines
for Articles of
Association

CHAPTER TWO OBJECTIVES AND SCOPE OF OPERATION

Article 12 The Company's objectives of operation: to succeed in the objective of "becoming the most competitive modern construction service provider". Relying on brand leverage, pooling the staff's wisdom and marshalling their strengths, the Company will strive to build itself into a frontrunner in construction industry and comprehensive provider throughout the construction industrial chains in a market-oriented way. The Company will assiduously and sincerely provide service to satisfy the needs of customers, make greater contributions for the society and fully achieve mutual development of the Company and employees and win-win cooperation between the Company and customers.

Article 13 The Company's scope of operation following registration under the laws are: Permitted items: electricity montage service; civil nuclear safety equipment installation; construction project; labour subcontracting in construction; construction specialization; highway engineering supervision; disposal (collecting and transporting) of urban construction waste; construction smart system design; surveying and geotechnical engineering of construction project; design of construction project; surveying and mapping service; supervision of construction; interior decoration of residential building; power generation service, transmission service and supply (distribution) service; power supply service; the installation, maintenance and testing of power facilities for transmission, supply and receiving of electricity; installation, update and repairment of special equipment; design of special equipment; special equipment inspection and detection; large-scale recreational facility manufacturing; special equipment manufacturing; safety production inspection and detection; quality inspections for construction project; inspection and detection services; building demolition operation (except blasting operation); safety assessment service. (items subject to approval in accordance with law shall be approved by the relevant departments before commencing business activities, the specific business items are subject to approval documents or permits of the relevant departments) General items: general machinery equipment installation services; undertaking engineering construction business of the head office; leasing of construction machinery and equipment; project management service; urban and rural appearance management; repair of special equipment; machinery and equipment leasing; sales of constructional materials for decoration; residential water and electricity installation and maintenance services; construction of landscaping project; overseas contractor jobs; design and construction services of security and technology protection system; design expertise service; public infrastructure management; repair of electrical equipment; industrial engineering design service; research and development of mechanical equipment; research and experimental development of engineering and technology; research and development of recycling technology of construction waste; sales of personal protective equipment; retail of metallic materials products; sales of construction materials; sales of construction machinery; sales of industrial automatic control system; general goods storage service (excluding hazardous chemicals and other items subject to approval); sales of special equipment; leasing of special equipment; property management; rental housing; safety technical training for special operators; information consulting services (excluding consultation services of license-related information); operation and maintenance services of information system; information system integration services; security system monitor service; software development; technical service, technical development, technology consulting, technological exchange, technology transfer, popularization of technology; import and export of goods; trade in technology; tenders and bids agency service; construction costs consultant service; sales of coal and coal product; sales of chemical products (excluding licensed chemical products); environmental protection monitoring; environmental health public facilities installation services; production of metal structure; production of concrete structural components; solid waste disposal; recycling of renewable resources (excluding productive scrap metals); renewable resources processing; sales of renewable resources; technology in fire service; repair of general equipment; procurement

Article
13 of the
Guidelines
for Articles of
Association

Article
14 of the
Guidelines
for Articles of
Association

agency service; sale of power facilities and equipment; sales of firefighting equipment; sales of intelligent power transmission and distribution and control equipment; sales of special for refinery and chemical manufacturing equipment; wastewater treatment and its recycling; sales of special equipment, key systems and components for rail transit; sales of wind turbines and components; sales of solar thermal electricity products; sales of refrigeration and air-conditioning equipment; research and development of unconventional water resources technology; water pollution control; sale of mechanical and electrical equipment; energy conservation management. (Except for items that are subject to approval in accordance with the laws, the business activities shall be conducted independently with the business licenses in accordance with the laws.)

The Company may change its scope of operation based on its own development needs in accordance with laws.

CHAPTER THREE SHARES

Section 1 Issuance of Shares

Article 14 Shares of the Company shall take the form of registered share certificates.

Article
15 of the
Guidelines
for Articles of
Association

If the share capital of the Company includes non voting shares, the words “non voting” shall be added to the name of such shares. If the share capital includes shares with different voting rights, the words “restricted voting rights” or “restricted voting rights” shall be added to the name of each class of shares (save for shares with the most preferred voting rights).

Article 15 All shares issued by the Company shall be shares with par value, and each share shall have a par value of RMB1.

Article
17 of the
Guidelines
for Articles of
Association

The term “RMB” or “Renminbi” mentioned in the preceding paragraph shall refer to the lawful currency of the PRC.

Article 16 The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have the same rights.

Article
16 of the
Guidelines
for Articles of
Association

For the same type of shares issued in one offering, the issue criteria and price shall be identical; any organisation or individual subscribing to the shares shall pay the same price for each share.

Article 17 Where the Company issues shares to domestic and overseas investors, it shall perform filing procedures with China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) in accordance with the law.

The term “overseas investors” mentioned in the preceding paragraph shall refer to investors from foreign countries or from the Hong Kong Special Administrative Region, the Macao Special Administrative Region or Taiwan that subscribe for the shares issued by the Company, and the term “domestic investors” shall refer to investors inside the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.

Article 18 The shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as “domestic shares”. The shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as “foreign shares”. Foreign shares which are listed outside the PRC are referred to as “overseas listed foreign shares”.

Article
2 of the
Guidelines on
Application
for “Full
Circulation”

The term “foreign currency” mentioned in the preceding paragraph shall refer to the lawful currency of other countries or regions (other than the Renminbi), which is recognized by the State Administration of Foreign Exchange and can be used to pay for the shares to the Company and.

The overseas listed foreign shares of the Company listed in Hong Kong are referred to as “H Shares”. H Shares are shares which have been admitted for listing on the Hong Kong Stock Exchange with a par value denominated in RMB and are subscribed for and traded in Hong Kong dollars. Domestic shares can be converted into H Shares upon approval of the State Council or the institution authorised by the State Council and the consent of the Hong Kong Stock Exchange.

Domestic shareholders of the Company may convert the unlisted domestic shares held by them into overseas listed shares and have such shares listed and traded on overseas stock exchanges, provided that they shall comply with relevant requirements of the CSRC and shall engage the Company to file with the CSRC. Listing and trading of transferred and converted shares on an overseas stock exchange shall also be subject to the regulatory procedures, regulations and requirements of the overseas stock exchange. The listing and trading of shares so transferred on overseas stock exchanges, or the conversion of domestic shares into foreign shares for listing and trading on overseas stock exchanges, does not need approval by voting at the shareholders’ general meetings.

Article 19 The domestic shares issued by the Company shall be placed under centralised custody with China Securities Depository and Clearing Corporation Limited. The overseas listed foreign shares issued by the Company in Hong Kong are mainly deposited at securities depository and clearing companies in Hong Kong and may also be held in the name of individual shareholders.

Article
18 of the
Guidelines
for Articles of
Association

Article 20 The Company issued a total of 1,000,000,000 ordinary shares to the promoters at the time of establishment, of which 980,000,000 shares were subscribed for and held by Shanxi Construction Investment Group Co., Ltd.* (山西建設投資集團有限公司), representing 98% of the total number of issued ordinary shares of the Company; 20,000,000 shares were subscribed for and held by Shanghai Rongda Investment Management Co., Ltd.* (上海榮大投資管理有限公司), representing 2% of the total number of issued ordinary shares of the Company.

Article
19 of the
Guidelines
for Articles of
Association

Article 21 The total number of shares of the Company is 1,333,334,000.

Article
20 of the
Guidelines
for Articles of
Association

Article 22 The Company or its subsidiaries (including its affiliates) shall not provide any form of financial assistance in the form of gift, advance, guarantee, compensation, loan etc. to persons who purchase or propose to purchase the Company's shares.

Article
21 of the
Guidelines
for Articles of
Association

Section 2 Increase and Decrease in Shares and Buyback

Article 23 The Company may, upon resolution by a shareholders' general meeting, adopt the following methods to increase its capital in accordance with its business and development needs and pursuant to the provisions of laws and regulations:

Article
22 of the
Guidelines
for Articles of
Association

- (I) public offering of shares;
- (II) private offering of shares;
- (III) distribution of new shares to existing shareholders;
- (IV) capitalisation of capital reserve;
- (V) any other means stipulated by laws, administrative regulations and approved by the CSRC.

Article 24 The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the Company Law and other relevant regulations and the procedures stipulated in the Articles of Association.

Article
23 of the
Guidelines
for Articles of
Association

Article 25 The Company shall not buy back its shares except under the following circumstances:

Article
24 of the
Guidelines
for Articles of
Association;
Article 142 of
the Company
Law

- (I) reduction of its registered capital;
- (II) merger with another company that holds its shares;
- (III) use shares in employee shareholding plans or equity incentives;
- (IV) a shareholder who objects to the resolution on the company's merger or division passed by the shareholders' general meeting requests that the Company buy back his/her shares;
- (V) use shares in converting the convertible corporate bonds issued by the Company;
- (VI) Where the Company deems necessary in order to maintain the Company's value and shareholders' rights and interests.

Article 26 Buyback of shares by the Company may be carried out through centralised public trading or other methods recognized by laws, administrative regulations and the CSRC.

Article
25 of the
Guidelines
for Articles of
Association;
Article 142 of
the Company
Law

Where the buyback of shares by the Company fall under the circumstances set out in items (3), (5) and (6) of Article 25 in the Articles of Association, the share buyback shall be conducted through centralised public trading.

Article 27 Where the buyback of shares is due to the reasons stated in items (1) and (2) of Article 25 in the Articles of Association, the Company shall obtain the prior approval of the general meeting in accordance with the Articles of Association. Where the Company buyback its own shares for the reasons set out in items (3), (5) and (6) of Article 25 in the Articles of Association, such purchase shall be subject to a resolution of the board meeting where more than two-thirds of the directors are present.

Article 142 of the Company Law; Article 26 of the Guidelines for Articles of Association; Rule 10.06(1) of the Listing Rules (as revised by Rule 19A.24 and 19A.25(1))

Where laws, administrative regulations, departmental rules, the Articles of Association and the Hong Kong Stock Exchange have other provisions on the matters related to the aforesaid share buyback, such provisions shall prevail.

Article 28 Upon the buyback of shares according to laws, the Company shall cancel such shares within a period stipulated by relevant laws and administrative regulations, and shall apply to the original registration authority for the change to its registered capital. For circumstance under item (1) of Article 25 of the Articles of Association, the shares shall be cancelled within 10 days from the date of buyback; for circumstances under items (2) and (4) of Article 25 in the Articles of Association, the shares shall be transferred or cancelled within 6 months; for circumstances under items (3), (5) and (6) of Article 25 in the Articles of Association, the Company shall not hold more than ten percent of the total number of its issued shares, and shall transfer or cancel within three years.

Article 26 of the Guidelines for Articles of Association; Article 142 of the Company Law

Section 3 Transfer of Shares

Article 29 Shares of the Company may be transferred in accordance with the law.

Article 27 of the Guidelines for Articles of Association

All transfers of H shares shall be effected by a written instrument of transfer in general or ordinary form or such other form as acceptable to the board of directors (including the standard transfer form or form of transfer as prescribed by the Hong Kong Stock Exchange from time to time), and such instrument of transfer may only be signed by hand or affixed with the seal of the Company (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house or its agent as defined in the relevant statutory law in force in Hong Kong from time to time, the instrument of transfer may be signed by hand or machine printing. All instruments of transfer shall be kept at the registered office of the Company or at such address designated by the Board from time to time.

Article 30 The Company shall not accept its own shares as the subject matter of pledge.

Article 28 of the Guidelines for Articles of Association

Article 31 Shares of the Company held by the promoters shall not be transferred within one year after the establishment of the Company. Shares issued by the Company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of the Company are listed and traded on a stock exchange.

Article 29 of the Guidelines for Articles of Association

The directors, supervisors and senior management of the Company shall report to the Company their shareholdings in the Company and changes thereof, and shall not transfer more than twenty-five per cent of the total number of shares of the same class of the Company they hold each year during their term of office; and the shares they hold in the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded. None of the above persons shall transfer the shares of the Company held by them within half a year after they leave office.

Article 32 If any shareholder, director, supervisor or senior management of the Company who hold more than five percent of the shares of the Company sells the Company's shares held by them or other securities of equity nature within six months after purchasing such shares, or buys back the Company's shares sold by them within six months after selling such shares, the proceeds thereof shall be owned by the Company and the board of directors of the Company shall call back such proceeds, except for a securities company holding more than five percent of the shares as a result of the purchase of the remaining shares under an underwriting scheme and other circumstances as prescribed by the CSRC.

The shares or other securities of equity nature held by directors, supervisors, senior management and natural person shareholders referred to in the preceding paragraph include the shares or other securities of equity nature held by their spouses, parents and children and held through others' accounts.

Where the board of directors of the Company does not act pursuant to the provisions of the first paragraph under this article, the shareholder shall have the right to require the board of directors to do so within thirty days. Where the board of directors of the Company does not do so within the aforesaid period, the shareholder shall have the right to file a lawsuit with a People's Court in his/her/its name for the interests of the Company.

Where the board of directors of the Company does not act pursuant to the provisions of the first paragraph under this article, the directors who are accountable shall bear joint and several liability pursuant to the law.

CHAPTER FOUR SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

Section 1 Shareholders

Article 33 During the period when the H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure that all of the title documents relating to the securities listed on the Hong Kong Stock Exchange (including the H share certificates) contain the following statements, and shall instruct and procure the shares registrars not to register any subscription, purchase or transfer of share in the name of any individual holder unless and until he/she submits a duly signed form relating to such shares to the share registrars, which shall include the following statements:

- (I) the share purchaser and the Company and each shareholder of the Company, as well as the Company and each shareholder, agree to observe and comply with the Company Law, other relevant laws and the Articles of Association;
- (II) the share purchaser agrees with each of the Company's shareholders, directors, supervisors, general managers and other senior management members of the Company, and the Company, acting on behalf of itself and each of its directors, supervisors, general managers and other senior management members, agrees with each of the shareholders that, they will refer to arbitration for settlement of all disputes and claims arising from these Articles of Association or any right or obligation imposed by the Company Law or other relevant PRC laws and administrative regulations in relation to the affairs of the Company in accordance with these Articles of Association, and that any referral to arbitration shall be deemed an authorisation to the arbitration tribunal to hold a public hearing and announce its arbitration award to the public. Such award shall be final and conclusive;
- (III) the share purchaser agrees with the Company and each shareholder of the Company that the shares of the Company are freely transferable by the holder thereof;

- (IV) the share purchaser authorizes the Company to enter into a contract on his or her behalf with each of the directors, general managers and other senior management members who undertake to observe and comply with their obligations to the shareholders as stipulated in the Articles of Association.

Article 34 The Company shall maintain a register of shareholders based on the proof materials provided by the shares registrar. The register of shareholders is adequate evidence of shareholding by shareholders. A shareholder shall enjoy the rights accorded by the type of shares he/she holds and bears the obligations thereof; shareholders who hold the same type of shares shall enjoy the same rights and bear the same type of obligations.

Article
31 of the
Guidelines
for Articles of
Association

The Company shall keep a register of shareholders containing information below, or shall register shareholders in accordance with relevant laws, administrative regulations, departmental rules and requirements of the Listing Rules:

- (I) the name, address (domicile), occupation or nature of each shareholder;
- (II) the class and quantity of shares held by each shareholder;
- (III) the amount paid or payable in respect of the shares held by each shareholder;
- (IV) the serial numbers of the shares held by each shareholder;
- (V) the date on which each shareholder is registered as a shareholder of the Company;
- (VI) the date on which each shareholder ceases to be a shareholder.

Alteration or rectification of each part of the register of shareholders of the Company shall be made in accordance with the laws of the place where such part of the register of members is maintained. The register of shareholders shall comprise the following parts:

- (I) a register of members kept at the Company's domicile (other than those provided for under items (II) and (III) of this paragraph);
- (II) the register of shareholders for overseas listed foreign shares kept at the overseas stock exchange on which the shares are listed;
- (III) registers of shareholders kept in such other places as the board of directors considers necessary for the listing of the Company's shares.

Assignment and transfer of shares shall be recorded in the register of shareholders. The Company may, in accordance with the memorandum of understanding and agreements between the competent authority in respect of securities of the State Council and overseas securities regulatory authorities, maintain its original copy of the register of shareholders of overseas listed foreign shares outside the PRC and entrust an overseas agent to maintain such register. The Company shall maintain a duplicate of the register of shareholders of overseas listed foreign shares at the Company's domicile. The appointed overseas agent shall ensure the consistency between the original and the duplicate copies of the register of shareholders of overseas listed foreign shares at all times. All acts or transfers of overseas listed foreign shares shall be registered in the register of shareholders for overseas listed foreign shares maintained at the listing place in accordance with the Articles of Association. The original of the register of shareholders for overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong. If the original and duplicate copies of the register of shareholders for overseas listed foreign shares are inconsistent, entry in the original shall prevail.

If two or more persons are registered as joint shareholders of any share, they shall be deemed to be joint holders of such shares and subject to the following provisions:

- (I) the Company is not obliged to register more than four persons as joint shareholders of any share;
- (II) all joint shareholders of any share shall jointly and severally assume the liability of paying all amounts payable for the relevant shares;
- (III) if one of the joint shareholders deceased, only the surviving joint shareholder(s) shall be deemed by the Company to have title to the relevant shares. Nevertheless, the board of directors shall have the right to demand the death certificate of such shareholder as it thinks fit for any change in the register of shareholders; and
- (IV) As to the joint shareholders of any share, only the joint shareholder whose name appears first in the register of shareholders shall be entitled to receive the share certificates for the relevant shares and to receive the notices of the Company. Any notice given to the aforesaid person shall be deemed to have been given to all joint shareholders of the relevant shares. Any one of the joint shareholders may sign the proxy form, except that if more than one joint shareholders attended in person or by proxy, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of shareholders in respect of the joint shareholding.

Any shareholder whose name is registered in the register of shareholders or any person who requests that his/her/its name to be entered into the register of shareholders may apply to the Company for issuance of a replacement certificate in respect of such shares if his/her/its share certificate is lost. Applications for the replacement of share certificates from holders of domestic shares who have had their certificates lost the same shall be handled in accordance with relevant provisions of the Company Law. Applications for the replacement of share certificates from holders of overseas listed foreign shares who have had their certificates lost the same may be handled in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original of the register of shareholders of overseas listed foreign shares is kept.

Article 35 Where PRC laws and regulations and the securities regulation rules of the places where the shares of the Company are listed stipulate on the period of closure of the register of shareholders before the date of a general meeting or before the record date for the Company's distribution of dividends, such provisions shall prevail.

NO.97

Article 36 When the Company is to convene a general meeting, to distribute dividends, to be liquidated or to carry out other acts requiring confirmation of shareholders' identities, the board of directors or the convener of the general meeting shall decide the date of record. Shareholders whose names appear on the register of shareholders after closing on the date of record shall be the shareholders entitled to the relevant rights and interests.

Article 32 of the Guidelines for Articles of Association

Article 37 The shareholders of the Company shall enjoy the following rights:

- (I) to obtain dividends and any other form of distribution of gains based on the number of shares held by them;
- (II) to request, convene, chair, attend or appoint a proxy to attend a shareholders' general meeting pursuant to the law, and exercise the corresponding voting rights;

Article 33 of the Guidelines for Articles of Association; Rule 19A.50 of the Listing Rules; Rule 20 of Appendix 3

- (III) to supervise the Company's business operations, propose recommendations or raise questions;
- (IV) to transfer, gift or pledge shares held by them in accordance with laws and relevant regulations of the securities regulator of the place where the Company's shares are listed and the Articles of Association;
- (V) to inspect the Articles of Association, register of shareholders, counterfoils of corporate bonds, minutes of shareholders' general meetings, resolutions of board meeting, minutes of meetings of board of supervisors and financial accounting reports;
- (VI) upon termination or liquidation of the Company, distribute residual assets of the Company based on their shareholding;
- (VII) a shareholder who objects to the resolution on merger or division of the Company passed by a shareholders' general meeting may request that the Company acquire his/her/its shares;
- (VIII) any other rights stipulated by laws, administrative regulations, ministry rules or the Articles of Association.

Article 38 A shareholder who requests for inspection of the relevant information or materials set out in Article 37 shall provide written documentation to the Company to prove the type and quantity of the Company's shares held by him/her/it, and the Company shall provide the information or materials requested by the shareholder upon verification of his/her/its identity.

Article
34 of the
Guidelines
for Articles of
Association

Article 39 Where the contents of a resolution of shareholders' general meeting or a board resolution violate laws and administrative regulations, a shareholder shall have the right to apply to a Court to declare the resolution invalid.

Article
35 of the
Guidelines
for Articles of
Association

Where the convening procedures or voting method of a shareholders' general meeting or a board meeting of the Company violate laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, a shareholder shall have the right to apply to a Court for revocation within 60 days from passing of the resolution.

Article 40 Where the directors or senior management personnel violate the provisions of laws, administrative regulations or the Articles of Association in the execution of their duties and cause the Company to suffer losses, a shareholder who holds 1% or more of the Company's shares singly or jointly for more than 180 days consecutively shall have the right to submit a written request to the board of supervisors to file a lawsuit with a People's Court; where the board of supervisors violates the provisions of laws or the Articles of Association in the execution of their duties and cause the Company to suffer losses, a shareholder may submit a written request to the board of directors to file a lawsuit with a People's Court.

Article
36 of the
Guidelines
for Articles of
Association

Upon receipt of a shareholder's written request stipulated in the preceding paragraph, where the board of supervisors or the board of directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of the request, or in the event of an emergency where the interest of the Company will suffer irreparable damages if a lawsuit is not filed immediately, a shareholder stipulated in the preceding paragraph shall have the right to file a lawsuit directly with a People's Court in his/her/its own name for the interest of the Company.

In the event that the legitimate rights and interests of the Company are infringed by others and the Company suffers losses thereto, a shareholder stipulated in the first paragraph of this Article may file a lawsuit with a People's Court pursuant to the provisions of the two preceding paragraphs.

Article 41 Where the directors or senior management personnel violate the provisions of laws, administrative regulations or the Articles of Association and harm the interests of shareholders, a shareholder may file a lawsuit with a People's Court.

Article
37 of the
Guidelines
for Articles of
Association

Article 42 A shareholders of the Company shall bear the following obligations:

Article
38 of the
Guidelines
for Articles of
Association

- (I) to comply with laws, administrative regulations and the Articles of Association;
- (II) to make payment for shares subscribed pursuant to the equity participation method;
- (III) not to divest, except for circumstances stipulated by laws and regulations;
- (IV) not to abuse shareholder's rights to harm the interests of the Company or other shareholders; shall not abuse the independence of corporate personality and shareholder's limited liability to harm the interests of the Company's creditors;
- (V) any other obligations to borne as stipulated by laws, administrative regulations and the Articles of Association.

A shareholder of the Company who abuses shareholder's rights and causes the Company or other shareholders to suffer losses shall be liable for compensation pursuant to the law.

A shareholder of the Company who abuses the status of the Company as an independent legal person and shareholder's limited liability to evade debts and harms the interests of the Company's creditors shall bear joint and several liability towards the Company's debts.

Article 43 Where a shareholder who holds 5% or more of the Company's shares with voting rights pledges his/her/its shares, he/she/it shall submit a written report to the Company on the date of occurrence of the event.

Article
39 of the
Guidelines
for Articles of
Association

Article 44 The controlling shareholder or actual controlling party of the Company shall not make use of the relationship to harm the Company's interests. Persons who violate the provisions and cause the Company to suffer losses shall be liable for compensation.

Article
40 of the
Guidelines
for Articles of
Association

The controlling shareholder and actual controlling party of the Company shall bear fiduciary obligation towards the Company and its public shareholders. The controlling shareholder shall exercise the rights as an investor strictly pursuant to the law, and shall not make use of profit distribution, asset restructuring, external investment, encroachment of funds, borrowings and guarantee etc. to harm the legitimate rights and interests of the Company and its public shareholders, or make use of the controlling status to harm the interests of the Company and its public shareholders.

In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchanges on which the shares of the Company are listed, a controlling shareholder of the Company shall not exercise his/her/its voting rights in a manner prejudicial to the interests of all or some of the shareholders of the Company in respect of the following matters:

- (I) to relieve a director or supervisor of his/her/its duty to act honestly in the best interests of the Company;
- (II) to approve the expropriations by a director or supervisor (for his/her own benefit or for the benefit of another person) of the Company's assets in any way, including without limitation, opportunities beneficial to the Company;
- (III) to approve the expropriations by a director or supervisor (for his/her own benefit or for the benefit of another person) of the individual rights of other shareholders, including without limitation, rights to distributions and voting rights, but excluding a restructuring of the Company submitted to the shareholders' general meeting for adoption in accordance with the Articles of Association.

Section 2 General Provisions on Shareholders' General Meeting

Article 45 A shareholders' general meeting shall be the power organ of the Company and shall exercise the following official powers pursuant to the law:

Article
41 of the
Guidelines
for Articles of
Association

- (I) to decide on the Company's business policies and investment plan;
- (II) to elect and replace directors and supervisors who are not employee representative and to decide on the remuneration of the relevant directors and supervisors;
- (III) to deliberate and approve reports of the board of directors;
- (IV) to deliberate and approve reports of the board of supervisors;
- (V) to deliberate and approve the Company's annual financial budgets and final accounts;
- (VI) to deliberate and approve the Company's profit distribution plan and plan for making up losses;
- (VII) to resolve on the increase or reduction of the registered capital of the Company;
- (VIII) to resolve on the issuance of corporate bonds;
- (IX) to resolve on merger, division, dissolution, liquidation or change of corporate form;
- (X) to amend the Articles of Association;

- (XI) to resolve on the engagement and dismissal of accounting firms by the Company;
- (XII) to deliberate and approve guarantee matters as prescribed in Article 46 of the Articles of Association;
- (XIII) to deliberate and approve the Company's purchase or disposal of major assets within one year in an amount exceeding 30% of the Company's audited total assets in the latest period;
- (XIV) to deliberate and approve changes in the use of proceeds;
- (XV) to deliberate and approve the equity incentive plan and employees ownership plan;
- (XVI) to deliberate and approve external donations exceeding 10% of the net profits of the Company of previous year;
- (XVII) to consider proposals submitted by shareholders who severally or jointly hold more than 3% of the voting shares of the Company;
- (XVIII) to consider other matters which are subject to determination at the shareholders' general meeting in accordance with laws, administrative regulations, departmental rules, normative documents, the relevant provisions of the securities regulatory authorities of the places where the Company's shares are listed and the provisions of the Articles of Association.

Without violation of any laws and regulations and the statutory regulations as prescribed in the Listing Rules of the place of listing, the shareholders' general meetings may grant authorization or entrust the board of directors to handle matters with respect to such authorization and entrustment.

Article 46 Where the guarantee provided by the Company to shareholders, the actual controlling party and their connected parties or the amount of the guarantee provided by the Company within one year exceeding 30% of the Company's total assets, it shall be deliberated and approved by the shareholders' general meeting. The external guarantees other than those listed in this Article shall be subject to deliberation and approval by the board of directors as authorized.

Article 42 of the Guidelines for Articles of Association, Article 121 of the Company Law

If a director, general manager, deputy general manager and other senior management violate the provisions on the approval authority and consideration procedure regarding external guarantees as specified in laws or the Articles of Association, thereby causing the Company to sustain a loss, he/she/it shall be liable for the damages and the Company may institute a legal action against him/her/it in accordance with the law.

Article 47 Except for special circumstances where the Company is in a crisis, unless approved by a special resolution passed on a shareholders' general meeting, the Company shall not enter into a contract with a person other than a director, supervisor, the general manager or any other senior management personnel for such person to take charge of the Company's entire business or significant business.

Article 81 of the Guidelines for Articles of Association

Article 48 Shareholders' general meetings shall comprise annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once a year and shall be held within six months from the end of the preceding accounting year.

Articles 43 and 44 of the Guidelines for Articles of Association; Article 6 of the Opinions; Article 22 of the Rules for Independent Directors, Rule 14(1) of Appendix 3

Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from occurrence of the event:

- (I) the number of directors is less than the number provided for in the Company Law or less than two thirds of the number prescribed in the Articles of Association;
- (II) the Company's losses which have not been made up attain one-third of the total paid up share capital;
- (III) upon requisition by a shareholder who holds 10% or more of the Company's shares singly or jointly (the number of shares held by the shareholders shall be counted based on the date of the written request);
- (IV) the board of directors deems necessary;
- (V) upon requisition by the board of supervisors;
- (VI) upon the approval by at least half of all of the independent non-executive directors;
- (VII) other circumstance as specified by laws, administrative regulations and the Articles of Association.

Article 49 The venue of shareholders' general meetings of the Company shall be the Company's address or any other specific venue as notified in the notice of the shareholders' general meeting.

Articles 45 of the Guidelines for Articles of Association

Meeting premises shall be set up for a shareholders' general meeting to be held in the form of a physical meeting. The Company shall also provide online voting methods (including Internet, video and telephone) to facilitate participation in shareholders' general meetings by shareholders. Shareholders participating in the shareholders' general meeting via the aforesaid method shall be deemed present at the meeting.

Section 3 Convening of Shareholders' General Meetings

Article 50 Independent non-executive directors shall have the right to propose to the board of directors on convening of an extraordinary general meeting. Where an independent non-executive director calls an extraordinary general meeting, the board of directors shall issue a written feedback on consent or non-consent to convening of the extraordinary general meeting within 10 days from receipt of the call, pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Article 47 of the Guidelines for Articles of Association; Article 6 of the Opinions; Article 22 of the Rules for Independent Directors

Where the board of directors gives consent to convening of an extraordinary general meeting, a notice on convening of the extraordinary general meeting shall be issued within five days from passing of a board resolution; where the board of directors does not give consent to convening of an extraordinary general meeting, it shall state the reason in writing and make an announcement.

Article 51 The board of supervisors shall have the right to propose to the board of directors on convening of an extraordinary general meeting, and shall do so in writing. The board of directors shall issue a written feedback on consent or non-consent to convening of an extraordinary general meeting within 10 days from receipt of the requisition pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Article
48 of the
Guidelines
for Articles of
Association

Where the board of directors gives consent to convening of an extraordinary general meeting, a notice on convening of the extraordinary general meeting shall be issued within five days from passing of the board resolution; the consent of the board of supervisors shall be obtained for any change to the original requisition in the notice.

Where the board of directors does not give consent to convening of an extraordinary general meeting, or does not issue a written feedback within 10 days from receipt of the requisition, the board of directors shall be deemed as unable to perform or failed to perform the duties of convening of an shareholders' general meeting, and the board of supervisors may proceed to convene and chair an extraordinary general meeting.

Article 52 Shareholders who hold 10% or more of the Company's shares singly or in aggregate shall have the right to propose to the board of directors on convening of an extraordinary general meeting, and shall do so in writing. The board of directors shall issue a written feedback on consent or non-consent to convening of the extraordinary general meeting within 10 days from receipt of the requisition pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Article
49 of the
Guidelines
for Articles of
Association,
Section 14(5)
of Appendix 3

Where the board of directors gives consent to convening of an extraordinary general meeting, a notice on convening of the extraordinary general meeting shall be issued within five days from passing of board resolution, and the consent of the relevant shareholders shall be obtained for any change to the original requisition in the notice.

Where the board of directors does not give consent to convening of extraordinary general meeting, or does not issue a feedback within 10 days from receipt of the requisition, shareholders who hold 10% or more of the Company's shares singly or in aggregate shall have the right to propose to the board of supervisors on convening of an extraordinary general meeting, and shall do so in writing.

Where the board of supervisors gives consent to convening of an extraordinary general meeting, a notice on convening of the extraordinary general meeting shall be issued within five days from receipt of the requisition, and the consent of the relevant shareholders shall be obtained for any change to the original requisition in the notice.

Where the board of supervisors does not issue a notice of a shareholders general meeting within the stipulated period, the board of supervisors shall be deemed as not convening and chairing the extraordinary general meeting, and shareholders who hold 10% or more of the Company's shares singly or in aggregate for 90 or more consecutive days may proceed to convene and chair an extraordinary general meeting on their own initiative.

Article 53 Where the board of supervisors or the shareholders proceed(s) to convene a shareholders' general meeting, the board of directors and the board secretary shall cooperate. The board of directors shall provide the register of shareholders as at the date of share record. If the board of directors fails to provide the register of shareholders, the convener may apply to the securities depository or the agency to obtain the same on the strength of the relevant notice or announcement convening the shareholders' general meeting. The register of shareholders obtained by the convener may not be used for any purpose other than to hold the shareholders' general meeting.

Article
51 of the
Guidelines
for Articles of
Association

Article 54 When the board of supervisors or shareholders themselves convene a shareholders' general meeting, the necessary expenses shall be borne by the Company.

Article
52 of the
Guidelines
for Articles of
Association

Section 4 Proposals and Notices of Shareholders' General Meeting

Article 55 To convene an annual general meeting, the Company shall give written notices 21 days before the date of the meeting; to convene an extraordinary general meeting, the Company shall give written notices 15 days before the date of the meeting.

No. 97;
Article 102 of
the Company
Law; Section
14(2) of
Appendix 3

To calculate the days of notification, the date of the meeting and the date of the notice so served shall not be included. Where the laws, regulations and relevant requirements of the securities regulatory authorities in the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

In relation to the issuance of the notice under this Article, the date of dispatch of notice represents the date that the Company or the share registrar as appointed by the Company delivers the relevant notice at the post office for posting.

Article 56 The contents of proposals before the general meeting shall fall within the authority of the general meeting, contain a clear topic and a specific resolution and comply with relevant provisions of laws, administrative regulations and these Articles of Association.

Article
53 of the
Guidelines
for Articles of
Association

Proposal before the general meeting shall be in writing.

Article 57 The board of directors, board of supervisors and shareholders individually or jointly holding more than 3% of shares in the Company are entitled to make proposals at the general meeting held by the Company. The convener shall include in the agenda of the meeting the issues raised in the proposals that fall within the scope of responsibility of the general meeting.

Article
54 of the
Guidelines
for Articles of
Association

Shareholders individually or jointly holding at least 3% of the shares of the Company may submit extempore proposals in writing to the convener 10 days prior to the date of such meeting. The convener shall issue a supplementary notice of the general meeting and make a public announcement of the contents of such extempore proposal within two days after receipt of the proposal.

Except as provided in the preceding Article, the convener shall not make any changes to the proposals set forth in the notice of the general meeting or add any new proposals once the notice and announcement of the general meeting have been issued.

Any proposals which are not stated in the notice of shareholders' general meeting or not in compliance with Article 56 of these Articles of Association shall not be voted and passed as resolutions at the shareholders' general meeting.

Article 58 Notice of the general meeting shall:

- (I) include the date, venue and duration of the meeting;
- (II) include matters and proposals that shall be submitted to the meeting for consideration;
- (III) contain a clear statement that all shareholders entitled to attend and vote, and have the right to appoint proxies to attend and vote on his behalf by written instruments and that such proxies need not be shareholders of the Company;
- (IV) specify the record date when the shareholders are entitled to attend the shareholders' general meeting have their shares registered;

Article
56 of the
Guidelines
for Articles of
Association

(V) set out the name and phone number of the standing contact person for meeting affairs;

(VI) specify the voting timing and procedures in relation to such internet or other methods.

Article 59 The notice of general meeting shall be delivered by hand or prepaid mail to the shareholders (whether or not such shareholders have a voting right at the general meeting). The address of the recipient shall be the address registered in the register of members or by way of announcement.

No. 97;
Article 102 of
the Company
Law; Rule F.2
of Part 2 of
Appendix 14
of the Listing
Rules

The “announcement” referred to in the preceding paragraph shall, for holders of domestic investment shares, be published in one or more newspapers or periodicals designated by the CSRC and the regulatory authority of the place of listing, and on the Company’s website and the website of the stock exchange. Once the announcement is made, all holders of domestic investment shares shall be deemed to have received notice of the relevant general meeting.

For H shareholders, subject to the laws, administrative regulations, the listing rules of the place where the shares of the Company are listed and these Articles of Association, the notice of a general meeting, circular of shareholders and relevant documents may be published on the websites of the Company and the Hong Kong Stock Exchange.

Article 60 Any shareholder who is entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one or more persons (not necessarily a shareholder) as his or her proxy to attend and vote on his or her behalf. The proxy so appointed may exercise the following rights pursuant to the authorization from such shareholder:

Section 14(3)
and Appendix 3

(I) such shareholder’s right to speak at the meeting;

(II) the right to demand a poll alone or jointly with others;

(III) the right to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

Article 61 Shareholders shall entrust their proxies by written instruments, which shall be made under the hand of the appointer or his or her agent entrusted in writing. Where the appointer is a legal person, the instrument shall be made additionally under the seal of a legal person or under the hand of its director or duly authorized agent.

Articles 62
and 63 of the
Guidelines
for Articles of
Association

The proxy form issued by shareholders to authorize other persons to attend the general meeting on their behalf shall clearly state the following:

(I) the name or title of the principal and the name of the proxy;

(II) the number of shares held by the principal as represented by the proxy;

(III) whether the proxy has the voting right or not;

- (IV) separate instructions as to whether to cast affirmative, negative or abstention votes on each review issue listed on the agenda of the shareholders' general meeting;
- (V) for the interim proposals that may be included in the agenda of the general meeting and specific instruction of the type of voting rights if voting power is granted;
- (VI) the signing date and the period of validity of the proxy form;
- (VII) signature (or seal) by the appointer. If the principal is a corporate shareholder, the power of attorney shall also be stamped with the seal of the legal entity.

The power of attorney shall indicate that the shareholder proxy can vote according to his/her own opinions if the shareholder does not make specific instructions.

Article 62 Proxy forms shall be deposited at the residence of the Company or at some other place specified for that purpose in the notice of meeting no later than twenty-four (24) hours prior to the meeting at which the proxy is authorized to vote or twenty-four (24) hours before the time specified for the voting. Where proxy forms are signed by a person under power of attorney on behalf of the appointor, that power of attorney or other authorization documents shall be notarially certified. The notarially certified power of attorney and other authorization documents shall, together with proxy forms, be deposited at the Company's residence or at some other place specified for that purpose in the notice of meeting.

Article
64 of the
Guidelines
for Articles of
Association;
Opinions
from HK
Clearing
House;
Section 19 of
Appendix 3

If an appointer is a legal person, its legal representative or such person authorized by resolution of its board of directors, other governing body to act as its representative may attend the general meeting.

If the shareholder is a recognized clearing house (or its agent) meeting the definitions in the relevant Hong Kong ordinances formulated from time to time, the said shareholder may authorize one or more persons as he or she deems appropriate to act on his or her behalf at any general meeting or class general meeting. However, if more than one person is thus authorized, the power of attorney shall state the number and type of shares in respect of which each such person is authorized and shall be signed by the authorized officer of the recognized clearing house. The persons thus authorized may attend a meeting on behalf of the recognized clearing house (or its agent) and exercise the same powers as if he were an individual shareholder of the Company without the need to produce the shareholding certificates, the notarized power of attorney and/or further evidence of formal authorization.

Section 5 Conduct of Shareholders' General Meetings

Article 63 The board of directors and other convenors shall adopt the requisite measures to ensure normal order of a shareholders' general meeting. Measures shall be adopted to stop any disruption of the shareholders' general meeting or trouble-making and infringement of the legitimate rights and interests of shareholders, and the matter shall be promptly reported to the relevant authorities for investigation and punishment.

Article
59 of the
Guidelines
for Articles of
Association

Article 64 All holders of ordinary shares in the register as at the date of share record or their proxies shall have the right to attend a shareholders' general meeting, and exercise voting rights pursuant to the relevant laws, regulations and these Articles of Association.

Article
60 of the
Guidelines
for Articles of
Association

A shareholder may attend the shareholders' general meeting or appoint a proxy to attend the meeting and exercise his/her/its voting rights.

Article 65 Where an individual shareholder attends the meeting personally, he/she shall present his/her identity document or any other valid credential or share account card which can prove his/her identity; where a shareholder appoints a proxy to attend the meeting, the proxy shall present his/her valid identity document and the proxy form executed by the shareholder.

Article
61 of the
Guidelines
for Articles of
Association

In the case of a corporate shareholder, its legal representative or the proxy appointed by the legal representative shall attend the meeting. Where the legal representative attends the meeting, he/she shall present his/her identity document and valid documentation to prove that he/she is the legal representative; where a proxy is appointed to attend the meeting, the proxy shall present his/her identity card and the proxy form issued by the legal representative of the corporate shareholder pursuant to the law (except that the shareholder is a recognized clearing house (or its agent) as defined from time to time in the relevant statutory provisions in Hong Kong).

Article 66 A proxy form issued by a shareholder for a shareholders' general meeting shall state the following contents:

Article
62 of the
Guidelines
for Articles of
Association

- (I) name of the proxy;
- (II) whether the shareholder has voting rights;
- (III) the instructions on voting for, against or abstention of voting for each agenda item of the shareholders' general meeting;
- (IV) date of issuance of the proxy form and the validity period;
- (V) signature (or affixation of seal) by the entrusting party. Where the entrusting party is a corporate shareholder, the seal of the corporate shareholder shall be affixed.

Article 67 A proxy form shall state whether the proxy can vote when the shareholder does not give specific instruction.

Article
63 of the
Guidelines
for Articles of
Association

Article 68 Where a proxy form for a voting proxy is signed by a person authorized by the entrusting party, the proxy form or any other authorization document shall be notarized. The notarized proxy form or any other authorization document and the proxy form for a voting proxy shall be kept at the company's premises or any other premises designated in the notice of meeting.

Article
64 of the
Guidelines
for Articles of
Association

Where the entrusting party is a legal person, its legal representative or the board of directors or the person authorized by any other decision-making organ shall represent the legal person to attend the shareholders' general meeting.

Article 69 The sign-in records for persons attending the meeting shall be prepared by the company. The sign-in records shall state the name of the persons (or organizations) attending the meeting, identity document number, address, the number of shares with voting rights held or represented, the name of the person (or organization) being represented etc.

Article
65 of the
Guidelines
for Articles of
Association

Article 70 The convenor and the lawyer engaged by the company shall jointly verify the legitimacy of shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing organization and register the name of shareholders and the number of shares with voting rights held by them. Registration for the meeting shall end before the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights held by them.

Article
66 of the
Guidelines
for Articles of
Association

Article 71 When the company convenes a shareholders' general meeting, all directors, supervisors and the board secretary shall be present at the meeting, and the general manager who is not a director of the Company and other senior management shall be present at the meeting.

Article
67 of the
Guidelines
for Articles of
Association

Article 72 The chairman of the board of directors shall chair the shareholders' general meetings. Where the chairman is unable to perform his/her duties or does not perform his/her duties, the deputy chairman shall chair the meetings; where the deputy chairman is unable to perform his/her duties or does not perform his/her duties, a director nominated by more than half of the directors shall chair the meetings.

Article
68 of the
Guidelines
for Articles of
Association

The chairman of the board of supervisors shall chair a shareholders' general meeting convened by the board of supervisors. Where the chairman of the board of supervisors is unable to perform his/her duties or does not perform his/her duties, a supervisor nominated by more than half of the supervisors shall chair the meeting.

In the case of a shareholders' general meeting convened by shareholders, the convenor shall appoint a representative to chair the meeting.

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

Article 73 A company shall formulate the rules of procedure for its shareholders' general meetings, set out the convening and voting procedures of shareholders' general meetings, including the notice, registration, deliberation of motions, voting, computation of votes, announcement of voting results, formation of meeting resolutions, minutes and the signing thereof and announcement, as well as the principle for mandates granted by shareholders' general meetings, and the contents of a mandate shall be clear and specific. The rules of procedure for shareholders' general meetings shall be an appendix of these Articles of Association, drafted by the board of directors and approved by a shareholders' general meeting.

Article
69 of the
Guidelines
for Articles of
Association

Article 74 At an annual general meeting, the board of directors and the board of supervisors shall report to the shareholders' general meeting on the work done in the past year, and each non-executive director shall give his/her work report.

Article
70 of the
Guidelines
for Articles of
Association

Article 75 The directors, supervisors and senior management shall provide explanations for inquiries and proposals raised by shareholders at a shareholders' general meeting.

Article
71 of the
Guidelines
for Articles of
Association

Article 76 Prior to voting, the chairman of the meeting shall announce the number of shareholders and proxies present at the meeting and the total number of shares with voting rights held by them, and the number of shareholders and proxies present at the meeting and the total number of shares with voting rights held by them shall be based on the registration for the meeting.

Article
72 of the
Guidelines
for Articles of
Association

The board secretary shall be responsible for recording of the minutes of the shareholders' general meetings.

Article
73 of the
Guidelines
for Articles of
Association

The minutes of meeting shall state the following contents:

- (I) time, venue, agenda of meeting and name of convenor(s);
- (II) name of the chairman of meeting and directors, supervisors, general manager and other senior management present or in attendance at the meeting;
- (III) the number of shareholders and proxies present at the meeting, the total number of shares held by them and the respective shareholding percentage with respect to the company's total number of shares;
- (IV) deliberation process, key points of speech and voting result for each motion;
- (V) questions and suggestions raised by shareholders and the corresponding replies and explanations;
- (VI) names of lawyer, counting agent(s) and scrutineer(s);
- (VII) any other contents to be included in the minutes as stipulated by these Articles of Association.

Article 77 The convenor(s) shall ensure the veracity, accuracy and integrity of the contents of the minutes. The directors, supervisors, board secretary, the convenor(s) or their representatives present at the meeting and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the sign-in records of the shareholders present at the meeting, the power of attorney of each proxy and other valid materials for online and other voting methods; the minutes and such materials shall be kept for not less than 10 years.

Article
74 of the
Guidelines
for Articles of
Association

Article 78 The convenor shall ensure that the shareholders' general meeting is held continuously until the final resolution is passed. In the event that a shareholders' general meeting is suspended or unable to pass resolutions under special circumstances such as force majeure, the requisite measures shall be adopted to resume the shareholders' general meeting as soon as possible or to terminate the shareholders' general meeting, and an announcement shall be promptly made.

Article
75 of the
Guidelines
for Articles of
Association

Section 6 Voting and Resolutions at Shareholders' General Meetings

Article 79 Resolutions of a shareholders' general meeting shall comprise ordinary resolutions and special resolutions.

Article
76 of the
Guidelines
for Articles of
Association

An ordinary resolution of a shareholders' general meeting shall be passed by one half or above of voting rights of shareholders who are present at the shareholders' general meeting (including their proxies).

A special resolution of a shareholders' general meeting shall be passed by two-thirds or more of the voting rights of shareholders who are present at the shareholders' general meeting (including their proxies).

Article 80 Shareholders (including their proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be accorded with one vote. When voting, shareholders (including their proxies) entitled to two or more votes are not required to cast all votes for or against in the same way.

Article
79 of the
Guidelines
for Articles of
Association;
Section 14(4)
of Appendix 3

The shares in the company held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of shareholders present at the shareholders' general meeting. If a shareholder buys voting shares of the Company in violation of the provisions of Article 63 (1) and (2) of the Securities Law, such shares in excess of the prescribed proportion shall not be entitled to exercise voting rights for a period of thirty-six months after the purchase, and shall not be counted in the total number of voting shares represented by shareholders attending the shareholders' general meeting.

Where any shareholder is, under applicable laws and regulations and the listing rules of the stock exchange where the Company's shares are listed, required to abstain from voting on any particular matter being considered or restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder or proxy in contravention of such requirement or restriction shall not be counted.

Article 81 Unless a poll is required pursuant to the laws and regulations and the requirements of the local securities regulatory authority or stock exchange where the Company's shares are listed, or any of the following persons requests a poll before or after voting by hand, votes at the shareholders' general meeting shall be taken by show of hands:

- (I) the chairman of the meeting;
- (II) at least two shareholders with voting rights or proxies with voting rights; and
- (III) one or several shareholders (including their proxies) that hold, individually or collectively, more than one-tenth (inclusive) of the shares carrying the right to vote at the meeting.

Unless otherwise required by the laws and regulations and the requirements of the local securities regulatory authority or stock exchange where the Company's shares are listed, or a vote is held by ballot in accordance with the preceding paragraph, the chairman of the meeting shall announce whether the proposal has been passed in accordance with the results of the vote by show of hands, and shall record the same in the minutes of the meeting (without need to evidence the number of votes for or against the resolutions adopted at the meeting, or the percentages thereof), which shall be conclusive evidence.

The demand for a vote by ballot may be withdrawn by the person who made it.

Article 82 The following matters shall be passed as ordinary resolutions of a shareholders' general meeting:

Article
77 of the
Guidelines
for Articles of
Association

- (I) the work report of the board of directors or the board of supervisors;
- (II) the profit distribution plan and plans for making up losses drafted by the board of directors;
- (III) the appointment or removal of members of the board of directors or the board of supervisors and their remuneration and payment method;
- (IV) the annual budget plan and final accounts of the Company;
- (V) the annual report of the Company; and
- (VI) matters other than those to be passed by a special resolution under relevant laws, administrative regulations, listing rules of stock exchange where the Company's shares are listed or requirements of the provisions of the Articles of Association.

Article 83 The following matters shall be passed as special resolutions of a shareholders' general meeting:

Article
78 of the
Guidelines
for Articles of
Association;
Section 21 of
Appendix 3

- (I) the increase or reduction of the registered capital by the Company;
- (II) the division, spin-off, merger, dissolution or liquidation of the Company;
- (III) any amendment to the Articles of Association of the Company;
- (IV) purchase or sale of significant assets within a year or guarantee which exceeds 30% of the Company's audited total assets for the latest period alone or in aggregation;
- (V) share option incentive plan;
- (VI) any repurchase of shares of the Company;
- (VII) any other matters stipulated by laws, administrative regulations, the listing rules of stock exchange where the Company's shares are listed, or requirements of the provisions of the Articles of Association, which have a significant impact on the company if to be passed by an ordinary resolution of a shareholders' general meeting and which are deemed necessary to be passed as a special resolution.

Article 84 When a shareholders' general meeting deliberates on matters pertaining to connected transactions, related shareholders shall abstain from voting, the shares with voting rights held by them shall not be included in the total number of valid votes; the announcement on resolutions of shareholders' general meeting shall make full disclosure of votes of non-related shareholders.

Article
80 of the
Guidelines
for Articles of
Association

Article 85 The list of candidates for directors and supervisors (not being staff representatives) shall be tabled in the form of a motion at a shareholders' general meeting for voting.

Article
82 of the
Guidelines
for Articles of
Association

When a shareholders' general meeting votes on election of directors and supervisors (not being staff representatives), the cumulative voting system may be implemented pursuant to the provisions of Articles of Association or the resolution of a shareholders' general meeting.

The cumulative voting system referred to in the preceding paragraph shall mean that when a shareholders' general meeting elects directors or supervisors (not being staff representatives), each share shall have voting rights which are the same as the number of directors or supervisors to be elected, and the voting rights held by a shareholder may be used together. The board of directors shall announce the curriculum vitae and basic information of candidates for directors and supervisors to the shareholders.

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

- (I) where a cumulative voting system is used to elect directors and supervisors, candidates for independent non-executive directors, non-independent non-executive directors and supervisors shall be divided into different proposal groups for voting at the shareholders' general meeting;
- (II) shareholders attending the shareholders' general meeting shall have the same number of votes as the number of directors or supervisors to be elected under each proposal group for each share held in the proposal subject to the cumulative voting system;
- (III) the number of votes held by shareholders can be cumulatively cast for one candidate or several candidates. Shareholders should vote within the number of votes for each proposal group. In the event that the number of votes cast by the shareholder exceeds the number of the votes he/she holds, or the shareholder casts votes in a number exceeding the number of candidates in the competitive election, the vote on such resolution shall be deemed invalid;
- (IV) upon completion of voting, the votes will be counted cumulatively in respect of each resolution.

Article 86 The approach and procedures for nomination of candidates for directors and supervisors are as follows:

Rule 13.70,
13.74 of the
Listing Rules

- (I) shareholder(s) severally or jointly holding 3% or more of the total outstanding issued voting shares of the Company may, by way of a written proposal, put forward to the shareholders' general meeting about the candidates for directors and supervisors (not being staff representatives), provided that the number of candidates proposed shall comply with the provisions of the Articles of Association, and shall not be more than the number to be elected. The aforesaid proposal put forward by shareholders to the Company shall be served to the Company at least 14 days before the convening of the shareholders' general meeting.

- (II) within the numerical limit specified by the Articles of Association and based on the proposed number of candidates to be elected, the board of directors and the board of supervisors may propose a list of candidates for directors and supervisors, which shall be submitted to the board of directors and the board of supervisors for examination, respectively. After the candidates for directors and supervisors are examined and accepted by the board of directors and the board of supervisors as candidates, a written proposal shall be submitted to the shareholders' general meeting. The nomination of candidates for independent non-executive directors shall be made in accordance with the laws, regulation and the regulation rules of the place where the Company's shares are listed.
- (III) the written notices of the intention to nominate candidates for directors and supervisors and their consent to accept the nomination and the detailed written information of the nominees shall be lodged with the Company no less than 14 days prior to the date of the shareholders' general meeting. The board of directors and the board of supervisors shall provide shareholders with biographical details and basic information of the candidates for directors and supervisors.
- (IV) the period given by the Company to the relevant nominators and candidates for providing the aforesaid notice and documents shall be not less than 7 days (such period shall commence from the day following the date of serving the notice of the shareholders' general meeting).
- (V) at the shareholders' general meeting, voting for each candidate for a director and supervisor shall be taken on a one-by-one basis.
- (VI) in case of any need of addition to or change in any director or supervisor, the board of directors or the board of supervisors shall be responsible for putting forward a proposal to the shareholders' general meeting for the selection or change of a director or supervisor.

Article 87 In addition to the cumulative voting system, a shareholders' general meeting shall vote on the motions one-by-one. Where there are different motions for the same matter, voting shall be carried out in accordance with the sequence of the motions. Except where a shareholders' general meeting is suspended or cannot pass a resolution under special circumstances such as force majeure, the shareholders' general meeting shall not stay a motion or pass on voting for a motion.

Article
83 of the
Guidelines
for Articles of
Association

Article 88 A shareholders' general meeting deliberating on a motion shall not amend the motion, otherwise the relevant amendment shall be deemed as a new motion, and shall not be voted at the shareholders' general meeting.

Article
84 of the
Guidelines
for Articles of
Association

Article 89 Voting at a shareholders' general meeting shall adopt the form of open ballot.

Article
86 of the
Guidelines
for Articles of
Association

Article 90 Prior to voting on a motion, a shareholders' general meeting shall nominate two shareholder's representatives as counting agent and scrutineer. Where a shareholder is related in the matter to be deliberated, he/she and his/her proxy shall not be appointed as counting agent or scrutineer.

Article
87 of the
Guidelines
for Articles of
Association

When a shareholders' general meeting votes on a motion, the lawyer, shareholder's representatives and supervisor's representatives shall be jointly responsible for counting of votes and scrutineer duties, and announce the voting results on the spot; the voting results for resolutions shall be recorded in the minutes.

Shareholders or their proxies of the Company voting online or via any other method shall have the right to check their voting results through the corresponding voting system.

Article 91 Shareholders present at a shareholders' general meeting shall give one of the following opinions for a motion tabled for voting: consent, objection or abstention of voting.

Article
89 of the
Guidelines
for Articles of
Association

Votes which are left blank, wrongly written or illegible or votes which are not cast shall be deemed as waiver of voting rights by the voter, and the voting results for his/her shares shall be classified as "abstention of voting".

Article 92 Where the chairman of the meeting has any doubt over the voting results, he/she may organize counting of votes; where the chairman of the meeting does not conduct counting of votes, a shareholder present at the meeting or his/her/its proxy who disagrees with the voting results announced by the chairman of the meeting shall have the right to request for counting of votes immediately after announcement of the voting results, and the chairman of the meeting shall forthwith organize counting of votes.

Article
90 of the
Guidelines
for Articles of
Association

Article 93 Where a shareholders' general meeting has resolved on election of the relevant directors and supervisors, the newly-elected directors and supervisors shall take office on the date which the election motion was passed at the shareholders' general meeting.

Article
93 of the
Guidelines
for Articles of
Association

Article 94 Where the motion for cash dividend, bonus shares or conversion of capital reserve to share capital is passed at a shareholders' general meeting, the Company shall implement the specific plan within two months from conclusion of the shareholders' general meeting.

Article
94 of the
Guidelines
for Articles of
Association

* *For identification purpose only*

CHAPTER FIVE THE BOARD OF DIRECTORS

Section 1 Directors

Article 95 The directors of the Company shall be natural persons. The following persons shall not serve as the directors of the Company:

Article
95 of the
Guidelines for
Articles

- (I) persons without capacity or with limited capacity for civil acts;
- (II) persons who were sentenced to criminal punishment for the crime of corruption, bribery, misappropriation of property or diversion of property or for disrupting the order of the socialist market economy, where not more than five years have elapsed since the expiration of the period of punishment; or persons who were deprived of their political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation;
- (III) persons who served as directors, or factory directors or managers, who bear personal liability for the bankruptcy liquidation of their companies or enterprises, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation;
- (IV) persons who served as the legal representatives of companies or enterprises that had their business licenses revoked for breaking the law, where such representatives bear individual liability therefor and not more than three years have elapsed since the date of revocation of the business license;
- (V) persons with comparatively large debts that have fallen due but have not been settled;

(VI) persons who have been prohibited from participating in securities market by the CSRC and such duration has not expired

(VII) any other person stipulated by laws, administrative regulations or departmental rules.

If a director is elected or appointed in violation of this Article, such election, appointment or engagement shall be invalid. Where a director falls under the circumstances referred to in the Articles of Association during his/her tenure, the Company shall terminate his/her appointment.

Article 96 Directors shall be elected or replaced at the general meeting and the general meeting may remove any director before the expiration of his/her term of office. A director's term shall be three years, and may be renewed upon re-election when it expires.

Article
96 of the
Guidelines for
Articles

A director's term of office shall commence from the date when he/she takes office and end upon expiry of the term of current session of the board of directors. After expiry of a director's term of office but before a new director is elected and takes office, the retiring director shall continue to perform his/her duty as a director pursuant to laws, administrative regulations, department rules and the Articles of Association.

The manager or other senior management members may concurrently serve as directors, provided that the total number of directors who concurrently serve as the manager or other senior management members and the total number of directors who are served by employee representatives shall not exceed half of the total directors of the Company.

Article 97 Directors shall abide by laws, administrative regulations and the Articles of Association, and bear the following fiduciary duties to the Company:

Article
97 of the
Guidelines for
Articles

- (I) not taking advantage of his or her position to accept bribes or illegal income, not appropriating property of the Company;
- (II) not diverting Company funds;
- (III) not opening an account in his or her own name or in the name of another individual and depositing Company assets or funds therein;
- (IV) not breaching the Articles of Association by lending company funds to a third party or using company property to provide security for a third party without the consent of the shareholders' general meeting or the board of directors;
- (V) not entering into contracts or transactions with the Company in breach of the Articles of Association or without the consent of the shareholders' general meeting;
- (VI) not using the advantages of his or her office to appropriate for himself/herself or for others, business opportunities which rightly belong to the Company or operate a business for his or her own account or on behalf of others which is of the same type as the Company's business without the consent of the shareholders' general meeting;

- (VII) not accepting for himself/herself commissions in connection with Company transactions;
- (VIII) not disclosing Company secrets without authorization;
- (IX) not using his or her connected relationships to harm the interests of the Company; and
- (X) other fiduciary duties specified in laws, administrative regulations, departmental rules and the Articles of Association.

Income derived by a director in breach of this Article shall belong to the Company. If the Company sustains a loss as result of such breach, the director shall be liable for damages.

Article 98 Directors shall observe the laws, administrative regulations and the Articles of Association and owe the following due diligence duties to the Company:

Article
98 of the
Guidelines for
Articles

- (I) he shall exercise the rights conferred by the Company cautiously, earnestly and diligently in order to ensure that the Company's business activities are in compliance with the requirements of national laws, administrative regulations and various economic policies, and that the business activities do not exceed the business scope specified in the business license;
- (II) he shall treat all shareholders impartially;
- (III) he shall have a timely understanding of the status of the Company's business operation and management;
- (IV) he shall sign a written confirmation of comments on the Company's periodic reports, and ensure that information disclosed by the Company is true, accurate and complete;
- (V) he shall truthfully provide relevant information and materials to the supervisory committee, without prejudice to the exercise of functions and powers by the supervisory committee or supervisors;
- (VI) other duties of diligence stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Article 99 A director shall be taken to have failed to perform his/her duties if he misses or fails to appoint any other directors to attend on his/her behalf two consecutive meetings of the board of directors. The board of directors shall propose the removal of such director at a shareholders' general meeting.

Article
99 of the
Guidelines for
Articles

Article 100 A director may resign before the expiration of his/her term of office. The directors who resign shall submit to the board of directors a written report on their resignation. The board of directors shall disclose relevant details within two days.

Article
100 of the
Guidelines for
Articles

In case that the number of directors falls short of the quorum of the board of directors as a result of a director's resignation, before the succeeding director takes office, the former director shall continue to discharge his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

Other than the circumstances set out in the preceding paragraph, the resignation of a director shall become effective upon the receipt of his/her resignation report by the board of directors.

Article 101 Upon the coming into force of a resignation or expiration of the term of office, a director shall complete all transfer procedures for the board of directors. The fiduciary duty owed by such director to the Company and shareholders shall not be released after the termination of his/her tenure. A director's confidentiality obligations in respect of commercial secrets of the Company shall remain effective after the termination of his/her tenure until such secrets have become open information.

Article
101 of the
Guidelines for
Articles

Article 102 No director shall act, in his/her personal capacity, on behalf of the Company or the board of directors in violation of the provisions set out in the Articles of Association or without appropriate authorization by the board of directors. A director shall, when acting in his/her personal capacity, state his/her purposes and identities in advance if a third party reasonably believes that the said director is acting on behalf of the Company or the board of directors.

Article
102 of the
Guidelines for
Articles

Article 103 A director shall be liable for any losses of the Company resulting from any violations of the laws, administrative regulations or the Articles of Association during the performance of his/her duties.

Article
103 of the
Guidelines for
Articles

Article 104 A director shall be liable for any losses of the Company as a result of his/her withdrawal from the office without permission prior to the expiration of his/her term of office.

Rule 4(3) of
Appendix 3

Subject to the relevant laws and administrative regulations, a director may be removed from office prior to the expiration of his/her term of office by means of an ordinary resolution at a shareholders' general meeting, however, any claims which may be lodged according to any contracts shall remain unaffected thereby.

Section 2 Independent Non-executive Directors

Article 105 The Company shall establish an independent non-executive director system. Independent non-executive directors are directors holding no positions other than that of directors in the Company, and having no relationship with the Company and its substantial shareholders (only provided under this Article that substantial shareholders are those shareholders individually or jointly holding more than 5% of total number of the Company's shares with voting rights) as to hinder their independent and objective judgments, and complying with the provisions of the Listing Rules of the place where the Company's shares are listed in relation to the independence of directors. At least one-third of the members of the board of directors of the Company shall be independent non-executive directors, of whom at least one shall be a financial or accounting professional.

Articles 2, 4,
15 and 20 of
the Rules for
Independent
Directors;
Rule 3.10 of
the Listing
Rules

The term of office for independent non-executive directors shall be three years, and renewable upon re-election and re-appointment, but shall not exceed nine years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed.

If an independent non-executive director fails to meet the conditions of independence or another circumstance arises which makes it inappropriate for him or her to perform his or her duties and responsibilities as an independent non-executive director, thereby causing the failure of the Company to meet the requirements of these Articles of Association concerning the number of independent non-executive directors, the Company shall make up the number of independent non-executive directors in accordance with regulations.

Article 106 Independent non-executive directors shall satisfy the following fundamental requirements:

Article 9 of the Rules for Independent Directors

- (I) to be qualified for directors of a listed company as provided in laws, administrative regulations and other relevant regulations;
- (II) to possess the independence required by the Rules for Independent Directors;
- (III) to possess the basic knowledge of the operations of listed companies, and be familiar with relevant laws, administrative regulations, regulations and rules;
- (IV) to possess more than five years' working experience in the legal or economic sectors or other areas necessary for performing the duties of an independent non-executive director; and
- (V) other requirements provided in laws, regulations and the Articles of Association.

Article 107 The Company may terminate the employment of such independent non-executive director in accordance with legal procedures before the expiration of his/her tenure. If an independent non-executive director is dismissed before the expiration of his/her tenure, the Company shall disclose the same as a matter for special disclosure.

Articles 16 and 17 of the Rules for Independent Directors

Should an independent non-executive director fail to attend in person the board meetings for three times in succession, the board of directors may propose to the shareholders' general meeting for replacing such director.

Article 108 All matters not prescribed in this section for the independent non-executive director system shall be handled pursuant to relevant laws, regulations, rules and listing rules of the stock exchange where the Company's shares are listed.

Section 3 board of directors

Article 109 The Company shall have a board of directors, which is accountable to the general meeting. The board of directors shall be composed of 11 directors, of which no less than three shall be independent non-executive directors, accounting for at least one-third of the members of the board of directors.

Articles 105 and 106 of the Guidelines for Articles; Rules 3.10 and 3.10A of the Listing Rules

Article 110 The board of directors shall report to the general meeting and exercise the following powers:

- (I) to convene general meetings and report its work to the general meeting;
- (II) to implement the resolutions of general meetings;
- (III) to formulate the Company's medium and long-term strategic development plans and to monitor and adjust the implementation thereof;
- (IV) to decide on the Company's business goals, business plans and investment plans;
- (V) to formulate the Company's preliminary and final annual financial budgets;

Article 107 of the Guidelines for Articles

- (VI) to formulate the Company's profit distribution proposal and loss recovery proposal;
- (VII) to formulate proposals for the increase or reduction of the Company's registered capital and for the issuance of the Company's debentures or other securities and listing;
- (VIII) to formulate plans for material acquisitions, mergers and acquisition of the shares of the Company, consolidation, division, dissolution or change of the form of the Company;
- (IX) to determine, to the extent authorised by the general meeting, on such matters as the external investments, purchase or sale of assets, assets pledge, external guarantee, entrusted banking, connected transactions and external donations of the Company;
- (X) to decide on the establishment and staffing of the relevant working body of the board of the directors and the internal management body of the Company;
- (XI) to decide on appointment or dismissal of the Company's general manager, the secretary to the board of directors and other senior management, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the deputy general manager, chief accountant, chief engineer, general counsel, secretary to the board of directors, assistant to the general manager and other senior management based on the nomination of the general manager, and decide on their remuneration, rewards and punishments;
- (XII) to formulate the Company's basic management system;
- (XIII) to formulate proposals for any amendment of the Articles of Association;
- (XIV) to manage the information disclosure of the Company;
- (XV) to propose to the general meeting for engagement or replacement of the accountancy firm that does auditing for the Company;
- (XVI) to hear reporting from the Company's general manager and inspect the performance of the general manager;
- (XVII) to appoint and replace directors and supervisors who are not employee representatives of the wholly-owned or controlling subsidiaries of the Company, nominate candidates for senior management of such subsidiaries, and decide on matters relating to their remuneration; to nominate candidates for directors, supervisors and senior management of the subsidiaries of the Company;
- (XVIII) to consider and approve the equity transfer of wholly-owned subsidiaries, controlling subsidiaries and joint-stock subsidiaries held by the Company;
- (XIX) to authorise the chairman and the general manager of the Company to decide on material matters of the Company within the scope of authorisation;
- (XX) to exercise any other powers conferred by the laws, regulations, the requirements of listing rules of exchange(s) where shares of the Company are listed, the general meeting and the Articles of Association.

In respect of the board of directors resolutions relating to matters specified above, except for those (VII), (VIII) and (XIII) which shall be passed by more than two-thirds of all directors, the remaining resolutions may be passed by more than half of all directors.

Article 111 The board of directors shall also be responsible for the following matters:

- (I) to formulate, review and improve the Company's policies and practices on corporate governance;
- (II) to review and monitor the training and continuous professional development of directors and senior management officers;
- (III) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements of the securities regulatory authorities of the place where the shares are listed (including, but not limited to, compliance with the Corporate Governance Code), and to make disclosures (including, but not limited to, disclosures in the Corporate Governance Report) thereof accordingly;
- (IV) to formulate, review and monitor the code of conduct and compliance manual applicable to employees and directors of the Company.

Code
Provision
A.2.1 in Part
2 of Appendix
14 to the
Listing Rules

The board of directors shall be responsible for the above corporate governance functions. It may also assign this responsibility to one or more special committees under the board of directors.

Article 112 The board of directors shall explain to the general meeting when a registered accounting firm issues a non-standard audit opinion regarding the Company's financial report.

Article
108 of the
Guidelines for
Articles

Article 113 The board of directors shall formulate the rules of procedure for board meetings to ensure the implementation of the resolutions of the general meeting by the board, to enhance work efficiency and secure scientific decision making. The board of directors shall formulate the rules of procedures of board of directors, which shall be approved by the general meeting.

Article
109 of the
Guidelines for
Articles

Article 114 The board of directors shall establish strict examination and approval procedures by setting the scope of authority for conducting foreign investment, purchase and sale of assets, asset pledge, external guarantee, entrusted banking, related party transactions and external donations; for material investment projects, it shall arrange for the same to be evaluated by experts and professionals and submit the same to the shareholders' general meeting for approval.

Article
110 of the
Guidelines for
Articles

Article 115 The board of directors shall have one chairman, two vice chairmen, if necessary, who shall be elected and removed by a majority of all directors. The term of office shall be three years, renewable upon re-election.

Article
111 of the
Guidelines for
Articles

Article 116 The chairman of the board of directors is entitled to the following functions and powers:

Article
112 of the
Guidelines for
Articles

- (I) to preside over general meetings and to convene and preside over board meetings;
- (II) to supervise and check on the implementation of resolutions of the general meeting and the board of directors;
- (III) to exercise other functions and powers as conferred by the board of directors.

Article 117 The vice-chairman shall assist the chairman in work. In the event that the chairman is unable to perform his/her duties or fails to perform his/her duties, the duties shall be performed by the vice-chairman. If the vice-chairman is unable or fails to perform his/her duties, a director jointly elected by not less than half of the directors shall perform such duties on behalf of the vice-chairman.

Article 113 of the Guidelines for Articles

Article 118 Meetings of the board of directors shall be classified into the regular meetings and extraordinary meetings. Regular meetings shall be convened at least four times every year by the board of directors. The meetings shall be convened by the chairman of the board of directors.

Articles 114 and 115 of the Guidelines for Articles; Code Provision A.1.1 of Appendix 14

The chairman of the board of directors, shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the supervisory committee have the right to propose to convene an extraordinary meeting of the board of directors. The chairman of the board of directors shall convene and preside over an extraordinary meeting of the board of directors within ten days upon receipt of the proposal.

Article 119 Notice of the board meetings and extraordinary meetings of the board of directors may be delivered by hand, e-mail or via facsimile. Deadline for serving the notices shall be fourteen days prior to the date of a regular meeting of the board of directors or five days before the date of an extraordinary meeting of the board of directors, which shall serve a written notice to all directors, supervisors, general manager and the secretary to the board of directors in principle.

Article 116 of the Guidelines for Articles

In case of emergency, if an extraordinary meeting of the board of directors needs to be convened as soon as possible, the notice of meeting may be sent by telephone or other verbal means at any time, however, the convener shall make explanations at the meeting and record the same in the minutes of the meeting.

Article 120 A notice of a meeting of the board of directors shall include the following particulars:

Article 117 of the Guidelines for Articles

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;
- (III) the reasons for holding the meeting and the topics to be discussed thereat;
- (IV) the date of issuance of the notice;
- (V) the method by which the meeting is to be held.

A notice given orally shall, at minimum, include the particulars set forth in items (I) and (V) above and an explanation that the circumstances are urgent and an interim meeting of the board of directors needs to be held as soon as possible.

Article 121 Meetings of the board of directors shall be held only when more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors.

Articles 118 and 121 of the Guidelines for Articles

Directors shall attend meetings of the board of directors in person. If a director is unable to attend a meeting for any reason, he/she may appoint another director by a written power of attorney specifying the scope of the authorisation to attend the meeting on his/her behalf. The proxy director attending the meeting shall exercise the rights of the director within the scope of authorisation. If a director fails to attend a meeting of the board of directors and does not appoint a proxy to attend on his/her behalf, he/she shall be deemed to have waived his/her voting rights at such meeting.

Supervisors may attend meetings of the board of directors; if the general manager and the secretary to the board of directors do not concurrently serve as directors, they shall attend meetings of the board of directors. If the convener considers necessary, he/she may notify other relevant persons to attend the meetings of the board of directors.

Article 122 Once each motion has been fully discussed, the chairman shall propose that the directors present at the meeting vote thereon.

Article
118 of the
Guidelines for
Articles

When voting on board resolutions, each director shall have one vote.

The voting options open to directors are consent, opposition or abstention. The directors present at a meeting shall select one from among the foregoing options. If a director fails to select any of the options or selects two or more of the options, the chairman of the meeting shall require him or her to select again. If he or she refuses to make a selection, he or she shall be deemed to abstain. If a director leaves the venue during the course of a meeting without returning to make a selection, he or she shall be deemed to abstain.

Article 123 Votes at meetings of the board of directors held in person (including meetings held by video conference) shall be held by disclosed ballot. If a director attends a meeting held in person by telephone conference or by way of other such communication equipment, so long as the directors attending the meeting in person can clearly hear what he says and communicate with him or her, all the directors in attendance shall be deemed to have attended the meeting in person. Subject to ensuring the full expression by the directors of their opinions at a meeting of the board of directors, votes may be held and resolutions may be adopted by means of correspondence, and such resolutions shall be signed by the directors in attendance. However, the regular meetings of the Board and the meetings for considering matters in which the Board considers substantial shareholders (the substantial shareholders in this section only refer to those shareholders who individually or jointly hold more than ten percent of the total voting shares of the Company) or directors have a material conflict of interest and the appointment and dismissal of the secretary to the board of directors shall not be held by way of communication voting. A deadline shall be set for votes held by means of correspondence, and if a director fails to express his or her opinion by the specified deadline, he shall be deemed to abstain.

Code
Provisions
C.5.1, C.5.7
and C.6.2
in Part 2 of
Appendix 14
to the Listing
Rules

For a motion deliberated on at a meeting of the board of directors to be carried and constitute the corresponding resolution, more than half of all of the Company's directors must cast an affirmative vote therefor. When the numbers of votes for and against are equal, the Chairman shall be entitled to an additional vote. If laws, administrative regulations or the Articles of Association require the consent of a larger number of directors for the adoption of a resolution, such provisions shall prevail.

In the event of a conflict between the content and import of different resolutions, the resolution adopted the later in time shall prevail.

Article 124 If any director is associated with an enterprise that is involved in the matters to be resolved by a board meeting, he shall neither exercise his/her voting rights for such matters, nor exercise voting rights on behalf of other directors. Such board meeting shall be convened by a majority of the non-connected directors present thereat. Resolutions made at the board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the board meeting is less than three (3), such matters shall be submitted to a shareholders' general meeting for consideration.

Article
119 of the
Guidelines for
Articles

The definition and scope of connected directors shall be determined in accordance with the rules of the securities regulatory authorities and the stock exchange of the place where the Company's shares are listed.

Article 125 If at least one-quarter of the directors or at least two independent non-executive directors believe that they are unable to reach a determination on a relevant matter because the motion of the board of directors is unclear or unspecific, the meeting materials are insufficient or other such reason, they may jointly propose that discussion of the motion in question may be postponed to a later time. In such circumstances, the board of directors shall accept the proposal.

The directors who proposed postponement of the discussion shall put forth clear requirements in respect of the conditions that are to be satisfied for the motion to be submitted again for consideration.

Article 126 The Board shall keep minutes of the resolutions on the businesses transacted at the board meetings. The attending directors and the recorder shall sign the minutes. The minutes shall be kept for ten years. The directors shall be responsible for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations or the Articles of Association, the directors casting votes on the resolution shall be liable for any consequential loss of the Company. However, if it is proved that a director expressly objected to the resolution when the resolution was voted on, and that such objections were recorded in the minutes of the meeting, such director may be exempt from such liability.

Article 127 The minutes of the board of directors shall at least record the following:

- (I) the date, venue and name of the convener of the meeting;
- (II) the names of the directors present at the meeting and the names of the directors (proxies) appointed by others to be present at the meeting;
- (III) the agenda of the meeting;
- (IV) the gist of directors' speech;
- (V) the voting method and results of each resolution (the voting results shall state the number of affirmative votes, dissenting votes and abstention votes).

Article 128 The Company's board of directors shall have the audit committee, and may have relevant special committees such as the nomination committee and remuneration and appraisal committee. The special committees shall be responsible to the board of directors, and perform their duties according to the Articles of Association and the authorisation granted by the board of directors. The proposals shall be submitted to the board of directors for consideration and approval. All members of the special committees are composed of directors, among which the number of independent non-executive directors shall be the majority of the audit committee, nomination committee and remuneration and appraisal committee, and they shall act as the chairman of the committees. The chairman of the audit committee shall be an accounting professional. The board of directors is responsible for formulating the working procedures of the special committees and regulating their operations.

CHAPTER SIX SECRETARY OF THE BOARD OF DIRECTORS

Article 129 The Company shall have one secretary to the board of directors, who shall be engaged and dismissed by the board of directors. The secretary to the board of directors shall be a member of the senior management of the Company and be accountable to the Company and the board of directors.

Article 130 The secretary to the Company's board of directors shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the board of directors. His/her primary responsibilities are:

- (I) to organise the preparation and submission of reports and documents issued by the board of directors and general meetings as required by competent authorities;
- (II) to organise board meetings and general meetings, be responsible for recording of the meetings and keep meeting documents and records;
- (III) to deal with the information disclosure issues;
- (IV) to ensure persons entitled to obtain related records and documents of the Company timely obtain such records and documents;
- (V) to perform other duties required by laws, regulations and the Articles of Association and required by the securities regulatory authorities of the place where the shares of the Company are listed.

CHAPTER SEVEN GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

Article 131 The Company shall have one general manager, who shall be nominated by the chairman of the Board and appointed or dismissed by the board of directors. If necessary, there shall be a number of deputy general managers, one chief accountant, one chief engineer, one chief economist, one secretary to the board of directors, one general counsel and three assistants to general manager.

Article 124 of the Guidelines for Articles; Code Provision C.2.1 in Part 2 of Appendix 14 to the Listing Rules

The term of office of the general manager and deputy general manager shall be three (3) years, renewable upon re-appointment.

Article 132 The provisions of Article 95 of the Articles of Association on inappropriate candidates for directors shall apply to senior management members.

Article 125 of the Guidelines for Articles

The fiduciary obligations stipulated in Article 97 of the Articles of Association and the diligence obligations stipulated in items (IV), (V) and (VI) of Article 98 shall apply to senior management members concurrently.

Article 133 Any person who holds administrative positions in the controlling shareholder of the Company other than as a director or supervisor shall not serve as a senior management member of the Company.

Article 126 of the Guidelines for Articles

Senior management members of the Company may only receive remuneration from the Company and may not be paid by the controlling shareholder.

Article 134 The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

- (I) to be in charge of the Company's production, operation and management, and to organise the implementation of the resolutions of the board of directors and report on works to the board of directors;
- (II) to organise the implementation of the Company's annual business plan and investment proposals;
- (III) to draft plans for the establishment of the Company's internal management organizations;
- (IV) to draft the Company's basic management system;
- (V) to formulate specific rules and regulations for the Company;
- (VI) to propose to the board of directors on the appointment or dismissal of deputy general manager, chief accountant, chief engineer, chief economist, general counsel, assistant to general manager and other senior management members of the Company;
- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (VIII) to review and approve the feasibility study report on production, operation, investment, renovation, infrastructure projects and scientific research and development within the annual plan of the Company; to decide on the use or arrangement of the Company's relevant funds and assets in accordance with the Company's annual plan;
- (IX) to handle major emergencies of the Company;
- (X) to decide and handle external affairs on behalf of the Company within the authorisation of the board of directors;
- (XI) to handle all kinds of litigation, arbitration or mediation in relation to the Company;
- (XII) to study and propose the Company's strategic planning and medium and long-term development plans;
- (XIII) loans (comprehensive credit) within the budget approved by the board of directors shall be determined by the management and approved by the Chairman; loans exceeding the budget approved by the board of directors shall be reviewed by the management and submitted to the board of directors for approval;
- (XIV) to propose a plan for the use of annual payroll, which shall be implemented after discussion and approval;
- (XV) to prepare the Company's annual operating budget, investment budget and financial budget;
- (XVI) other functions and powers conferred by the Articles of Association or the board of directors.

Article 135 The general manager shall attend meetings of the board of directors; a general manager who is not a director shall not have any voting rights at board meetings.

Article 128 of the Guidelines for Articles

Article 136 The general manager shall formulate working rules of the general manager, and submit for approval by the board of directors before implementation.

Article 129 of the Guidelines for Articles

Article 137 The general manager's working rules include the following contents:

Article 130 of the Guidelines for Articles

- (I) the conditions and procedures for convening of the general manager meetings and the participants;
- (II) the respective duties of the general manager, the deputy general manager and other senior management members, and the division of work;
- (III) authority for application of the Company's funds and assets, execution of significant contracts, and the reporting system to the board of directors and the board of supervisors;
- (IV) any other matters deemed necessary by the board of directors.

Article 138 The general manager may tender resignation prior to his/her term of office. The detailed procedures and methods relating to resignation of the general manager shall be stipulated in the employment contract between the general manager and the Company.

Article 131 of the Guidelines for Articles

Article 139 Senior management members who violate the provisions of laws, administrative regulations, departmental rules or the Articles of Association in the course of performing their duties and cause the Company to suffer losses shall be liable for compensation.

Articles 134 and 135 of the Guidelines for Articles

Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior management member of the Company causes damage to the interests of the Company and its public shareholders due to failure in faithfully performing their duties or violation of his/her fiduciary duties, he/she shall be liable for compensation in accordance with laws.

The board of directors signs employment agreements and letters of responsibility for business performance with management members, signs engagement contracts and letters of responsibility for business performance with the professional managers and prepares the Position Manual and List of Powers and Responsibilities for management members.

CHAPTER EIGHT THE SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 140 The provisions of Article 95 of the Articles of Association on inappropriate candidates for directors shall also apply to candidates for supervisors. The directors, general manager and other senior management members of the Company shall not act concurrently as supervisors.

Article 136 of the Guidelines for Articles

Article 141 Supervisors shall comply with laws, administrative regulations and the Articles of Association and bear fiduciary obligations and diligence obligations towards the Company. They shall not abuse their authority to accept bribes or other illegal income and shall not misappropriate the properties of the Company.

Article 137 of the Guidelines for Articles

Article 142 Each supervisor shall serve for a term of three years. Upon expiry of the term, the supervisor may be re-appointed upon re-election.

Article
138 of the
Guidelines for
Articles

Article 143 Where a re-election is not promptly carried out upon expiry of the term of office of a supervisor, or the resignation of a supervisor during his/her term of office will render the number of the board of supervisors to fall below the statutory quorum, the original supervisor shall continue to perform supervisor duties pursuant to the provisions of laws, administrative regulations and the Articles of Association prior to appointment of a new supervisor.

Article
139 of the
Guidelines for
Articles

Article 144 Supervisors shall ensure the veracity, accuracy and integrity of information disclosure by the Company.

Article
140 of the
Guidelines for
Articles

Article 145 Supervisors may be in attendance at board meetings, and raise questions or suggestions pertaining to board resolutions.

Article
141 of the
Guidelines for
Articles

Article 146 Supervisors shall not make use of their relationships to harm the interests of the Company and shall be liable for compensation if the Company suffers losses as a result thereof.

Article
142 of the
Guidelines for
Articles

Article 147 Supervisors shall perform supervisory duties faithfully and diligently in accordance with laws, administrative regulations and the Articles of Association.

Article
143 of the
Guidelines for
Articles

Where supervisors violate the provisions of laws, administrative regulations, departmental rules or the Articles of Association in the course of performing their duties and cause the Company to suffer losses, they shall be liable for compensation.

Section 2 Board of Supervisors

Article 148 The Company shall have a board of supervisors. The board of supervisors shall be composed of three supervisors, including one employee representative supervisor, democratically elected at the employee representative meeting or otherwise of the Company. The board of supervisors shall have one chairman, who shall be elected by more than two-thirds of all the supervisors.

Article 7 of
the Opinions;
Article
144 of the
Guidelines
for Articles;
Rule 1(d)(i)
of Appendix
13D to the
Listing Rules

Article 149 The board of supervisors shall be accountable to the general meeting, and shall exercise the following functions and powers in accordance with laws:

Article
145 of the
Guidelines for
Articles

- (I) to examine regular reports prepared by the board of directors and propose written examination suggestions;
- (II) to review the Company's financial position;
- (III) to supervise the directors and senior management members' acts in performing their duties in the Company, and to propose a removal of any director or senior management member in violation of any laws, administrative regulations, the Articles of Association or resolutions adopted at the general meeting;
- (IV) to demand any director, general manager or senior management member who acts in a manner which is harmful to the Company's interest to rectify such behaviour;

- (V) to propose to convene an extraordinary general meeting, and to convene and preside over general meetings where the board of directors fails to perform its duty to do so as required by the Company Law;
- (VI) to submit proposals to general meetings;
- (VII) to initiate legal proceedings against any director or senior management member according to Article 151 of the Company Law;
- (VIII) to investigate into unusual operation of the Company and to engage an accountancy firm, a law firm or any professional organisation to assist in its work when necessary.

All reasonable fees incurred in the employment of professionals such as lawyers, certified public accountants or practicing auditors which are required by the board of supervisors in the exercise of its functions and powers shall be borne by the Company.

Article 150 The meetings of the board of supervisors shall be convened at least once every six months and presided over and chaired by the chairman of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a supervisor nominated by more than two-thirds of the supervisors.

Article 146 of the Guidelines for Articles

Article 151 The board of supervisors shall formulate the rules of procedure for the board of supervisors and specify the rules and voting procedures for meetings of the board of supervisors, so as to ensure the working efficiency and rational decision-making of the board of supervisors.

Article 147 of the Guidelines for Articles

Article 152 Votes at meeting of the board of supervisors shall be held by disclosed ballot and each supervisor shall have one vote.

Rule (d)(ii) of Section I in Appendix 13D to the Listing Rules

Votes at onsite meetings of the board of supervisors (including video conference) shall be conducted by a show of hands or disclosed ballot. If a supervisor participates in the onsite meeting by way of telephone conference or through other communication equipment, so long as he/she can make himself/herself heard by other supervisors at the meeting and can communicate with them, all the supervisors in attendance shall be deemed to be present at the meeting in person. Subject to ensuring the full expression by the supervisors of their opinions at a meeting of the board of supervisors, votes may be conducted and resolutions made via communication devices, and such resolutions shall be signed by the participating supervisors. A deadline shall be set for votes conducted via communication devices, and if a supervisor fails to express his or her opinion by the specified deadline, he or she shall be deemed to abstain.

The voting options open to supervisors are consent, opposition and abstention. The supervisors present at a meeting shall select one from the foregoing options. If a supervisor fails to select any of the options or selects two or more of the options, the chairperson of the meeting shall require him or her to select again. If he or she refuses to make a selection, he or she shall be deemed to abstain.

Resolutions of the board of supervisors shall be approved by the affirmative vote of at least two-thirds of the members of the board of supervisors.

Article 153 The board of supervisors shall keep minutes on decisions of the meeting on the agenda items. Supervisors present at the meeting shall sign on the minutes. If a supervisor has an objection to the meeting minutes, he or she may give a written explanation thereof at the time of signing.

Article
148 of the
Guidelines for
Articles

Where a supervisor neither signs as per the preceding paragraph nor provides his/her different opinions in writing, the said supervisor shall be deemed as agreeing with the minutes of the meeting.

Article 154 The minutes of meetings of the board of supervisors, together with the meeting notice, meeting materials, meeting sign-in register, the instruments of appointment of supervisor proxies, the sound recording of the meeting and the vote ballots shall serve as the Company's files and be kept by the office of the board of supervisors for a period of not less than ten years.

Article
148 of the
Guidelines for
Articles

Article 155 A notice of meeting of the board of supervisors shall include the following contents:

Article
149 of the
Guidelines for
Articles

- (I) the date, venue and duration of the meeting;
- (II) the subject matter and agenda items;
- (III) date of notice.

CHAPTER NINE PARTY'S ORGANIZATION

Article 156 The Party Committee of the Company shall consist of seven members, including one secretary and two deputy secretaries, each with a term of office of five years, and shall be elected in a timely manner upon expiry of the term. The Company shall insist on and improve the leadership system of mutual entry and cross appointment under which the qualified members of the leading group of the Party Committee may enter the board of directors, board of supervisors and the management through legal procedures, and qualified Party members of the board of directors, board of supervisors and the management are appointed to the leadership team of the Party Committee of the Company in accordance with relevant regulations and procedures.

The secretary of the Party Committee and chairman of the Company shall generally be served by the same person, and the general manager of the Company shall serve as the deputy secretary. At the same time, it shall have a full-time deputy secretary, who generally joins the Board and does not hold any position in the management, and is responsible for Party building.

The disciplinary committee of the Company shall have one secretary of the disciplinary committee and one deputy secretary of the disciplinary committee; under the dual leadership of the Party Committee of the Company and the superior discipline inspection committee, the disciplinary committee assisted the Party Committee of the Company in promoting the comprehensive and strict governance of the Party, strengthened the integrity for Party building, organised and coordinated anti-corruption work, and performed supervision over discipline enforcement and accountability according to work responsibilities.

Article 157 The Party Committee of the Company shall ensure and supervise the implementation of the Party's and the State's directions in the Company, participate in the decision-making of major issues of the Company, implement the principles of letting the Party to manage the cadres and the talents, strengthen the supervision of the Company's leaders, lead the ideological and political work of the Company and the mass organisations such as the labor union and the Communist Youth League, and support the work of the employee representative congress.

Article 158 The scope of the Party Committee's participation in the decision-making of major issues:

- (I) The formulation and adjustment of the Company's development strategy, medium and long-term development plan, important business policies and reform plan.
- (II) Important matters such as the Company's asset restructuring, transfer of property rights, capital operation, suspension and transfer, as well as the formulation and modification of adjustment plans for external joint venture cooperation and internal organisation structure.
- (III) The selection, assessment, management and supervision of the Company's middle and senior management personnel, the distribution of employee remuneration, benefits and welfare, labor protection, livelihood improvement and other important matters involving the vital interests of employees.
- (IV) The Company's key work arrangements in respect of production safety, environmental protection, quality management and financial management, as well as the accountability for accidents (incidents).
- (V) The determination and adjustment of the Company's annual business objectives, financial budgets and final accounts, annual investment plans and arrangements for major projects, operation of large-amount funds and other matters.
- (VI) The formulation and revision of the Company's important operation and management system.
- (VII) External guarantee, external donation, sponsorship, charity and other matters related to the Company's social responsibilities, and the matters relating to external relations such as the coordination and co-construction between the enterprise and the local government.
- (VIII) Other important matters that require the Party Committee of the Company to participate in decision-making.

Article 159 Major procedures for the Party Committee's participation in the decision-making process:

- (I) Prior consideration by the Party Committee. Research and discussion conducted by the Party Committee are the preceding procedures before material matters are decided by the Board and the management, and material matters shall be decided by the Board and the management after the research and discussion conducted by the Party Committee. If matters proposed to be decided by the Board and the management are not in compliance with the directional policies of the Party and national laws and regulations or may prejudice national and public interests or legitimate interests of the Company and its staff, the Party Committee shall propose to revoke or defer discussion thereof. If the Party Committee considers that other material matters are required to be decided by the Board and the management, such material matters may be proposed to the Board and the management;
- (II) Communication before the meeting. Members of the Party Committee who also serve as members of the Board and the management (especially the chairman or the general manager) shall communicate with other members of the Board and the management regarding the relevant opinion and advice of the Party Committee before formal submission of the resolutions to the Board or the general manager's office;
- (III) Expression during the meeting. Members of the Party Committee who also serve as members of the Board and the management shall fully express the opinion and advice of the Party Committee during the decision-making process of the Board and the management;

- (IV) Report after the meeting. Members of the Party Committee who also serve as members of the Board and the management shall report to the Party Committee in respect of the decisions of the Board and the management in a timely manner.

Article 160 The Party Committee shall establish a communication mechanism for decision-making on major issues and strengthen communication with the board of directors, the board of supervisors and the management. The Party Committee shall adhere to and improve the democratic centralism and promote and strictly implement the rules of procedure of the Party Committee. Members of the Party Committee shall strengthen the concepts of organization and discipline and resolutely implement the resolutions of the Party Committee.

Article 161 For the Company's practices which are not in compliance with the PRC laws and regulations, the government policies and the requirements of the Shanxi Provincial Party Committee, the Shanxi Provincial Government, Shanxi SASAC and Shanxi Construction Investment Group Co., Ltd., the Party Committee shall communicate sufficiently with the board of directors and the management and provide rectification advices in a timely manner, and report to Shanxi Construction Investment Group Co., Ltd. regarding the failure in rectification.

Article 162 The Party Committee shall take full responsibility and play its role in the selection and employment of talents, considering and providing opinions and recommendations on the candidates nominated by the Nomination and Remuneration Appraisal Committee under the board of directors or the general manager, or recommending candidates to the Nomination and Remuneration Appraisal Committee under the board of directors or the general manager. The Party Committee and the board of directors shall evaluate the proposed candidates and put forth comments and suggestions after collective discussion. The board of directors and the general manager shall also exercise the right of appointment, promotion and demotion of personnel in accordance with laws.

Article 163 The Party Committee shall earnestly perform its primary responsibility for full and rigorous Party self-governance, lead and promote the construction of clean government and anti-corruption campaigns, and lead, support and ensure the due implementation of supervisory responsibility by the disciplinary committee of the Company. The disciplinary committee of the Company shall coordinate the internal supervision resources, establish and improve the power supervision mechanism, and enhance supervision on the exercise of powers and performance of responsibilities of the Company's leaders in major decision-making, financial management, product sales, materials procurement, project bidding, restructuring and reforming of the company, change of property rights and transactions so as to plug loopholes in management. The requirements that decisions on material matters, appointment and dismissal of important cadres, major project arrangements and large funds operation matters must be made collectively shall be strictly implemented. The disciplinary committee of the Company shall strictly supervise the key departments and positions with concentrated power, intensive capital, enriching resources and assets to ensure legality, reasonability and transparency in exercising of disposal powers in the personnel, financial and resources matters. We have established a life-long accountability system for major decision-making, and shall investigate and affix the responsibilities of decision-makers who have caused significant losses due to violations of regulations or imprudent decisions. Violations of discipline and law, such as benefit transfer, the misappropriation of state-owned assets and corruption, were strictly investigated and dealt with.

Article 164 The secretary of the Party Committee shall earnestly perform the duty as the first responsible person for Party building and shall study important deployments, deal with outstanding problems and supervise key tasks on his/her own. The secretary of disciplinary committee of the Company shall effectively perform its supervisory and disciplining responsibilities, adhere to principles, take the initiative, strengthen supervision and strictly enforce discipline. Other members of the Party Committee shall earnestly implement the "one position with dual responsibilities", and do well in Party building by virtue of the division of work.

Article 165 Functions and Powers of the Disciplinary Committee of the Company

The functions and powers of the disciplinary committee of the Company include:

- (I) to uphold the Party Constitution and other Party rules and give full play to the functions of protection, education and supervision;
- (II) to conduct law and discipline observation education for Party members and to check the implementation of the Party's routes, guidelines and policies by Party organizations and Party members;
- (III) to implement supervision within the scope of the Party Constitution and relevant provisions;
- (IV) to accept reports and accusations against Party members in respect of Party discipline and Party conduct, and investigate and handle cases of violations of Party discipline by Party organizations and Party members;
- (V) to handle complaints from Party members and protect their rights as stipulated in the Party Constitution;
- (VI) to assist the Party Committee with the building of the style of work and integrity culture.

CHAPTER TEN EMPLOYEES UNDER DEMOCRATIC MANAGEMENT AND LABOUR RELATIONS SYSTEM

Article 166 The Company shall organize a labor union in accordance with the Company Law and the PRC Trade Union Law to conduct trade union activities and safeguard the legal interests of employees. The Company shall provide the necessary conditions and fees for the labor union to conduct its activities according to laws.

The labor union of the Company shall play a role under the leadership of the Party Committee and is staffed in accordance with the relevant provisions of the state and Shanxi Province.

Article 167 The Company shall implement democratic management in accordance with laws and regulations. The employee representatives' general meeting is the basic form of democratic management of the Company. The labor union of the Company is responsible for organizing the employees to carry out democratic management.

Article 168 The Company shall report the following matters to the employee representatives' general meeting for consideration and approval:

- (I) formulation, revision and decision on rules and regulations or major issues that directly involve the vital interests of employees;
- (II) draft of Collective Contract, and drafts of the Special Collective Contract on Salary Adjustment Mechanism, the Special Collective Contract on Protection of the Rights and Interests of Female Employees and the Special Collective Contract for Labor Safety and Health;

- (III) Election and removal of employee supervisors and employee representatives;
- (IV) Other matters that shall be submitted to the employee representatives' general meeting for consideration and approval as determined by the Company and the labor union after consultation.

The Company shall listen to the opinions of the labor union of the Company, and listen to the opinions and recommendations of the employees through employee representatives' meetings or other means when the Company is studying major issues of operations, as well as formulating important regulations and systems.

Article 169 The Company shall publish the employment conditions on the websites of the Company and the provincial government 5 working days before conducting the internal and external recruitment. Recruitment results shall be published on the websites of the Company and the provincial government within 1 working day after the end of the internal and external recruitment.

Article 170 The Company shall sign labor contracts with employees and implement performance management for all employees. The Company's payroll is linked to its economic benefits, which means the payroll will be raised and reduced with the increase and decrease of the economic benefits.

CHAPTER ELEVEN FINANCIAL AND ACCOUNTING SYSTEMS AND PROFIT DISTRIBUTION

Section 1 Financial and Accounting System

Article 171 The Company shall establish its financial and accounting system in accordance with the PRC laws and the PRC accounting standards formulated by relevant departments of the state.

Article
150 of the
Guidelines for
Articles

Article 172 The Company shall prepare a financial report at the end of each fiscal year, which shall be audited by an accounting firm in accordance with the law.

The Company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from 1 January to 31 December. The Company's accounts shall be prepared in Chinese with amounts denominated in Renminbi.

Article 173 The Company shall publish two financial reports in each fiscal year, which are the interim financial report to be published within 60 days after the end of the first six months of each fiscal year and the annual financial report to be published within 120 days after the end of the fiscal year.

Article 174 The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports as are required by law to be prepared by the Company.

Article 175 The Company's financial reports shall be made available for shareholders' inspection at the Company 21 days before the date of every annual general meeting. Each shareholder of the Company is entitled to obtain the financial reports mentioned herein.

The Company shall send the aforesaid reports to each holder of overseas listed foreign shares by prepaid mail at the address registered in the register of shareholders not less than 21 days before the annual general meeting. Subject to the laws, administrative regulations and the listing rules of the place where the Company is listed, the Company may make an announcement of such reports (including publication on the Company's website).

Article 176 The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any account opened in the name of any individual.

Article
152 of the
Guidelines for
Articles

Article 177 The Company is required to allocate 10% of its profits into its statutory reserve fund of the Company before distributing each year's after-tax profits.

Article
153 of the
Guidelines for
Articles

When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph.

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

After making up of losses and appropriation to reserve funds, balance of the profit after tax shall be distributed to shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association.

If a general meeting violates the provisions in the preceding paragraph and profits are distributed to the shareholders before the Company makes up losses or makes allocations to the statutory reserve fund, shareholders shall return the profits distributed in violation of the provisions to the Company.

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

Article 178 Reserve funds of the Company are used for recovering losses of the Company and expanding scale of operation of the Company or transfer them to its capital, but capital reserve fund shall not be used in this manner.

Article
154 of the
Guidelines for
Articles

In the event that the Company transfers the statutory reserve funds to its capital, the remaining balance of such reserve fund must not be less than 25% of its registered capital before this capitalisation.

Article 179 The Company shall appoint receiving agents on behalf of the holders of overseas listed foreign shares to receive on behalf of such shareholders dividends declared and other monies owing by the Company in respect of such shares, and keep the same for payment to the relevant shareholders.

Rule 1(c) of Appendix 13D to the Listing Rules

The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company's shares are listed.

The receiving agents appointed on behalf of holders of overseas listed foreign shares listed in Hong Kong Stock Exchange by the Company shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Article 180 After the profit distribution plan is resolved at the general meeting of the Company, the Board of the Company shall complete the distribution of dividends (or shares) within two months after the convening of the general meeting.

Article 155 of the Guidelines for Articles

Article 181 Cash dividends and other payments paid by the Company to holders of domestic shares shall be paid in RMB. Cash dividends and other payments paid by the Company to holders of overseas listed foreign shares shall be denominated and declared in RMB and paid in foreign currency. The foreign currency required for the Company to pay cash dividends and other payments to holders of overseas listed foreign shares and other holders of foreign shares shall be handled in accordance with the relevant provisions of foreign exchange administration of the PRC.

Article 182 When distributing dividends to shareholders, the Company shall, in accordance with the provisions of the PRC tax laws, withhold and pay on behalf of shareholders the tax payable on dividend income based on the amount distributed.

Section 2 Internal Audit

Article 183 The Company implements an internal audit system with full-time auditors to conduct internal audit and supervision on the Company's financial revenues and expenditures and economic activities.

Article 157 of the Guidelines for Articles

Article 184 The internal audit system of the Company and the duties of the auditors shall be implemented upon approval by the Board. The person in charge of audit shall be accountable and report to the Board.

Article 158 of the Guidelines for Articles

Section 3 Appointment of Accounting Firm

Article 185 The Company shall appoint an accounting firm that complies with the requirements of the Securities Law to audit the accounting statements, verify the net assets and provide other relevant consulting services for a term of one year and such accounting firm may be re-appointed.

Article 159 of the Guidelines for Articles

Article 186 The appointment of an accounting firm by the Company shall be subject to resolution at the general meeting, and the Board shall not appoint an accounting firm before a resolution is made at the general meeting.

Article 160 of the Guidelines for Articles

Article 187 The Company warrants that it provides true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information for the accounting firm it appoints and the Company shall not refuse to provide information, conceal information or provide false information.

Article 161 of the Guidelines for Articles

Article 188 The audit fees of an accounting firm shall be determined at the general meeting.

Article 189 The appointment, dismissal or non-reappointment of an accounting firm shall be resolved at the general meeting.

Where a resolution at a general meeting is passed to appoint an accounting firm other than the incumbent accounting firm of the Company to fill a casual vacancy in the office of accounting firm, to reappoint an accounting firm that was appointed by the Board to fill a casual vacancy, or to dismiss an accounting firm before the expiration of its term of office, the following provisions shall apply:

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

Leaving includes leaving by dismissal, resignation and retirement.

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

1. in any notice of meeting held for making the resolution, state the fact of the representations having been made by the leaving accounting firm; and
2. attach a copy of the representations to the notice and send it to the shareholders in the manner stipulated in the Articles of Association.

- (III) If the Company fails to send out the accounting firm's representations in the manner set out in subparagraph (II) of this Article, such accounting firm may require that the representations be read out at the general meeting and may make further representations.

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

1. the general meeting at which its term of office would otherwise have expired;
2. the general meeting at which it is proposed to fill the vacancy caused by its dismissal; and
3. the general meeting which is convened as a result of its resignation.

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

Article 190 Prior to the dismissal or the non-renewal of the appointment of an accounting firm by the Company, notice of such dismissal or non-renewal shall be given to the accounting firm concerned and such firm shall be entitled to make representation at the general meeting. Where the accounting firm resigns from its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

- (I) The accounting firm may resign its office by depositing at the Company's legal address a written notice of resignation, which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:
 1. a statement to the effect that there are no circumstances connected with its resignation which it considers shall be brought to the notice of the shareholders or creditors of the Company; or
 2. a statement of any such circumstances that should be explained.
- (II) The Company shall, within 14 days after receipt of the written notice referred to in subparagraph (I) of this Article, send a copy of the notice to the relevant governing authority. If the notice contains a statement under subparagraph (I) (2) of this Article, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every shareholder who entitles to receive the financial report of the Company at the address registered in the register of shareholders.
- (III) Where the accounting firm's notice of resignation contains a statement under subparagraph (I) (2) of this Article, the accounting firm may require the board of directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

CHAPTER TWELVE INFORMATION DISCLOSURE

Article 191 The Board of the Company shall formulate the criteria, method, means, etc. for the disclosure of information and establish and enhance the Company's information disclosure system in accordance with the law, relevant regulations of the securities regulator of the place where the Company's shares are listed and relevant provisions of the Articles of Association.

Article 192 The Company shall compliantly disclose information in accordance with the principles of truthfulness, accuracy, completeness and timeliness.

CHAPTER THIRTEEN MERGER, DIVISION, INCREMENT AND REDUCTION IN REGISTERED CAPITAL, DISSOLUTION AND LIQUIDATION OF THE COMPANY

Section 1 Merger, Division, Capital Increase and Reduction

Article 193 The merger of the Company may take the form of either merger by absorption or merger by consolidation. One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of two or more companies through the establishment of a new company is a consolidation, and the companies being consolidated shall be dissolved.

Article 172 of the Guidelines for Articles

Article 194 In the event of merger of the Company, the parties to such merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution for merger and shall publish an announcement in a newspaper designated by the CSRC and on the websites of the Company and the stock exchange within 30 days from the date of such resolution. A creditor has the right within 30 days from receipt of the notice from the Company or, in the case of creditor who does not receive such notice, within 45 days from the date of announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debt.

Articles 172, 173 and 174 of the Guidelines for Articles

After merger, any rights in relation to debtors and any indebtedness of each of the merged parties shall be assumed by the Company which survives the merger or the newly established company.

Article 195 Where there is a division of the Company, its assets shall be divided up accordingly.

Articles 175 and 176 of the Guidelines for Articles

In the event of division of the Company, the parties to such division shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's division resolution and shall publish an announcement in a newspaper designated by the CSRC and on the websites of the Company and the stock exchange within 30 days from the date of the Company's division resolution.

The debts of the Company prior to the division shall be assumed jointly and severally by the companies arising from the division, unless provided otherwise in a written agreement reached by the Company and the creditor in respect of repayment of the debts prior to the division.

Article 196 The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.

Article 177 of the Guidelines for Articles

The Company shall notify its creditors within 10 days from the date of the Company's resolution for reduction of registered capital and shall publish an announcement in a newspaper within 30 days from the date of such resolution. A creditor has the right within 30 days from receipt of the notice from the Company or, in the case of creditor who does not receive such notice, within 45 days from the date of announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debt.

The Company's registered capital must not, after the reduction in capital, be less than the minimum amount required by law.

Article 197 The Company shall, in accordance with the law, apply for change in its registration with the company registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the law. Where a new company is established, the Company shall apply for registration thereof in accordance with the law.

Article 178 of the Guidelines for Articles

Where the Company increases or decreases its registered capital, procedures for alteration of registration shall be handled at the company registration authority in accordance with the law.

Section 2 Dissolution and Liquidation

Article 198 The Company may be dissolved in any of the following circumstances:

- (I) Where the term of its operations set down in the Articles of Association has expired or events of dissolution specified in the Articles of Association have occurred;
- (II) Where the general meeting has adopted a resolution for dissolution;
- (III) Where dissolution is required due to merger or division of the Company;
- (IV) Where the business license of the Company is revoked, or the Company is ordered to close down or deregistered in accordance with the law;
- (V) Where the Company runs deep into difficulties in operation and management, its continuous existence may cause heavy losses to shareholders' interests, and such difficulties cannot be dealt with in other ways, the shareholders holding more than 10% of the total voting rights of the Company may apply to the people's court to dissolve the Company.

Article
179 of the
Guidelines for
Articles

Article 199 Under the circumstances set out in item (I) of Article 198, the Company may continue to exist by amending the Articles of Association.

Article
180 of the
Guidelines for
Articles

Where the Articles of Association are amended in accordance with the preceding paragraph, the amendment shall be adopted by above two-thirds of the voting rights held by shareholders attending the general meeting.

Article 200 Where the Company is dissolved in accordance with the items (I), (IV) and (V) of Article 198, a liquidation committee shall be established within 15 days upon occurrence of the reason for dissolution to carry out liquidation. The liquidation committee shall be composed of the persons determined at the Board or general meeting. In case no liquidation committee is established within the specified period to carry out liquidation, the creditor(s) may apply to the people's court to designate relevant persons to form a liquidation committee and carry out liquidation.

Article
180 of the
Guidelines for
Articles

Article 201 The liquidation committee shall notify creditors within 10 days from the date of its establishment and shall publish an announcement in a newspaper within 60 days.

Article
183 of the
Guidelines for
Articles

The creditors shall declare their claims to the liquidation committee within 30 days from receipt of the notice from the Company or, in the case of creditor who does not receive such notice, within 45 days from the date of announcement.

When declaring their claims, creditors shall explain the matters related to their claims and provide supporting materials. The liquidation committee shall register the claims.

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

Article 202 During the liquidation period, the liquidation committee shall exercise the following functions and powers;

Article
182 of the
Guidelines for
Articles

- (I) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify the creditor(s) or to publish public announcements;
- (III) to dispose of and liquidate any unfinished businesses of the Company;
- (IV) to pay all outstanding taxes and taxes arising from the liquidation;
- (V) to settle claims and debts;
- (VI) to deal with the remaining assets after the Company's debts have been repaid;
- (VII) to represent the Company in any civil proceedings.

Article 203 After sorting out the Company's assets and preparing the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a general meeting or to the people's court for confirmation.

Article
184 of the
Guidelines for
Articles

The Company's remaining assets after paying for liquidation cost, staff's salary, social insurance, statutory compensation, taxes payable, and debts shall be distributed to its shareholders according to their shareholding proportion.

During the liquidation period, the Company remains in existence; however, it shall not commence any business activity irrelevant with liquidation. The Company's assets shall not be distributed to its shareholders prior to repaying debts in accordance with the foregoing provision.

Article 204 If, after sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, it shall apply to the people's court for a declaration of insolvency in accordance with the law.

Article
185 of the
Guidelines for
Articles

After the Company is declared insolvent by a ruling of the people's court, the liquidation committee shall transfer all matters arising from the liquidation to the people's court.

Article 205 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses received and made during the liquidation period and the financial accounts, which shall be verified by a Chinese registered accountant and submitted to the general meeting or the people's court for confirmation. Within 30 days after the confirmation of the general meeting or the people's court, the liquidation committee shall submit the documents aforementioned to the company registration authority and apply for cancellation of the Company registration, and publish an announcement relating to the termination of the Company.

Article
186 of the
Guidelines for
Articles

Article 206 Members of the liquidation committee shall be dedicated to their duties and perform liquidation obligations in accordance with the law.

Article
187 of the
Guidelines for
Articles

Members of the liquidation committee shall not make use of their official powers to accept bribes or any other illegal income, and shall not encroach upon the Company's assets.

Where a member of the liquidation committee causes the Company or its creditors to suffer losses by reason of intentional misconduct or gross negligence, he shall be liable for compensation.

Article 207 Where the Company is declared bankrupt in accordance with the law, it shall undergo bankruptcy liquidation in accordance with the laws on enterprise bankruptcy.

Article
188 of the
Guidelines for
Articles

CHAPTER FOURTEEN AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

Article 208 The Company may amend the Articles of Association in accordance with the laws, administrative regulations and the Articles of Association. In any of the following circumstances, the Company shall amend the Articles of Association:

Article
189 of the
Guidelines for
Articles

- (I) The Articles of Association is contradictory to any provision of the amended version of the Company Law or other applicable laws;
- (II) There is any change to the Company's situation and is inconsistent with any matter recorded in the Articles of Association;
- (III) A general meeting adopts a resolution for amendments to the Articles of Association.

Article 209 Unless otherwise provided in the Articles of Association, the following procedures shall be followed for amending the Articles of Association:

Rule 16 of
Appendix 3

- (I) the board of directors shall adopt resolutions in accordance with the Articles of Association, formulate proposals for amendments to the Articles of Association or submit proposals for amendments to the Articles of Association by shareholders;
- (II) to inform the shareholders of the revised proposal and convene a general meeting for voting;
- (III) the amendments to be submitted to the general meeting shall be approved by special resolution.

The Board shall amend the Articles of Association according to the resolution of the general meeting for amendments hereto and the approval opinions of relevant competent authority.

Article 210 Where the amendments to the Articles of Association passed by resolutions of the general meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved change shall be registered in accordance with the laws. Where the matters on the amendments to the Articles of Association constitute information that shall be disclosed under the laws and regulations, relevant amendments shall be subject to announcement as required.

Articles 190
and 192 of the
Guidelines for
Articles

CHAPTER FIFTEEN NOTICE AND ANNOUNCEMENT

Article 211 The Company's notices (the "notices" referred to herein shall include corporate communications and other written materials) shall be given or provided in one or more of the following ways:

Article
164 of the
Guidelines for
Articles

- (I) hand;
- (II) post;
- (III) email, facsimile or other electronic means or information carrier;
- (IV) announcement;
- (V) other means recognised by regulatory authorities of the place where the shares of the Company are listed or stated in the Articles of Association.

Unless otherwise specified in the Articles of Association, for notice issued by the Company to the holders of overseas listed foreign shares by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange electronic publishing system for immediate release on the website of the Hong Kong Stock Exchange in accordance with the rules of the listing place. The announcement shall also be published on the Company's website at the same time. In addition, the notice shall be delivered to each of the registered addresses as set forth in the register of shareholders of overseas listed foreign shares by personal delivery or postage paid mail so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

Holders of the Company's overseas listed foreign shares may elect in writing to receive the corporate communication that the Company is required to send to shareholders either by electronic means or by post, and may also elect to receive either the English or Chinese version only, or both the English and Chinese versions. They shall have the right to change their choices as to the manner of receiving the same and the language by giving a written notice to the Company in advance within a reasonable period in accordance with applicable procedures.

Article 212 If the Company's notice is delivered by hand, the recipient shall sign (or chop) on the reply slip upon delivery. The receipt date of the recipient shall be the date of delivery;

Articles
165,169 and
170 of the
Guidelines for
Articles

For a Company notice given by mail, the date of service shall be 48 hours from the date of consignment to the post office;

For a Company notice given by fax, e-mail or publication on a website, the date on which such notice is dispatched shall be the date of service;

For a Company notice given by way of a public announcement, the first day of publication shall be the date of service. Such announcement shall be published in a newspaper that satisfies relevant regulations or given by the method set forth in Article 211 of the Articles of Association.

The accidental omission to give the notice of a meeting to, or the failure to receive the notice of a meeting by any person entitled to receive such notice, shall not invalidate the meeting or the resolutions passed thereat.

Article 213 If the listing rules of the place of listing require the Company to send, mail, distribute, issue, publish or otherwise provide relevant documents of the Company in both English and Chinese versions, the Company may, to the extent permitted by applicable laws and regulations and in accordance with applicable laws and regulations, (if a shareholder has so indicated) only send him or her the English version or Chinese version of documents if the Company has made appropriate arrangements to ascertain whether its shareholders wish to only receive the English version or the Chinese version of documents.

CHAPTER SIXTEEN SUPPLEMENTARY PROVISIONS

Article 214 For the purposes of the Articles of Association, the term “accounting firm” shall have the same meaning as the term “auditor” used in the Listing Rules of the Hong Kong Stock Exchange.

Article 215 The Articles of Association are written in Chinese. In the event that there is a discrepancy between any other language version or different version hereof and the Articles of Association, the most recent Chinese version hereof registered with the company registration authority shall prevail. In case of any inconsistency between the Chinese version and other versions, the Chinese version shall prevail.

Article 216 Unless otherwise required by the context, the following terms used in the Articles of Association shall have the meanings assigned to them below:

- (I) “controlling shareholder” means a person that satisfies any of the following conditions:
1. he or she, acting alone or in concert with others, has the power to elect at least one half of the directors;
 2. he or she, acting alone or in concert with others, has the power to exercise or to control the exercise of at least 30 percent of the Company’s voting rights;
 3. he or she, acting alone or in concert with others, holds at least 30 percent of the outstanding shares of the Company;
 4. he or she, acting alone or in concert with others, actually controls the Company in any other manner.
- (II) “acting in concert” means action taken by two or more persons pursuant to an agreement (whether oral or written) to obtain or consolidate control of the Company through the acquisition by any of them of voting rights of the Company.
- (III) “de facto controller” means a person who, although not a shareholder of the Company, is nevertheless able to actually direct the acts of the Company by virtue of an investment relationship, agreement or other arrangement.

Article
193 of the
Guidelines for
Articles

Article
193 of the
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(IV) “connected relationship” means the relationship between the Company’s controlling shareholder, de facto controller, a director, a supervisor or senior management member (including the associates of the above parties as defined in the Listing Rules of Hong Kong Stock Exchange) on the one hand and an enterprise he or she directly or indirectly controls on the other hand, as well as any other relationship that may result in a diversion of the Company’s interests. However, enterprises controlled by the state shall not be deemed to have a connected relationship merely by virtue of the fact that such enterprises are under the common control of the state.

Article 217 Unless otherwise provided in the Articles of Association, for the purposes of the Articles of Association, the terms “at least”, “within” and “not more than” shall include the number itself; and the terms “less than”, “lower than”, “other than”, “more than”, “over”, “exceed”, “before” and “after” shall not include the number itself.

Article
196 of the
Guidelines for
Articles

Article 218 The Board shall be responsible for the interpretation of the Articles of Association.

Article
197 of the
Guidelines for
Articles

Article 219 The appendices to the Articles of Association shall include the Rules of Procedure for the General Meeting, the Rules of Procedure for board of directors and the Rules of Procedure for board of supervisors.

Article
198 of the
Guidelines for
Articles