

Articles of Association of
綠色動力環保集團股份有限公司
Dynagreen Environmental Protection Group Co., Ltd.*
(A joint stock limited company incorporated in the People's Republic of China)

(As approved at the 1st extraordinary general meeting of the Company in 2016 held on 18 April 2016, as revised at the 2nd extraordinary general meeting of the Company in 2017 held on 22 December 2017, at the 2nd extraordinary general meeting of the Company in 2018 held on 19 October 2018, at the annual general meeting of the Company in 2019 held on 22 May 2020, at the annual general meeting of the Company in 2022 held on 16 June 2023 and at the second extraordinary general meeting of the Company in 2025 held on 19 September 2025)

* This document is originally prepared in Chinese and this English version is not formally adopted in the general meeting of the Company and is for reference only. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

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CHAPTER 1 GENERAL

Article 1 To safeguard legitimate rights and interests of Dynagreen Environmental Protection Group Co., Ltd. (the “Company”) and its shareholders, staff and creditors, and to regulate organization and acts of the Company, these Articles of Association are formulated pursuant to the Company Law of the PRC (the “Company Law”), the Securities Law of the PRC (the “Securities Law”), Constitution of the Communist Party of China, the Reply on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies (Guo Han [2019] No. 97), the Guidelines for Articles of Association of Chinese Listed Companies, listing rules of other places of listing, and other relevant provisions.

Article 2 The Company is a joint stock limited company duly incorporated in accordance with the Company Law, and other relevant laws, administrative regulations and regulatory documents.

According to the Approval on State-Owned Equity Management Issues Related to Dynagreen Environmental Protection Group Co., Ltd. (Preparing) (Jing Guo Zi Chan Quan [2011] No.227), issued by State-owned Assets Supervision and Administration Commission of Beijing on 15 December 2011, and the Approval on the Consent for Dynagreen Environmental Protection Group Co., Ltd. to Change into a Foreign Invested Joint Stock Company (SZSITIC Zi Zi [2012] No.0051), issued by the Shenzhen Science, Industry, Trade and Information Commission on 10 January 2012, the Company was established by way of promotion, with all shareholders of the original Shenzhen Dynagreen Environmental Engineering Co., Ltd. as the promoters, through the overall conversion of all audited book net assets of Shenzhen Dynagreen Environmental Engineering Co., Ltd. as at 31 May 2011 into the shares of the Company, and was registered with the Market Supervision Administration of Shenzhen Municipality and obtained its Enterprise Legal Person Business License on 23 April 2012 with unified social credit code of 914403007152708132.

Article 3 The Company was approved by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on 13 May 2014 to initially issue 345,000,000 overseas listed foreign shares to the public, and was listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) on 19 June 2014.

The Company was approved by the CSRC on 23 April 2018 to initially issue 116,200,000 RMB ordinary shares to the public, and was listed on the Shanghai Stock Exchange on 11 June 2018.

The Company was approved by the CSRC on 9 October 2020 to issue 232,240,000 A shares through non-public issuance, and was listed on the Shanghai Stock Exchange on 9 December 2020.

Article 4 The registered Chinese name of the Company is 綠色動力環保集團股份有限公司.

The English name of the Company is Dynagreen Environmental Protection Group Co., Ltd.

Article 5 Address of the Company: 2nd Floor, Jiuzhou Electronic Building, 007 Keji South 12th Street, Nanshan District, Shenzhen

Postal code: 518057

Telephone No.: 0755-33607688

Fax No.: 0755-33631220

Article 6 The legal representative of the Company shall be the chairman of the board of directors or the general manager, subject to determination by the board of directors. If the chairman of the board of directors who serves as the legal representative resigns, he/she is deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of the legal representative's resignation.

The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company. The limitation on the functions and powers of the legal representative in the Articles of Association or by the general meeting shall not be asserted against a bona fide counterpart. Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall bear civil liability for such damage. The Company may, after bearing such civil liability, seek indemnification from the legal representative at fault in accordance with laws or the Articles of Association.

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

Article 8 Each shareholder is responsible to the Company up to his subscribed shares. The Company is responsible for its debts to the extent of its total assets.

Article 9 These Articles of Association are approved by a resolution adopted at the general meeting of the Company and by competent authorities, and shall take effect on the day of the listing and trading of RMB ordinary shares under the initial public offering in the PRC. After these Articles of Association have become effective, the original Articles of Association shall be replaced by these Articles of Association.

Article 10 From the effective date of these Articles of Association, these Articles of Association shall become a legally binding document which regulates the Company's organization and acts, the rights and obligations between the Company and its shareholders, and among the shareholders.

These Articles of Association shall be legally binding on the Company, its shareholders, directors, committee members of the Party Committee (Discipline Committee), senior management members. Each of such persons shall have the rights and obligations in relation to the Company in accordance with these Articles of Association.

Without prejudice to Article 220 hereof, and according to these Articles of Association, a shareholder can sue another shareholder, the Company, or any directors or senior management members of the Company. The Company can sue any of its shareholders, directors and senior management member.

For the purposes of the above paragraph, the term “sue” shall include the initiation of proceedings in a court or application to an arbitration institution for arbitration.

The term “senior management member” in these Articles of Association refers to the general manager, deputy general manager, financial controller, secretary of the board of directors, chief engineer, general legal counsel and other persons expressly appointed by the board of directors as the Company’s senior management. The terms “general manager”, “deputy general manager” and “financial controller” shall refer to the “manager”, “deputy manager” and “financial manager” under the Company law.

Article 11 The Company may invest in other enterprises. However, it shall not become a capital contributor that shall bear joint and several liabilities for the debts of the enterprises invested, unless otherwise provided for by law.

Article 12 In accordance with provisions of the Constitution of the Communist Party of China, the Company shall establish an organization under the Party. The Party organization shall take a leading role of guiding the direction, managing the overall situation, ensuring implementation, and discussing and deciding on major issues of the Company in accordance with regulations. The Company shall establish a working organization for the Party so as to carry out party activities.

The Company shall provide necessary conditions for the Party organization to implement its activities as usual, including the establishment of the Party organization and staffing of party members into the enterprise’s management organization, staffing, and inclusion of the Party organization’s work funding into the Company’s management budget.

Article 13 According to the Constitution and other relevant laws, the Company exercises democratic management by way of workers congress or other means.

The Company shall organize the trade union in accordance with the Labour Union Law of the People’s Republic of China, carry out trade union activities and safeguard the legal rights of employees. The Company shall provide necessary conditions for the activities of its trade union.

CHAPTER 2 OPERATIONAL OBJECTIVES AND SCOPE OF BUSINESS

Article 14 The operational objectives of the Company are: to facilitate the development of environmental protection industry in the PRC by strengthening economic collaboration and encouraging technical exchange, and to secure satisfactory returns.

Article 15 As registered according to the laws, the Company’s scope of business covers: technological research and development in environment-friendly waste-incineration, research and development systems design for related equipment, the investment, construction, management, operation and management of waste treatment projects and the provision of technological services for the projects and technical consulting (where license or relevant qualification is required for any operation under the aforesaid business scope, such operation shall be conducted in compliance with the relevant requirements).

CHAPTER 3 SHARES, REGISTERED CAPITAL AND TRANSFER OF SHARES

Article 16 The Company shall have ordinary shares at all times. Subject to the approval of authorities authorized by the State Council, the Company may, according to its requirements, create different classes of shares.

Article 17 The shares of the Company shall be in the form of share certificates.

All the par value shares issued by the Company are denominated in RMB and shall have a par value of RMB1.00 for each share.

The RMB mentioned in the preceding paragraph refers to the lawful currency of the People's Republic of China.

Article 18 The shares of the Company shall be issued based on the principles of openness, fairness and justice. Shares of the same class shall carry equal rights.

For the same class of shares of the same issuance, each share shall be issued at the same conditions and price. The price paid by any subscriber for each share of the same class during the same share issue shall be the same.

If the Company establishes a class of shares such as preferred shares, changes in the rights attached to the class of shares shall be approved by a vote of shareholders representing at least two-thirds of the voting rights of shareholders attending the general meeting of the share class with the right to vote on amendments to the rights of the class of shares.

Article 19 The Company may issue shares to investors inside the PRC and investors outside the PRC subject to approval of the State Council authorities in charge of securities.

For the purpose of the preceding paragraph, the term "investors outside the PRC" shall refer to investors from foreign countries or Hong Kong, Macau or Taiwan that subscribe for shares issued by the Company. The term "investors inside the PRC" shall refer to investors inside the People's Republic of China, excluding the above-mentioned regions, which subscribe for the shares issued by the Company.

Article 20 The shares issued by the Company to investors inside the PRC for subscription in Renminbi shall be referred to as domestic shares. The domestic shares listed in the PRC shall be referred to as domestically listed domestic shares ("A shares"). The shares issued by the Company to investors outside the PRC for subscription in foreign currency shall be referred to as "foreign shares". The foreign shares listed overseas shall be referred to as "overseas listed foreign shares". Holders of domestic shares and overseas listed foreign shares are all ordinary shareholders of the Company, and shall have the same obligations and rights.

The term "foreign currency" in the preceding paragraph shall refer to any lawful currency of a country or region other than RMB, which is freely convertible and accepted by state foreign exchange authority, and may be used to pay for the shares of the Company.

The overseas listed foreign shares issued by the Company and listed in Hong Kong (the “H shares”) shall refer to shares with a par value denominated in RMB, which are approved by the Hong Kong Stock Exchange for listing and will be subscribed for and traded in Hong Kong dollars.

Article 21 Upon approval by the approval department of the Company, the Company issued 700,000,000 ordinary shares to the promoters at the time of establishment, among which:

514,771,140 shares have been subscribed and held by Beijing State-Owned Assets Management Co., Ltd., representing 73.54% of the total issued ordinary shares of the Company;

69,725,295 shares have been subscribed and held by Anhui Jianghuai Growth Investment Fund Centre (Limited Partnership), representing 9.96% of the total issued ordinary shares of the Company;

48,806,817 shares have been subscribed and held by Poly Longma Hongli Equity Investment Fund (Tianjin) Limited Partnership (Limited Partnership), representing 6.97% of the total issued ordinary shares of the Company;

24,859,792 shares have been subscribed and held by Beijing State-Owned Assets Management (Hong Kong) Company Limited, representing 3.55% of the total issued ordinary shares of the Company;

20,918,478 shares have been subscribed and held by Beijing Venture Capital Co., Ltd., representing 2.99% of the total issued ordinary shares of the Company;

20,918,478 shares have been subscribed and held by Shenzhen Jingxiu Investment Partnership (Limited Partnership), representing 2.99% of the total issued ordinary shares of the Company.

Article 22 The Company has 1,393,453,258 shares in issue, all of which are ordinary shares including 989,093,466 domestically listed domestic shares and 404,359,792 overseas listed foreign shares.

Article 23 The domestic shares issued by the Company are centrally deposited at the China Securities Depository and Clearing Corporation Limited. The H shares of the Company are mainly under the custody of the central depository of Hong Kong Securities Clearing Company Limited and may also be held by individual shareholders in their own names.

Article 24 The registered capital of the Company is RMB1,393,453,258 at present.

Article 25 Unless otherwise provided in laws, administrative regulations, listing rules of the shares’ listing place, or these Articles of Association, the shares of the Company shall be transferrable and subject to no lien. Any transfer of the Company’s shares shall be registered in the share registrar appointed by the Company.

Article 26 The Company shall not accept any pledge created over its own shares.

Article 27 The shares issued before the Company's initial public offering 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.

Each director and senior management member of the Company shall report to the Company the shares of the Company held by him/her and the changes thereof. During the term of his/her office determined at appointment, the shares transferred by him/her each year shall not exceed 25% of the total shares of same class of the Company that he/she holds. The shares of the Company held by the aforesaid persons 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. If any of the aforesaid persons leaves his/her post, he/she shall not transfer the shares of the Company that he/she holds within six months from such departure. If laws, administrative regulations or the listing rules of the place where the shares of the Company are listed provide otherwise on transfer of shares of the Company, such rules shall prevail.

Article 28 If a director or senior management member of the Company, or a shareholder holding 5% or more of the shares of the Company sells the domestic shares of the Company or other securities with an equity nature within six months after buying those shares, or buys the shares within six months after selling, all the gains arising thereof shall belong to the Company. Such gains shall be collected by the board of directors of the Company. But if a securities company holds 5% or more of the shares of the Company due to purchase of unsold shares from its underwriting, except for other circumstance as prescribed by the CSRC, the sale of these shares shall not be subject to the said six month restriction.

Shares or other securities with an equity nature held by directors, officers and natural person shareholders referred to in the preceding paragraph include shares or other securities with an equity nature held by their spouses, parents, children and under accounts of other persons.

If the board of directors of the Company does not enforce the first paragraph of this Article, the shareholders may request the board of directors to do so within 30 days. If the board of directors does not enforce such right within the said period, the shareholders are entitled to commence litigations in the People's Court in their own names for the interest of the Company.

If the board of directors of the Company does not enforce the first paragraph of this Article, the accountable directors shall be jointly and severally responsible in accordance with the law.

CHAPTER 4 INCREASE, REDUCTION AND REPURCHASE OF SHARES

Article 29 Subject to approval by a resolution at the general meeting, the Company may increase the capital as required for its operation and development, pursuant to the laws, regulations and relevant provisions of these Articles of Association.

The Company may increase its capital by the following methods:

- (1) Public issuance of shares to unspecified persons;
- (2) Non-public issuance of shares to specified persons;
- (3) Distribution of bonus shares to existing shareholders;
- (4) Conversion of common reserve into capital;
- (5) Other methods prescribed by the law and administrative regulations or the CSRC.

When the Company issues convertible corporate bonds, the issuance, conversion procedures and arrangements of the convertible corporate bonds, as well as the changes in the Company's share capital resulting from the conversion, shall be handled in accordance with the provisions of national laws, administrative regulations, departmental rules, and other documents, as well as the terms set forth in the Company's convertible corporate bond prospectus.

Article 30 The Company may reduce its registered capital. If the Company reduces its registered capital, such reduction shall be made in accordance with the requirements of the Company Law, other related regulations and these Articles of Association.

Article 31 If the Company reduces its registered capital, a balance sheet and an inventory of assets will be prepared.

When the Company reduces its registered capital, the Company shall notify its creditors and make a public announcement in accordance with provisions of the Company Law, and repay its debts or provide corresponding guarantees as required by the creditors.

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

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

Article 32 Where the Company still incurs losses after making up its losses in accordance with the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not make distribution to its shareholders, nor exempt the shareholders from their obligation to make capital contribution or calls on share.

The provisions of the paragraph 2 of Article 31 of the Articles of Association shall not apply to the reduction in the registered capital in accordance with the preceding article. However, the Company shall notify the creditors and publish an announcement in accordance with the Company Law.

After reducing its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulated amount of the statutory reserve fund and discretionary reserve fund reaches 50% of its registered capital.

Article 33 If the reduction of the registered capital is in violation of the Company Law and other relevant provisions, shareholders shall return the funds they have received and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the liable directors and senior management shall be liable for compensation.

Article 34 Where an increase in registered capital of the Company is made by means of issue of new shares, the shareholders do not have any pre-emptive right unless otherwise provided in the Articles of Association or the general meeting resolves that the shareholders shall have pre-emptive right.

The increase or reduction in the registered capital by the Company shall be registered with the company registration authority in accordance with the law.

Article 35 The Company shall not acquire its own shares unless in one of the following circumstances:

- (1) reduction of its registered capital;
- (2) merger with another company holding shares in the Company;
- (3) rewarding shares in employee stock ownership scheme or as share incentive;
- (4) when requested by any shareholder to purchase his shares because this shareholder objects to any resolution of merger or division made by the Company at general meeting;
- (5) conversion of shares into corporate bonds issued by the Company that are convertible into shares;
- (6) when it is necessary for the Company to safeguard the corporate value and the interests of its shareholders.

In the case that the Company acquires its outstanding shares, it shall follow the procedures as set out in Article 36 to Article 38 of these Articles of Association.

Article 36 The Company may acquire its shares by the way of public and centralized trading, or through other ways approved by laws and regulations and recognized by relevant regulatory authorities of the place where the Company's shares are listed. For any acquisition of its shares by the Company due to the circumstances set out in items (3), (5) and (6) of Article 35 of these Articles of Association, the acquisition of shares shall be conducted by way of public and centralized trading.

Article 37 Where the Company acquires its own shares for the purposes as set out in items (1) and (2) of Article 35 of these Articles of Association, it shall obtain approval at the general meeting by way of resolution. Where the Company acquires its own shares for the purposes as set out in items (3), (5) and (6) of Article 35 of these Articles of Association, it shall obtain approval of more than two-thirds of the directors present at the meeting of the Board by way of resolution. Following the acquisition of its shares in accordance with the provisions of Article 35, such shares shall be cancelled within ten days from the date of acquisition in the case of item (1) and transferred or cancelled within six months in the case of items (2) and (4). Shares held by the Company in aggregate for the purposes as set out in items (3), (5) and (6) shall not exceed 10% of the total issued shares of the Company and shall be transferred or cancelled within three years.

After the Company acquires its H shares in accordance with Article 36 of these Articles of Association, it may, at its discretion, cancel such shares or hold them as treasury shares in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"). If the board of directors does not specify that the relevant shares will be held as treasury shares, such shares shall be cancelled. The Company shall hold the treasury shares in a clearly identifiable separate account within the Hong Kong Securities Clearing Company Ltd. The Company shall not exercise any right in respect of the treasury shares, and no dividend may be declared or paid in respect of the treasury shares. Treasury shares may be disposed of by the Company on such terms and conditions as determined by the board of directors subject to these Articles of Association and the Hong Kong Listing Rules.

Article 38 The Company or its subsidiaries (including affiliates) shall not at any time provide any financial assistance in the form of gifts, advances, guarantees, borrowings, etc. to purchasers or prospective purchasers of the shares in the Company or its parent company (including any person who directly or indirectly incurs any obligations as a result of acquisition of shares in the Company) or provide financial assistance to the abovementioned obligors in order to reduce or discharge their obligations, except for the implementation of the Company's employee shareholding plan.

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

Where the Company or any of its subsidiaries (including affiliates) engages in the conduct specified in this article, it shall comply with applicable laws, administrative regulations, the rules of the CSRC, and the regulations of the place where the Company's shares are listed.

CHAPTER 5 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 39 The Company's share certificates shall be in registered form.

In addition to the particulars required by the Company Law, the share certificates of the Company shall clearly state such other particulars as required to be included by the stock exchange(s) on which the Company's shares are listed.

Overseas listed foreign shares issued by the Company may be issued in the form of overseas depository receipts or other derivations of share certificate in accordance with laws and securities registration and depository practice of the place where such shares are listed.

While H shares of the Company remain listed on the Hong Kong Stock Exchange, the Company shall ensure that all ownership documents of its securities listed on the Hong Kong Stock Exchange (including H shares certificates) shall include the following statements, and shall instruct and cause each of its share registrars not to register any subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such shares bearing statements to the following effect:

1. the purchaser of shares agrees with the Company and each shareholder of the Company, and the Company agrees with each Shareholder, to observe and comply with the Company Law and other requirements of these Articles of Association;
2. the purchaser of shares agrees with the Company, each shareholder, director, president and other senior management members of the Company and the Company (acting for itself and for each director, president and other senior management member) agrees with each shareholder, to refer all disputes and claims arising from these Articles of Association or any right or obligation conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with these Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive;
3. the purchaser of shares agrees with the Company and each shareholder of the Company that shares in the Company are freely transferable by the holder thereof; and
4. the purchaser authorizes the Company to enter into a contract on his behalf with each director and other senior management member whereby such directors and other senior management members undertake to observe and comply with their obligations to shareholders stipulated in these Articles of Association.

Article 40 The share certificates shall be signed by the Chairman. Where the signatures of other senior management members of the Company are required by the stock exchange(s) on which the Company's shares are listed, the share certificates shall also be signed by such other senior management members. The share certificates shall become effective after the Company seal is affixed thereto or printed thereon. Such affixing or printing of the Company seal on share certificates shall require authorization of the board of directors. The signature of legal representative or of other senior management members on the share certificates may also be in printed form. If the Company shares are issued and traded in dematerialized form, provisions otherwise provided by local securities regulatory authorities of the listing venue shall apply.

Article 41 The Company shall establish a register of shareholders in accordance with evidence from the share registrar. The register of shareholders is the conclusive evidence of shareholders' holding of the Company's shares.

Article 42 The Company may, pursuant to an understanding or agreement reached between the securities authority under the State Council and relevant securities regulatory authority outside the PRC, keep outside the PRC the original register of holders of overseas listed foreign shares, and appoint overseas agent(s) to manage such register of shareholders. The original register of shareholder of H shares shall be maintained in Hong Kong for inspection by shareholders; subject to closure of the register of shareholders by the Company in accordance with relevant provisions under the Hong Kong Companies Ordinance.

The Company shall keep at its domicile a duplicate of the register of holders of overseas listed foreign shares. The appointed overseas agent shall ensure the consistency between the original and the duplicate registers of holders of overseas listed foreign shares at all times.

Where the original and the duplicate of the registers of holders of overseas listed foreign shares are inconsistent, the original shall prevail.

Article 43 The Company shall keep a complete register of shareholders. The register of shareholders shall include the following parts:

- (1) a register kept at the Company's domicile other than those specified in Items (2) and (3) of this article;
- (2) the register(s) of holders of overseas listed foreign shares kept in the place(s) of the stock exchange(s) outside the PRC on which the shares are listed;
- (3) registers of shareholders kept in such other places as the board of directors may consider necessary for listing purposes.

Article 44 The various parts of the register of shareholders shall not overlap one another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the law of the places where such part is kept.

Article 45 All H shares which have been fully paid-up are freely transferable according to these Articles of Association. Unless a transfer satisfies the following conditions, the board of directors may decline to recognize any instrument of transfer without giving a reason:

- (1) any transfer instrument or other instrument which relates to share ownership or may affect share ownership must be registered, and HK\$2.50 (for each transfer instrument) or such other higher fee determined by the board of directors (but such fees shall not exceed the maximum prescribed in the listing rules of the Hong Kong Stock Exchange from time to time) shall be paid to the Company for such registration;
- (2) the transfer instrument only relates to H shares listed in Hong Kong;
- (3) the stamp duty payable for such transfer instrument has already been paid;
- (4) the relevant share certificates and such other evidence as the board of directors may reasonably require to prove the transferor's right to transfer are lodged;
- (5) if it is intended that the shares be transferred to joint holders, the maximum number of joint holders shall not be more than four (4);
- (6) the Company does not have any lien on the relevant shares; and
- (7) no share may be transferred to a minor or to a person of unsound mind or under other legal disability.

Shareholder of foreign shares may transfer all or part of his shares through an instrument in a written form which is common or usual in the places where such shares are listed, or as the board of directors may accept. The transfer of H shares may adopt the standard transfer form prescribed by the Hong Kong Stock Exchange. The instrument of transfer of any share may be executed by hand without seal, or if the transferor or the transferee is a recognized clearing house as defined in the Securities and Futures Ordinance or its agent, the share transfer instrument may be executed by hand or in mechanically-printed form.

Article 46 When the Company needs to convene a general meeting, distribute dividends, commence liquidation or carry out any other activities for which shareholdings need to be determined, the board of directors or the convener of the general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date, shall enjoy the relevant rights.

Article 47 Any person who disputes the register of shareholders and asks for inclusion of his name in or removal of his name from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 48 For any person who is a registered shareholder or who claims to be entitled to have his name entered in the register of shareholders in respect of shares in the Company may, if his share certificate (the "original certificate") relating to the shares is lost, apply to the Company for a replacement share certificate in respect of such shares (the "Relevant Shares")

Application by a holder of domestic shares, who has lost his share certificate, for a replacement share certificate shall be dealt with in accordance with the relevant requirements of the Company Law.

Application by a holder of overseas listed foreign shares, who has lost his share certificate, for a replacement share certificate may be dealt with in accordance with the law, regulations, the rules of the stock exchange or other relevant provisions of the place where the original register of shareholders of such overseas listed foreign shares is maintained.

The issuance of a replacement share certificate to a shareholder of H shares, who has lost his share certificate, shall comply with the following requirements

- (1) The applicant shall submit the application in the form prescribed by the Company accompanied by a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant's reason for the application, the circumstances and proof of the loss of the share certificate and a declaration stating that no other person may claim to be registered as a shareholder in respect of the Relevant Shares.
- (2) The Company has not received any declaration from any person other than the applicant, claiming that such person shall be registered as a shareholder in respect of the shares, before it decides that a replacement share certificate shall be issued.
- (3) If the Company decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention in the newspapers designated by the board of directors; the period of the public announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days. The newspapers designated by the board of directors shall be the Chinese and English newspapers accepted by the Hong Kong Stock Exchange (at least one for each language).
- (4) Before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where it is listed, and may proceed with the publication upon receipt of a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The public announcement shall be displayed in the stock exchange for a period of 90 days.

If the application for issuance of a replacement share certificate is made without consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the public announcement that it intends to publish.

- (5) Upon expiry of the 90-day period specified in Items (3) and (4) of this Article, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant.

- (6) When the Company issues a replacement share certificate under this Article, it shall immediately cancel the original share certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders.
- (7) All expenses for the cancellation of the original share certificate and issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until reasonable guarantee is obtained from the applicant.

Article 49 After the Company has issued a replacement share certificate in accordance with these Articles of Association, it shall not delete from the register of shareholders the name of a bona fide purchaser of the replacement share certificate mentioned above or of a shareholder that is subsequently registered as the owner of the shares (provided that he is a bona fide purchaser).

Article 50 The Company shall not be liable for any damage suffered by any person from the cancellation of the original share certificate or the issuance of the replacement share certificate, unless such person can prove fraudulent act on the part of the Company.

CHAPTER 6 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 51 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

A shareholder shall enjoy rights and have obligations according to the class of shares held by him. Holders of shares of the same class shall enjoy equal rights and have equal obligations.

Shareholder of every class shall enjoy equal rights in the distribution of dividend or distribution in any other form.

Where two or more persons are registered as joint shareholders of any share, they shall be deemed as holding such shares in common ownership, and shall be subject to the following provisions:

- (1) the Company is not required to register more than four persons as joint shareholders for any shares; and
- (2) all joint shareholders of any share shall be jointly and severally responsible for all amounts payable in relation to such share.

In the circumstance of joint shareholders:

- (1) upon death of one of the joint shareholders, only the surviving joint shareholder(s) shall be deemed as owners of the shares, but for the purpose of revising the register of shareholder, the board of directors is entitled to demand the surviving shareholder(s) to provide a death certificate as the board thinks fit.

- (2) for joint shareholders of any share, only the person whose name stands first in the register shall be entitled to receive share certificate of the relevant shares, receive notice from the Company, attend a general meeting of the Company or exercise corresponding voting rights, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders of the relevant shares.

Where one of the joint shareholders delivers receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as valid receipt from all such joint shareholders to the Company.

Article 52 The shareholders of the Company shall enjoy the following rights:

- (1) to receive dividends and other profit distributions on the basis of the number of shares held by them;
- (2) to request holding, convening, presiding over, attending or sending proxy to attend a general meeting and exercise corresponding voting rights and right to speak in accordance with the law;
- (3) to supervise the Company's business operations, to make proposals and to raise queries in relation to the Company's business operations;
- (4) to transfer (whether for consideration or free of charge) or pledge shares held by them in accordance with the laws, administrative regulations, listing rules of the places where the Company's shares are listed, as well as provisions of these Articles of Association;
- (5) to review and copy the Articles of Association, the register of members, minutes of general meeting, resolutions of the board of directors and financial and accounting reports, and to review the Company's accounting books and accounting documents (for shareholders who meet the requirements);
- (6) in the event of the winding-up or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to the number of shares held;
- (7) to request the Company to repurchase his/her shares if he/she disputes with any resolution adopted at a general meeting in respect of a merger or division of the Company; and
- (8) other rights provided under the laws, administrative regulations, departmental regulations and these Articles of Association.

Where any person directly or indirectly having rights and interests fail to disclose such rights and interests, the Company shall not exercise its rights to freeze or otherwise impair any right of such person attached to the shares.

Article 53 When a shareholder requests to review and copy the relevant information of the Company, he/she shall comply with the provisions of laws and administrative regulations including the Company Law and the Securities Law and the regulations of the securities regulatory authority at the place where the Company's shares are listed and present written evidence to prove the class and number of shares held by him. The Company shall, after verifying the shareholder's identity, provide the information as requested by such shareholder, and may charge reasonable fees for providing copies of the foregoing information. Shareholders requesting to review the accounting books and vouchers of the Company shall submit a written request to the Company, stating the purpose. If the Company reasonably believes that the shareholder's review of the accounting books and vouchers is for an improper purpose that may harm the legitimate interests of the Company, it may refuse such review, and shall provide a written reply to the shareholders within fifteen days from the date of the shareholders' written request, explaining the reasons for the refusal. If the review is denied by the Company, the shareholder may initiate legal proceedings in the People's Court.

Article 54 If a resolution of the Company's general meeting or board meeting contravenes the laws or administrative regulations, the shareholders may request the court to annul the resolution.

If the convening procedure or voting method of a general meeting or board meeting contravenes the laws, administrative regulations or these Articles of Association, or if the contents of the resolutions of such meetings contravene these Articles of Association, the shareholders may request the People's Court to revoke the resolution within 60 days after the date of such resolution. However, this does not apply if such procedures for convening the general meeting and the board meeting, or the voting thereat, have only minor flaws that have no substantial impact on the resolution.

Where the board of directors, shareholders and other stakeholders dispute the validity of a resolution of the general meeting, they shall promptly file a lawsuit with the People's Court. The relevant parties shall execute the resolution of the general meeting before the People's Court makes a judgment or ruling to revoke the resolution. The Company, directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

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

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

- (1) no general meeting or board meeting has been convened to pass the resolution;
- (2) the resolution is not voted on at the general meeting or board meeting;

- (3) the number of persons attending the meeting or the number of voting rights held by them does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles of Association;
- (4) the number of persons or the number of voting rights held by them voting for the resolution does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles of Association.

Article 55 If a director or senior management member other than the members of the Audit and Risk Management Committee violates the laws, administrative regulations or these Articles of Association when carrying out his/her duties, resulting in losses to the Company, any shareholders individually or together holding 1% or more of the shares of the Company for 180 days consecutively may request the Audit and Risk Management Committee in writing to bring a legal action in the People's Court. If the Audit and Risk Management Committee violates the laws, administrative regulations or these Articles of Association when carrying out its duties, resulting in losses to the Company, the abovementioned shareholders may request the board of directors in writing to bring a legal action in the People's Court.

If the Audit and Risk Management Committee or board of directors refuses to bring legal actions upon receipt of the shareholder's written request under the preceding paragraph, or fails to bring legal actions within 30 days upon receipt of the request, or there is an emergency where the Company would suffer irreparable loss if a legal action is not initiated immediately, then the shareholders described in the preceding paragraph may directly bring a legal action in a court in their own names for the interest of the Company.

If any other person damages the lawful interests of the Company and result in losses to the Company, the shareholders described in the first paragraph of this Article may bring a legal action in a court in accordance with the two preceding paragraphs of this Article.

If a director or senior management member of a wholly-owned subsidiary of the Company violates the laws, administrative regulations or these Articles of Association, resulting in losses to the Company, or any other person damages the lawful interests and result in losses to the wholly-owned subsidiary of the Company, any shareholders individually or together holding 1% or more of the shares of the Company for 180 days consecutively may request, in accordance with the provisions of the preceding three paragraphs of Article 189 of the Company Law, submit a written request to the board of directors of the wholly-owned subsidiary for commencing legal proceedings in the People's Court, or directly file a lawsuit with the People's Court in their own name.

Article 56 If a director or senior management member violates the laws, administrative regulations or these Articles of Association, resulting in damage to shareholders' interests, the shareholders may bring a legal action in the People's Court.

Article 57 Any pledge of overseas listed foreign shares shall be carried out in accordance with the Hong Kong laws, listing rules and other relevant requirements.

Article 58 The shareholders of the Company shall have the following obligations:

- (1) to comply with laws, administrative regulations and these Articles of Association;
- (2) to pay subscription money according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw the share capitals unless required by laws or administrative regulations;
- (4) to refrain from abusing its rights as a shareholder to harm the Company's or other shareholders' interests; to refrain from abusing the independent legal personality of the Company and the limited liability of the shareholders to harm the interests of creditors of the Company;

where the shareholder's abuse of its power causes damage to the Company or other shareholders, it shall be liable for compensation in accordance with the law.

where the shareholder has abused the Company's independent legal personality and shareholder's limited liability for debt evasion and caused serious damage to the interests of the Company's creditors, it shall be held jointly and severally liable for the debts of the Company.

- (5) other obligations required by the laws, administrative regulations and these Articles of Association.

Shareholders shall not bear any liability for further contribution to share capital other than the conditions agreed to as a subscriber of the relevant shares on subscription.

Article 59 The controlling shareholder and actual controller of the Company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the requirements of the CSRC and stock exchanges of the place where the Company's shares are listed to safeguard the interests of the Company.

Controlling shareholder and actual shareholder of the Company shall comply with the following provisions:

- (1) to exercise their rights as shareholders in accordance with the law and not to abuse their control or use their related/connected relationship to prejudice the legitimate interests of the Company or other shareholders;
- (2) to strictly fulfill their public statements and various undertakings and not to change or waive such statements and undertakings;
- (3) to fulfill their information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are intended to occur;

- (4) not to appropriate the Company's funds in any way;
- (5) not to order, instruct, or request the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (6) not to make use of the Company's undisclosed material information to gain benefits, or disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-term trading, market manipulation or other illegal and unlawful acts;
- (7) not to prejudice the legitimate interests of the Company and other shareholders through unfair related party/connected transactions, profit distribution, asset restructuring, external investment or any other means;
- (8) to ensure the integrity of the Company's assets, and the independence of its personnel, finance, organization and business, and not to affect the independence of the Company in any way;
- (9) laws, administrative regulations, requirements of the CSRC and the securities regulating rules of the stock exchanges, business rules of stock exchanges and other requirements of these Articles of Association.

If a controlling shareholder or actual controllers of the Company does not act as a director of the Company but actually executes the affairs of the Company, the provisions of the Articles of Association on the duties of loyalty and diligence of directors shall apply.

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

A controlling shareholder or actual controllers shall maintain control over the Company and the stability of its production operations if they pledge the Company's shares held or effectively controlled by them; in the event of any transfer of the Company's shares held by a controlling shareholder or actual controllers they shall comply with the restrictive provisions regarding the transfer of shares stipulated under the laws, administrative regulations and the requirements of the securities regulatory authority at the place where the Company's shares, as well as the undertakings they have made in respect of restrictions on share transfer.

CHAPTER 7 GENERAL MEETING

SECTION 1 GENERAL PROVISIONS ON GENERAL MEETING

Article 60 The general meeting shall be composed of all shareholders. The general meeting holds the powers of the Company and shall exercise its functions and powers in accordance with the law.

Article 61 The general meeting shall exercise the following functions and powers:

- (1) to elect and replace directors and to decide on matters relating to the remuneration of directors;
- (2) to review and approve the reports of the board of directors;
- (3) to review and approve the profit distribution plan and loss compensation plan of the Company;
- (4) to decide on increasing or reducing the registered capital of the Company;
- (5) to decide on merger, division, winding up, liquidation or change of corporate form of the Company;
- (6) to decide on issuance of debentures of the Company;
- (7) to decide on appointment and dismissal of accounting firms engaged in the audit work of the Company;
- (8) to amend these Articles of Association;
- (9) to review and approve any provision of guarantees which shall be reviewed at the general meeting as prescribed in Article 62 of these Articles of Association;
- (10) to review any major acquisition or disposal of assets within a year with a value exceeding 30% of the latest audited total assets of the Company;
- (11) to review and approve any change in the use of proceeds;
- (12) to review share incentive schemes and employee stock ownership schemes;
- (13) to review proposals of the shareholders who represent 1% or more of the Company's voting shares;
- (14) to review other matters which shall be approved at the general meeting in accordance with the laws, administrative regulations, departmental regulations, listing rules of the local stock exchange where the Company's shares are listed or these Articles of Association.

The general meeting may authorize the board of directors to resolve on the issuance of debentures of the Company.

Article 62 Provision of any of the following guarantees by the Company must be reviewed and approved at the general meeting:

- (1) any further guarantee to be provided after the total amount of all existing guarantees provided by the Company or its controlled subsidiaries exceeds 50% of the latest audited net assets of the Company;
- (2) any further guarantee to be provided after the total amount of all existing guarantees provided by the Company exceeds 30% of the latest audited total assets of the Company;
- (3) any guarantee to secure any debt of a person whose debt to asset ratio exceeds 70%;
- (4) a single guarantee under which the secured amount exceeds 10% of the latest audited net assets of the Company;
- (5) any guarantee to be provided for shareholders, actual controller or their respective related/connected parties;
- (6) any guarantee to be provided by the Company to others within a year after the amount exceeds 30% of the latest audited total assets of the Company; or
- (7) any other guarantee which shall be approved at the general meeting as prescribed by the local stock exchange where the Company's shares are listed or under these Articles of Association.

Article 63 Except when the Company is under a special circumstance such as a crisis, the Company shall not, without an approval by a special resolution at a general meeting, enter into any contract with any person other than the directors, senior management personnel pursuant to which such person shall be responsible for the management and administration of the whole or any substantial part of the Company's business.

Article 64 The general meetings shall include annual general meetings and extraordinary general meetings. Annual meetings shall be convened once a year and shall be held within six months after the end of the preceding fiscal year.

Article 65 The Company shall convene an extraordinary general meeting within two months after occurrence of any of the following circumstances:

- (1) the number of directors is less than the minimum number required by the Company Law or less than two-thirds of the number prescribed in these Articles of Association;
- (2) the losses of the Company that have not been made up reach one-third of the total share capital of the Company;

- (3) shareholders who individually or together hold 10% or more of the shares (excluding treasury shares) of the Company require in writing an extraordinary general meeting to be convened;
- (4) whenever the board of directors considers necessary;
- (5) the Audit and Risk Management Committee proposes an extraordinary general meeting to be convened; or
- (6) any other circumstances prescribed by the laws, administrative regulations, departmental regulations or these Articles of Association.

Article 66 The venue of a general meeting of the Company shall be the domicile of the Company or another specific location informed by the convener of the general meeting.

The general meeting shall have a venue for convening the on-site meetings. The Company shall make it convenient for the shareholders to attend the general meetings through online voting. General meeting may be convened by means of electronic communication in addition to being held on-site at a meeting place. Shareholders attending the general meeting by means of electronic communication shall have the right to speak and vote.

Article 67 The Company, when convening a general meeting, shall engage lawyers to provide legal opinions on the following and arrange publication of such opinions:

- (1) Whether or not the convening and the convening procedures of the meeting are in compliance with the laws, regulations and the Articles of Association;
- (2) Whether or not the qualifications of the persons attending the meeting and the qualification of the convener are lawful and valid;
- (3) Whether or not the voting procedures and the voting results are lawful and valid;
- (4) Other relevant matters as required by the Company.

SECTION 2 CONVENING OF GENERAL MEETING

Article 68 The board of directors shall timely convene the general meeting within the timeframe as required.

With the approval by a majority of all independent directors, the independent directors may propose to the board of directors to convene an extraordinary general meeting. The board of directors shall, in accordance with the law, administrative regulations and these Articles of Association, give a written reply within 10 days after its receipt of such proposal, to state whether it agrees or disagrees to convene an extraordinary general meeting.

If the board of directors agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days after the board resolution for this purpose is adopted. If the board of directors does not agree to convene an extraordinary general meeting, it shall explain the reasons and make an announcement accordingly.

Article 69 The Audit and Risk Management Committee may propose to the board of directors to convene an extraordinary general meeting to the board of directors. Such proposal shall be made in writing. The board of directors shall, in accordance with the law, administrative regulations and these Articles of Association, give a written reply within 10 days after its receipt of such proposal, to state whether it agrees or disagrees to convene an extraordinary general meeting.

If the board of directors agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days after the board resolution for this purpose is adopted. Any changes made by such notice to the proposal of the Audit and Risk Management Committee shall be approved by the Audit and Risk Management Committee.

If the board of directors disagrees to convene the extraordinary general meeting, or fails to reply within 10 days after its receipt of the proposal, the board of directors shall be deemed as unable to or failing to perform its duties to convene the general meeting, and the Audit and Risk Management Committee may convene and preside over the meeting.

Article 70 On the basis of one vote for one share, shareholders who individually or together hold 10% or more of shares (excluding treasury shares) may call for an extraordinary general meeting or class meeting according to the following procedures:

- (1) Such shareholders shall sign a written request for an extraordinary general meeting, in one or more counterparts, which shall state the subjects of the meeting, and submit such request to the board of directors. The board of directors shall, in accordance with the law, administrative regulations and these Articles of Association, give a written reply within 10 days after its receipt of such request, to state whether it agrees or disagrees to convene an extraordinary general meeting. For the purpose of determining the number of shares held by such requesting shareholders, the reference date shall be the date on which such shareholders submit the written request.
- (2) If the board of directors agrees to convene an extraordinary general meeting, it shall issue a notice of general meeting within 5 days after the board resolution for this purpose is adopted. Any changes made by such notice to the original request shall be approved by the relevant shareholders.
- (3) If the board of directors disagrees to convene the extraordinary general meeting, or fails to reply within 10 days after its receipt of the request, the shareholders individually or together holding 10% or more of the shares (excluding treasury shares) of the Company may propose to the Audit and Risk Management Committee to convene an extraordinary general meeting. Such proposal shall be made to the Audit and Risk Management Committee in writing.
- (4) If the Audit and Risk Management Committee agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days after its receipt of such request. Any changes made by such notice to the original request shall be approved by the relevant shareholders.

- (5) If the Audit and Risk Management Committee fails to issue the notice of general meeting within the prescribed period, it shall be deemed that the Audit and Risk Management Committee will not convene or preside over the general meeting, and the shareholders who individually or together hold 10% or more of the shares (excluding treasury shares) for more than 90 days consecutively may convene and preside over the meeting themselves.
- (6) The shareholding of the convening shareholders shall not fall below 10% of the shares (excluding treasury shares) of the Company before the resolution adopted by the general meeting is announced. When the convening shareholder or the Audit and Risk Management Committee issues the notice of general meeting and publicly announces the resolution(s) of the general meeting, they shall submit the relevant documentary proof to stock exchange.

Article 71 Where the Audit and Risk Management Committee or shareholders convene a meeting in accordance with the provisions of this section, a written notice shall be sent to the board of directors and filed with the stock exchange. The board of directors and the board secretary shall cooperate. The board of directors shall provide the register of shareholders on the shareholding record date. All reasonable expenses incurred for the meeting shall be borne by the Company.

SECTION 3 PROPOSALS AND NOTICES OF GENERAL MEETING

Article 72 The proposed matters shall be within the scope of duties and powers of the general meetings. A proposal shall have a clear subject and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and these Articles of Association.

Article 73 When a general meeting is held by the Company, the board of directors, Audit and Risk Management Committee or shareholders individually or together holding 1% or more of the shares of the Company may make proposals to the Company.

Shareholders individually or together holding 1% or more of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting at least 10 days before the date of the general meeting within the specified period under the Hong Kong Listing Rules. In accordance with the Company Law and the Hong Kong Listing Rules, the convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals, and submit the ad hoc proposals to the general meeting for consideration, provided the ad hoc proposals that violate the laws, administrative regulations or the provisions of the Articles of Association, or are not fall within the duties of the general meeting.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, cannot revise the proposals stated in the notice of general meetings or add new proposals.

A general meeting shall not vote or resolve on any proposal which is not listed in the notice of such general meeting or does not comply with these Articles of Association.

Article 74 When the Company convenes the annual general meeting, it shall notify each shareholder of the date and venue of the meeting and the matters to be considered twenty days prior to the meeting by way of announcement; for an extraordinary general meeting, it shall notify each shareholder of the same fifteen days prior to the meeting by way of announcement. When calculating the period of notice, the Company shall exclude the date of the general meeting.

Article 75 A general meeting shall not decide on matters not specified in the notice.

Article 76 A notice of a general meeting shall include the following:

- (1) the date, venue and duration of the meeting;
- (2) matters and proposals to be considered at the meeting;
- (3) the shareholding record date for determining shareholders who are entitled to attend the meeting;
- (4) an express statement that all shareholders have the right to attend and vote at the general meeting either in person or by proxy in writing, and that such proxy need not be a shareholder of the Company;
- (5) the name and telephone number of the contact persons who handles the meeting affairs;
- (6) time and procedures for voting online or by other means;
- (7) other requirements provided by laws, administrative regulations, departmental rules, normative documents and other requirements issued by relevant regulatory authorities and under the Articles of Association.

Article 77 If a general meeting will discuss the election of directors, the notice of general meeting shall disclose full information of each candidate for directors. It shall at least include the following:

- (1) personal particulars such as education background, work experience and other positions concurrently held by such candidate;
- (2) whether he/she has any related/connected relationship with the Company or the controlling shareholder and actual controller of the Company;
- (3) the number of shares of the Company held by such candidate;
- (4) whether he/she has received any punishment by CSRC or other relevant departments or sanctions by any stock exchange.

Except for the cumulative voting system for the election of directors, each candidate of director shall be proposed in a separate proposal.

Article 78 A notice of general meeting shall be served on shareholders (whether such shareholders have voting right on such general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of shareholders, or to the extent permitted by applicable laws, regulations and listing rules, by publication on the Company's website or other website designated by the stock exchange where the Company's shares are listed. For holders of domestic shares, a notice of general meeting may be given by public announcement.

The public announcement referred to in the preceding paragraph shall be published on the website of the stock exchange and in media that meet the requirements of the securities regulatory authority under the State Council before the convening of the meeting. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice of the general meeting.

Article 79 After issuance of the notice for the general meeting, the general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall make a public announcement, together with the reasons for such delay or cancellation, at least 2 working days before the scheduled date of the meeting. If the listing rules of the listing venue of the Company contain any other provision in respect of the matters mentioned in this Article above, such provisions shall be complied with.

Article 80 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

SECTION 4 CONVENING GENERAL MEETING

Article 81 The board of directors of the Company and other person(s) convening the meeting will take necessary measures to ensure the normal order of the general meeting of shareholders. The Company will take measures to prevent, and will timely report to relevant authorities for investigating into and dealing with, the acts of interfering with the general meeting of shareholders, initiating quarrels and creating trouble and infringing the legitimate rights and interests of shareholders.

Article 82 All shareholders on the register of shareholders on the shareholding record date or their proxies shall be entitled to attend, vote and speak at the general meeting, and vote and speak in accordance with the provisions of relevant law, regulations, the listing rules of the place where the Company's shares are listed and these Articles of Association. Shareholders may attend the general meeting of shareholders in person or appoint a proxy to attend and vote on their behalf.

Any shareholder entitled to attend and vote at a general meeting has the right to appoint one or more persons (who are not required to be a shareholder) as his proxies to attend and vote on his behalf.

Such proxies may exercise the following rights pursuant to the authorization by the shareholder:

- (1) the shareholder's right to speak at the general meeting;
- (2) the right to demand or join in demanding a poll;
- (3) Unless otherwise provided in the applicable listing rules or other securities laws and regulations, the right to vote by a show of hands or on a poll, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights on a poll.

If the shareholder is a recognised clearing house as defined in the relevant regulations in force from time to time under the laws of Hong Kong (hereinafter referred to as "Recognised Clearing House") (or its proxy), such shareholder may authorise one or more persons it thinks fit to act as its proxy at any general meeting or any class of any general meeting or meeting of creditors; however, if more than one person is so authorised, the power of attorney shall specify the number and class of the shares with respect to such persons so authorised. The person so authorised may exercise any rights on behalf of such Recognised Clearing House (or its proxy) as if such person were an individual shareholder of the Company and must have the same legal rights as other shareholders, including the right to speak and vote.

Article 83 An individual shareholder who attends the general meeting in person shall produce his or her own identity card or other valid documents or proof evidencing his or her identity. If he or she appoints a proxy to attend the meeting on his or her behalf, the proxy shall produce his or her own valid proof of identity and the instrument of appointment from the shareholder.

Shareholders who are legal persons shall attend and vote at a meeting by their legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he or she shall produce his or her own identity card and a valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall present his or her own identity card and the power of attorney issued by the legal representative of the shareholder as a legal person. If the legal person has appointed a proxy to attend the meeting, it shall be deemed that it has attended the meeting in person, except for shareholder who is a Recognized Clearing House as defined in the relevant ordinances in force from time to time of Hong Kong.

Article 84 The instrument appointing a proxy shall be in writing and signed by the appointing shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person, such instrument shall be under its seal or signed by its director or duly authorized representative. Where such a proxy form for voting is signed by a person authorized by the principal, the power of attorney for authorized signature or other authorization documents shall be notarized. The power of attorney or other authorization documents upon notarized shall, together with the proxy form for voting, be placed at the Company's domicile or such other location as specified in the notice of the meeting.

The instrument issued by the shareholder to appoint a proxy to attend the general meeting shall state the following contents:

- (1) the name of the principal, as well as the class and number of shares of the Company held by him/her;
- (2) the name of the proxy;
- (3) specific instructions from shareholders, including instructions as to whether to vote “for” or “against” or “abstained” from voting on, each item on the agenda of the general meeting as an item for consideration thereat;
- (4) the signing date and validity term of the instrument;
- (5) signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be affixed.

Article 85 The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or at least 24 hours prior to the specified time of the voting. Where the instrument appointing a voting proxy is signed by another person authorized by the principal, the authorization letter or other document authorizing the signatory shall be notarized. The notarized authorization letter or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Article 86 Any form issued by the board of directors of the Company to the shareholders for the appointment of proxies shall enable the shareholders to separately instruct their proxies to cast vote in favour of or against each matter to be voted on at the meeting.

Article 87 A vote made in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or revocation of the authority to sign any power of attorney for a proxy, or the transfer of the shares in respect of which the proxy is given, provided that the Company does not receive any written notice in respect of such matters before the commencement of the relevant meeting.

Article 88 A registration record for attendants at the meeting shall be compiled by the Company. The registration record shall contain the names of attendants (or names of organizations), identity card numbers, the number of voting shares held or represented by each attendant and names (or name of organizations) of the proxies.

Article 89 The convener and the lawyers engaged by the Company shall jointly examine the legality of shareholders’ qualifications according to the register of shareholders provided by the securities registrations and clearing organizations. The names of shareholders and the number of voting shares held by such shareholders shall be registered. The registration shall be closed before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the voting shares held by such shareholders.

Article 90 If the general meeting requires the directors and senior management members to attend the meeting as non-voting attendees, such directors and senior management members shall attend the meeting as non-voting attendees and respond to shareholders' enquiries.

Article 91 The general meeting shall be presided over and chaired by the chairman of the board of directors. Where the chairman of the board of directors is unable to discharge the duty or will not discharge his duty, the meeting shall be presided over and chaired by the vice chairman of the board, or if there are two or more vice chairmen, by the one elected by at least half of the directors. Where no vice chairman is appointed or the vice chairman of the board is unable to discharge the duty or will not discharge the duty, the meeting shall be presided over and chaired by a director elected by at least half of the directors. Where no director can be elected by at least half of the directors to preside over and chair a general meeting, the shareholders attending the meeting may elect one person to chair such meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (whether in person or by proxy) shall chair the meeting.

If a general meeting is convened by the Audit and Risk Management Committee, the Audit and Risk Management Committee shall preside over and serve as the chairman of the meeting. If the Audit and Risk Management Committee as the convener is unable to or will not discharge its duties, the meeting shall be presided over and chaired by a member of the Audit and Risk Management Committee as elected by at least one half of the members of the Audit and Risk Management Committee.

If a general meeting is convened by the shareholders themselves, the conveners or the representative elected by them shall preside over and serve as the chairman of the meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over and serve as the chairman of the meeting.

In a general meeting, if the chairman of the meeting violates the rules of procedures for the general meeting, making the meeting impossible to proceed, the shareholders may, with approval by at least half of the votes represented by the shareholders present at the meeting, nominate one person to serve as the chairman and continue with the meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over and serve as the chairman of the meeting.

Article 92 The Company shall formulate the rules of procedures for general meeting and specify in details the procedure for convening, holding and voting at the general meeting, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, adoption of resolutions, minutes of meeting and their signing, public announcements, as well as principles of authorization to the board of directors by the general meeting and the authorization content shall be clear and specific

Article 93 In the annual general meeting, the board of directors shall report their work during the past year to the general meeting. Each independent director shall also present a work report.

Article 94 Directors and senior management members shall explain and answer the enquiries and suggestions from shareholders at the general meeting.

Article 95 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting as well as the total number of voting shares held by them, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

Article 96 The board secretary shall keep minutes for each general meeting. The minutes shall contain the following contents:

- (1) the time, venue and agenda of the meeting and names of the conveners;
- (2) the name of the meeting chairman and the names of the directors and senior management members in attendance at the meeting;
- (3) the numbers of shareholders (including holders of domestic shares and overseas listed foreign shares (if any)) and proxies attending the meeting, the total number of voting shares held by them and the percentages of their voting shares to the total share capital of the Company for each shareholder;
- (4) the process of review and discussion, summary of any speech and voting results of each proposal (including shareholders of domestic shares and overseas listed foreign shares, if any);
- (5) shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (6) the names of the lawyers, the persons who count votes and the persons supervising the voting process; and
- (7) other contents to be included as specified in these Articles of Association.

Article 97 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, board secretary, conveners and their representatives and the meeting chairman shall sign on the minutes. The minutes shall be kept together with the registration record of attending shareholders, powers of attorney for proxies, valid record on internet voting and other means of voting, for a period of no less than 10 years.

Article 98 The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to promptly resume the meeting or directly terminate that meeting, and make a timely public announcement and report in accordance with the laws, regulations or listing rules of the place where the Company's shares are listed.

SECTION 5 VOTING AND RESOLUTIONS AT GENERAL MEETINGS

Article 99 Resolutions of the general meeting include ordinary resolutions and special resolutions.

An ordinary resolution at a general meeting shall be passed by more than one half of the voting shares held by shareholders attending the general meeting (whether in person or by proxy).

A special resolution at a general meeting shall be passed by at least two-thirds of the voting rights held by shareholders attending the general meeting (whether in person or by proxy).

Article 100 The matters with respect to the exercise of powers in a general meeting as set out in paragraphs (1), (2), (3), (6), (7), (9) and (11) under Article 61 or all matters other than those required by laws, administrative regulations or these Articles of Association to be approved by a special resolution of the general meeting shall be approved by ordinary resolutions of the general meeting.

Article 101 The matters with respect to the exercise of powers in a general meeting as set out in paragraphs (4), (5), (8) and (10) under Article 61, or the matters as required by laws, administrative regulations or these Articles of Association or as confirmed by ordinary resolutions of the general meeting to have material impact on the Company to be approved by a special resolution of the general meeting shall be approved by special resolutions of the general meeting. The matters set out in paragraph (13) shall be subject to ordinary or special resolutions as stated above depending on the specific contents of shareholder's proposals.

Article 102 When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one vote.

Where material issues affecting the interests of minority shareholder are being considered at the general meeting, the votes by minority shareholders shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.

The Company's shares which are repurchased and held by the Company as treasury shares do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a general meeting.

Shareholders who purchase the voting shares of the Company in violation of Clause 1 and Clause 2 of Article 63 of the Securities Law shall not exercise the voting right of the shares that exceed the prescribed ratio within 36 months after purchasing them, and such number shall not be counted in the total number of voting shares represented by shareholders attending a general meeting.

Subject to applicable laws, regulations and/or requirements of the listing rules of the place where the Company's shares are listed, the board of directors, independent directors, shareholders holding 1% or more of the voting shares or investor protection institutions established pursuant to relevant laws, administrative regulations or the provisions of the CSRC may publicly solicit the voting rights of shareholders. When soliciting voting rights from the shareholders, information such as specific voting intentions should be fully disclosed to the shareholders being solicited. Soliciting voting rights from the shareholders with compensation or disguised compensation is prohibited. Except for statutory conditions, the Company must not set a lowest shareholding percentage when soliciting the shareholder voting rights.

When the general meeting considers related party/connected transactions, if so required under the applicable laws, regulations or listing rules of the place where the Company's shares are listed, the related/connected shareholders shall abstain from such voting, and the voting shares held by such shareholders will not be counted within the total number of valid votes. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-related/connected shareholders.

If any shareholder is required by applicable laws, regulations, listing rules of the place where the Company's shares are listed, these Articles of Association and relevant rules of procedures to vote for or to vote against or to abstain from voting on (as the case may be) any particular proposal, the shareholder shall waived the voting rights or abstain from voting in accordance with such provisions; any votes cast by the shareholders (or their proxies) in violation of such requirement or restriction shall not be counted in the voting results.

Article 103 Voting at general meeting will record the name of the voter.

Article 104 The list for candidates of directors shall be submitted as proposed resolutions to the general meeting for voting.

Where voting for the election of directors at the meeting, cumulative voting system can be adopted in accordance with the provisions in these Articles of Association or resolutions made at the meeting.

The directors shall be elected under the cumulative voting system when a single shareholder and its persons acting in concert hold over 30% of the total shares of the Company. Cumulative voting system shall be adopted for election of over two independent directors.

Where directors are elected at the general meeting under the cumulative voting system, the voting of the independent directors and non-independent directors shall be carried out separately. The general meeting shall determine the elected directors in a descending order of the number of votes obtained according to the number of directors to be elected.

Shareholders attending the general meeting shall have the same number of votes as the number of directors to be elected under each proposal group for each share held in the proposal subject to the cumulative voting system. 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.

Shareholders with multiple shareholder accounts may vote online through any one of their accounts. The number of votes they are entitled to is calculated on the basis of the total shares of the same class under all of their shareholder accounts.

Article 105 Except for the cumulative voting system, the general meeting shall vote on each proposal individually. Where there are different proposals for the same issue, voting should be carried out according to the order of the proposals raised. Except for special reasons such as force majeure causing the meeting to suspend or unable to reach a resolution, the meeting shall not set aside any proposal or have any proposal not voted on.

Article 106 When a poll is taken at a meeting, a shareholder (including proxies) who have the right to two or more votes need not cast all his votes in the same way.

Article 107 An on-site general meeting shall not conclude earlier than that held online or by other means, and the chairman of the meeting shall be responsible for announcing whether a proposal is passed or not at the general meeting according to the voting results of each proposal.

Before the formal announcement of voting results, the Company, vote counters, vote scrutineers, shareholders, network services providers and other related parties involved at the physical general meetings, over the network and by another voting method shall have an obligation to keep confidential details of the voting.

Article 108 If the chairman of the meeting has any doubts about the voting result of a resolution, he may arrange re-counting of the votes. If the chairman of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who challenges the result announced by the chairman of the meeting shall be entitled to request re-counting of votes immediately after such announcement, and the chairman of the meeting shall immediately arrange re-counting of the votes.

Article 109 If re-counting of votes is held at a general meeting, the result of the re-counting shall be recorded in the minutes of meeting. The minutes of meeting and the registration record of attendants signed by the attending shareholders and proxies shall be kept at the Company's domicile for a period no less than 10 years.

Article 110 When considering a proposed resolution, the general meeting shall not revise it; if an amendment is made, it shall be deemed as a new proposed resolution and may not be voted on during the current general meeting.

Article 111 The same vote may only be cast once at the location of a general meeting, or by online voting or other means. Where the same vote is cast for two or more times, the first cast shall hold.

Article 112 Before the general meeting votes on a proposed resolution, two shareholders' representatives shall be elected to participate in the vote counting and vote scrutiny. When a shareholder is related/connected to a matter being considered, he or she and his or her proxies may not participate in the vote counting or vote scrutiny.

When votes are cast on proposed resolutions at the general meeting, attorneys, representatives of the shareholders shall be jointly responsible for the vote counting and vote scrutiny and shall announce the voting results at the meeting. The voting result shall be recorded in the meeting minutes.

Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results in the way in which they have cast their votes.

Article 113 A shareholder attending a general meeting shall express one of the following opinions on any proposed resolution to be voted on: for, against or abstention. Save for the circumstance under which the securities registration and settlement institution acting as the nominal holder of shares under the Stock Connect between Mainland and Hong Kong, make reporting in accordance with the instruction of the de facto holders of relevant shares.

If a poll is blank, marked erroneously, illegible or has not been cast, the voter shall be deemed to have waived his or her right to vote and the voting results for the number of shares that he or she holds shall be recorded as "abstained".

Article 114 The resolutions of the general meeting shall be promptly announced, which shall specify the number of shareholders or their proxies present at the meeting, the total number of voting shares held by them, the proportion of voting shares held by them in the total number of voting shares of the Company, the voting methods, the voting result on each proposal and the detailed contents of the resolutions adopted.

Article 115 Where a proposal has not been passed or any change is made at the current general meeting to the resolution passed by the last general meeting, a special note shall be made in the public announcement of the resolutions of the general meeting.

Article 116 Where proposals regarding election of directors were passed at the general meeting, the time the new directors take office shall be the time when the proposals of relevant elections were passed at the general meeting.

Article 117 Where proposals regarding cash dividend, stock distribution or conversion of the capital reserve into share capital were passed at the general meeting, the Company will implement the specific plan within 2 months after the general meeting.

CHAPTER 9 THE PARTY COMMITTEE

Article 118 The Company shall establish the committee of the Communist Party of China of Dynagreen Environmental Protection Group Co., Ltd. (the “Party Committee”) and the Committee of the Communist Party of China for Discipline Inspection of Dynagreen Environmental Protection Group Co., Ltd. (the “Discipline Committee”). The Party Committee shall consist of one secretary, and one deputy secretary in charge of party building work. Eligible members of the Party Committee can join the board of directors and the board of management through legal procedures, while eligible Party members of the board of directors and the board of management can also join the Party Committee in accordance with relevant rules and procedures. The number of positions of secretary, deputy secretary and committee members of the Party Committee and the Discipline Committee shall be established in accordance with the approval given by the superior Party Committee, and shall be selected by election. During the adjournment of the Party representative congress, the superior Party Committee may appoint the secretary, deputy secretary of the Party Committee and the secretary of the Discipline Committee as necessary.

Article 119 The Party Committee shall, in accordance with the Constitution of the Communist Party of China and other party rules, perform its duties:

- (1) To strictly perform the primary duties of grassroots organization under Article 32 of Constitution of the Communist Party of China.
- (2) To ensure and supervise the thorough implementation of the guidelines and policies of the Party and the state as well as the decisions and deployment made by the superior party committee throughout the Company.
- (3) To adhere to the principle of the Party exercising leadership over officials, the selection of operating managers by the board of directors, and the exercise of power as regards the right of officials’ appointment by the operating managers in accordance with laws. To consider and decide on the appointment, removal or recommendation of management cadres. The Party Committee shall observe and appoint or remove leaders of party departments; recommend nominees to the Board of Directors and general manager, or deliberate and give opinions on the candidates nominated by the Board of Directors and general manager; together with the Board of Directors, observe the proposed candidates and discuss jointly to provide opinions and suggestions thereon. To fulfil the duties of managing talents and adopt the strategy of strengthening the Company through talent.
- (4) To study and discuss stable reform and development of the Company as well as material operation and management issues related to the interests of our staff, and provide advice and recommendations in this regard.

- (5) To assume full responsibility to comprehensively strengthen party discipline. To promote party building in respect of politics, ideology, organization, working style and discipline and run through them into system construction and deepen in fighting against corruption. To lead in the ideological and political work, united front work, Spiritual Civilization, corporate culture and trade unions, the Communist Youth League and others public work, to lead in the Party's conduct and development of clean politics and support the Discipline Committee in fulfilling its supervisory duties.
- (6) Other duties prescribed by the superior Party organization.

CHAPTER 9 DIRECTORS AND BOARD OF DIRECTORS

SECTION 1 GENERAL PROVISIONS FOR DIRECTORS

Article 120 Directors shall be elected or replaced by the general meeting and serve a term of three years for each term. A director may serve consecutive terms if re-elected upon the expiry of his term, unless otherwise stipulated by the relevant laws, regulations and listing rules of the place where the Company's shares are listed.

A director's term of service commences from the date he takes up the appointment, until the current term of service of the board of directors ends. If a director's term of service expires but a new director is not yet appointed, the original director shall continue to carry out the director's duties according to the laws, administrative regulations, departmental regulations and these Articles of Association until the newly elected director's appointment comes into effect. Before expiry of the current term of office, a director can be dismissed by the general meeting, which shall come into effect from the date on which such resolution is made. Where a director is removed from office prior to expiration of his/her term of office without justifiable cause, the director may demand compensation from the Company.

A director's post may be assumed by the general manager or other senior management members. But the total number of the directors who also serve as the general manager or other senior management members and the directors as staff representative, shall not exceed one – half of the total number of directors.

Article 121 The directors, both collectively and individually, are expected to fulfill fiduciary duties and duties of skill, care and diligence to a standard at least in compliance with the standard established by the laws of Hong Kong. This means that every director must, in the performance of his duties as a director:

- (a) act honestly and in good faith in the interests of the company as a whole;
- (b) act for proper purpose;
- (c) be responsible to the issuer for the application or misapplication of its assets;
- (d) avoid actual and potential conflicts of interest and conflicts in duty;

- (e) disclose fully and fairly his interests in contracts with the issuer; and
- (f) apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding a directorship in a listed company.

Article 122 The Company shall be notified in writing of the intention to nominate a candidate as director and such candidate's willingness to accept the nomination no later than 7 days prior to the date appointed for such general meeting.

Subject to relevant laws and regulations, a director can be removed by an ordinary resolution passed on a general meeting before the expiry of his term of office, without prejudice to the director's claim for damages pursuant to any contract.

Article 123 If a director fails to attend board meetings in person for two consecutive meetings, and does not appoint other directors to attend board meeting on his behalf, he shall be deemed as failing to carry out his duties. The board of directors shall propose to the general meeting to replace him.

Article 124 A director may resign before expiry of his term of service. When a director resigns, he shall submit a written resignation notice to the Company. The resignation will take effect on the day the Company receives the resignation report and the Company shall disclose the relevant circumstances within 2 trading days.

If resignation of a director would cause the number of the directors to fall below the minimum statutory requirement, the original director shall still perform the duties as director under the applicable laws, administrative regulations, departmental rules and the Articles of Association before the re-elected directors take office..

Article 125 The Company shall establish a system for managing the resignation of directors, specifying the safeguards for the recovery of liability and compensation for unfulfilled public commitments and other outstanding matters. When a director's resignation takes effect or when his/her term of service expires, the director shall complete all handover procedures with the board of directors. His/her fiduciary duties towards the Company and the shareholders shall continue to be effective for twelve months from the end of his/her term of service. The obligations of a director arising from the performance of his/her duties during his/her term of office shall not be relieved or terminated by his/her departure from office. The duty of confidentiality in relation to trade secrets of the Company survives the termination of their tenure until the same falls into the public domain. Other duties may continue for such as period as the principle of fairness may require depending on the time lapse between the occurrence of the event concerned and the termination of tenure and the circumstances under which the relationship between him and the Company are terminated.

Article 126 Unless otherwise duly authorized under these Articles of Association or by the board of directors, no director shall act in his personal capacity on behalf of the Company or the board of directors. When a director acts in his personal capacity, but a third party may reasonably believe that the director is acting for the Company or the board of directors, that director shall declare his position and capacity in advance.

Article 127 If a director causes damage to others when carrying out his or her duties, the Company shall be liable for compensation; if a director acts with willful or material default, he or she shall also be liable for compensation. If a director violates the laws, administrative regulations, departmental regulations or these Articles of Association when carrying out his duties and causes loss to the Company, he shall be held responsible for compensation.

SECTION 2 INDEPENDENT DIRECTORS

Article 128 The Company shall have independent directors. An independent director means a directors who takes no, position in the Company other than the directorship, and has no direct or indirect interest in the Company and the controlling shareholder or its substantial shareholders (“substantial shareholders” mean shareholders who separately or together hold at least 5% of the total number of voting shares of the Company, or who hold less than 5% of the shares but have material influence on the Company), and the actual shareholder, or any other relationship that may be prejudicial to his/her ability to make independent and objective judgement, and satisfies the requirements on independence by the listing rules of the place where the Company’s shares are listed.

In addition to the provisions of this section, the relevant provisions set out in Chapter 14 of these Articles of Association shall also apply to the qualifications and obligations of independent directors.

Article 129 No less than one-third members of board of directors and no less than three members of the board of directors of the Company shall be independent non-executive directors; among which, at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise. If the number of independent directors fails to meet the minimum number required by these Articles of Association due to any independent director failing to meet the requirement of independence or otherwise unsuitable for the position, the Company shall appoint additional independent directors to meet the requirement.

At least one of the independent non-executive directors of the Company shall ordinarily reside in Hong Kong.

Article 130 An independent director shall have the same term of office as other directors of the Company, and may be re-elected upon expiry of the term, provided that an independent director may not stay in his position consecutively for more than six years.

Article 131 The Company shall formulate working regulations of independent directors, which will specify the qualification, nomination, election and replacement and rights and obligations, liabilities of an independent director.

Article 132 Matters relating to independent directors which are not covered in this section shall be dealt with according to the relevant laws, regulations or listing rules of the place where the Company’s shares are listed.

SECTION 3 BOARD OF DIRECTORS

Article 133 The Company shall set up a board of directors consisting of seven to nine directors including three independent directors and one employee director. The board of directors shall have one chairman, and the general meeting may decide whether and how to set up the post of vice chairman by an ordinary resolution at the general meeting. (The provisions in these Articles of Association in relation to a vice chairman are only applicable if the Company has a vice chairman. The same applies below.)

The chairman and vice chairman (or vice chairmen) of the board of directors shall be elected and removed by more than one half of all the directors. The chairman and vice chairman (or vice chairmen) of the board shall serve a term of three years and may be re – elected upon the expiry of their terms.

The employee director shall be democratically elected by the employees’ representative meeting, the employees’ general meeting or other forms of democratic election.

Article 134 The board of directors exercises the following functions and powers:

- (1) to be responsible for the convening of general meetings and report its work to the general meetings;
- (2) to implement resolutions of the general meetings;
- (3) to decide on the Company’s business plans and investment schemes;
- (4) to decide on the annual financial budgets and final accounts of the Company;
- (5) to formulate the Company’s profit distribution plans and plans on making up losses;
- (6) to formulate proposal for the Company to increase or decrease of its registered capital, issue debentures or other securities and listing thereof;
- (7) to formulate plans for mergers, divisions, dissolution and alteration of corporate form of the Company or plans for the Company’s substantial acquisitions or repurchase of shares of the Company;
- (8) within the scope authorized by the general meeting, to decide, among others, the Company’s external investment, purchase and sale of assets, creation of mortgage on the Company’s assets, provision of guarantees, wealth management entrustment, related party/connected transactions, external donations;
- (9) to decide on establishment of internal management organizations of the Company;
- (10) to determine the setup of the specialized committees under the board of directors, appoint or dismiss the chairmen of such committees (the conveners);

- (11) to decide on appointment or dismissal of the general manager, the secretary to the board of directors and the secretary to the Company, and to decide on their remunerations, rewards and punishments; in accordance with the nominations by the general manager, to decide on appointment or dismissal of senior management members such as deputy general managers, financial controller and chief engineer, general legal counsel and to decide on their remunerations, rewards and punishments;
- (12) to formulate the basic management system of the Company;
- (13) to formulate proposals to amend these Articles of Association;
- (14) to formulate the stock incentive plan of the Company;
- (15) to manage information disclosure of the Company;
- (16) to propose to the general meeting on the appointment or replacement of the accounting firms which provide audit services to the Company;
- (17) to listen to work reports of the general manager and review his/her work;
- (18) to review and approve provision of guarantees by the Company, other than the guarantees which are subject to review and consideration at a general meeting in accordance with Article 62 hereof;
- (19) other powers authorized by the laws, administrative regulations, and departmental rules, listing rules of the listing place where the Company's shares are listed, these Articles of Association and the general meetings.

If any matter of authority to be exercised by the board of directors above or any transaction or arrangement of the Company shall be subject to review by the general meeting according to the listing rules of the place where the Company's shares are listed, such matters shall be submitted to the general meeting for review.

Except for the matters specified in paragraphs (5), (6), (13) and (18) of this Article, as well as laws, administrative regulations, listing rules of the listing place where the Company's shares are listed, this Articles of Association which shall be passed by at least two-thirds of the directors, all other matters above may be passed by at least one half of the directors.

Where the above duties involve any of the significant events or issues referred to under Article 119, it shall be first deliberated by the Party Committee and the board of directors will make the final decision.

Article 135 The board of directors of the Company shall give an explanation to the general meeting for any abnormal audit opinion made by the chartered accountant in relation to the financial report of the Company.

Article 136 The board of directors shall formulate the rules of procedures for meetings of the board of directors to ensure implementation of the resolutions of the general meeting, improve the efficiency of work and ensure scientific decision-making. The rules of procedures for the board of directors stipulate the convening and voting procedures of the board of directors, and shall be appended to these Articles of Association. It shall be formulated by the board of directors and approved by the general meeting.

Article 137 The board of directors shall set up the Audit and Risk Management Committee, Remuneration and Appraisal Committee and Nomination Committee, and may set up other specialized committees such as Strategic Committee, to advise the board of directors on major decisions. The board of directors may also set up additional specialized committees or adjust the existing committees if necessary.

Each specialized committee is responsible to the board of directors. All members of the specialized committees shall be directors. The Audit and Risk Management Committee shall comprise at least three members, who shall be non-executive directors. The majority of its members shall be independent non-executive directors with at least one independent non-executive director holding proper qualification as required by the listing rules, or appropriate accounting or related financial management expertise. The chairman of the Audit Committee shall be an independent non-executive director. The majority of the Remuneration and Appraisal Committee shall be independent non-executive directors and the chairman of the Remuneration and Appraisal Committee shall be an independent non-executive director. The chairman of the Nomination Committee shall be an independent non-executive director and the majority of the Nomination Committee shall be independent non-executive directors.

The Audit and Risk Management Committee exercises the powers and functions of the supervisory committee as stipulated in the Company Law. The board of directors shall separately formulate the scope of responsibilities and rules of procedures for each specialized committee. For matters not stipulated in this Article regarding the special committees, the relevant provisions of applicable laws, regulations, or the listing rules of the place where the Company's shares are listed shall govern.

Article 138 If the board of directors proposes to dispose of any fixed assets, the expected value of which, when aggregated with value of fixed assets disposed of within four months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest audited balance sheet considered by the general meetings, the board of directors shall not dispose of or agree to dispose of such fixed assets without prior approval by the general meeting.

The term "fixed assets disposal" referred to in this Article includes transfer of certain interests in assets, but excludes creation of security interests over fixed assets.

The validity of fixed assets disposal by the Company shall not be affected by a breach of the first paragraph of this Article.

Article 139 The chairman of the board shall have the following functions and powers:

- (1) to preside over general meetings and to convene and preside over meetings of the board of directors;
- (2) to procure and check the implementation of resolutions of the board of directors;
- (3) to sign on share certificates, debentures and other securities issued by the Company;
- (4) organize the formulation of various rules and coordinate operation of the board of directors;
- (5) to sign on important documents of the board of directors and legally binding documents on behalf of the Company;
- (6) to exercise the powers and functions as the legal representative;
- (7) to nominate candidates for secretary to the board of directors, members and chairmen of the specialized committees under the board of directors;
- (8) to listen to periodic or ad hoc work reports of the company's senior management, and provide guidance opinion to implementation of the resolutions of the board of directors;
- (9) in case of emergency of catastrophic natural disasters and other force majeure events, exercise the special right of disposal over the Company's affairs that are in accordance with the requirements of laws and interests of the Company, and report to the board of directors and the general meeting afterwards;
- (10) to exercise certain powers of the board of directors within the mandate of the board of directors when the board of directors is not in session;
- (11) other functions and powers authorized by the laws, administrative regulations, departmental rules, these Articles of Association and the board of directors.

Article 140 The vice chairman (or vice chairmen) shall assist the chairman of the board of directors in work. When the chairman is unable to or does not carry out his duties, the vice chairman shall (or if there are two or more vice chairmen, the vice chairmen elected by at least half of the directors shall) carry out such duties. If no vice chairman is appointed or the vice chairman is unable to or does not carry out his duties, such duties shall be carried by a director elected by at least half of the directors.

Article 141 The board meetings include regular meetings and extraordinary meetings.

Regular meetings of the board of directors shall be held at least twice a year. The meeting shall be convened by the chairman of the board with the notice and documents of meeting being served upon all the directors at least 14 days before the meeting is held.

The chairman, any shareholder holding at least one-tenth voting rights, at least one-third of the directors, or the Audit and Risk Management Committee or the general manager may propose the holding of an extraordinary meeting of the board of directors. The chairman shall convene and preside over the extraordinary meeting of the board of directors within 10 days upon receipt of the proposal, and shall give a notice to all the directors at least five days before the meeting is held.

Where there is an urgent matter, the extraordinary board meeting may be held upon approval by the chairman, which is not subject to the requirement of meeting notice as set out in paragraph 3 of this Article, provided that a proper notice shall be given to the directors and the general manager.

Regular Board meetings or extraordinary meetings can be held by way of telephone conference or use of similar communication equipment. As long as all directors present in the meeting can hear clearly the conversation of the other directors and can give feedback, all directors participated should be treated as present in the meeting in person.

Article 142 The notice of board meetings may be delivered in the manners as set out in Article 216 of these Articles of Association.

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

Article 143 A notice of board meeting shall include the following contents:

- (1) date and place of meeting;
- (2) period of the meeting;
- (3) reasons and agenda;
- (4) date of issuance of notice; and
- (5) method of convening the meeting.

Article 144 For any major matters to be determined by the board of directors, sufficient information shall be provided to the directors and the directors are entitled to request supplementary materials. When at least one-fourth of the directors or at least two external directors (an external director means a director who have no executive positions in the Company) consider that the provided materials insufficient or the reasoning is unclear, they may jointly propose to defer the board meeting or defer the consideration on the relevant matters, the board of directors shall accept such proposal accordingly.

Article 145 Except for the consideration on the related party/connected transactions by the board of directors as set out in Article 147, the quorum of a board meeting shall be presence of more than one half of the directors.

Unless otherwise provided elsewhere in these Articles of Association, resolutions of the board of directors shall be passed by more than one half of all the directors.

As for the voting on a board resolution, each director shall have one vote only.

Article 146 The directors shall attend a board meeting in person. If a director is unable to attend for any reasons, he may appoint another director in writing to attend on his behalf. The authorization letter shall contain the name of the proxy, the matters represented, scope of authorization and validity period. It shall be signed or sealed by the principal.

A director who acts as a proxy of another director at a board meeting shall exercise the other director's rights within the authorized scope. If a director does not attend a board meeting in person and does not appoint a proxy to attend the meeting, he/she shall be deemed to have waived the voting rights in the meeting.

Article 147 When a director is related/connected to companies or individuals who are the subject of a resolution to be decided at a board meeting, the connected director shall report to the board of directors in writing in a timely manners and shall not vote on that resolution, and shall not vote on behalf of other directors on such resolution. Such board meeting shall be deemed as having a quorum if more than one half of the non-related/connected directors attend the meeting. Resolutions made by the board meeting shall be passed by more than one half of the non-related/connected directors. If the number of non-connected directors attending the board meeting is less than three, the matter shall be submitted to the general meeting for consideration.

Article 148 The board meeting shall vote by way of disclosed ballot.

Provided that the directors can fully express their opinions at the extraordinary board meetings, decisions could be made by signing written resolutions instead of convening board meetings, given that the resolutions to be reviewed shall be delivered to each of the directors by hand, post, fax or other means of communication and the number of directors who signed the said resolutions shall reach the number as required for pass such resolution.

If a substantial shareholder (a substantial shareholder means a shareholder holding 10% or more of the shares of the Company) or a director has material conflict of interest in the matters to be considered, such matters shall be considered and decided on by the means of convening board meetings (rather than written resolutions) and independent non-executive directors who do not have any material interest in such matters shall attend the board meeting.

Article 149 The board of directors shall keep minutes of its decisions on the matters discussed at the meeting. The directors who attended the meeting, the board secretary and the recorder shall sign the minutes of that meeting.

The directors shall be responsible for the decisions of the board of directors. Where a resolution of the board of directors is in violation of the laws, administrative regulations or these Articles of Association, thereby causing serious losses to the Company, the directors who took part in the resolution shall be liable to the Company for compensation. However, where a director can prove that he expressed his opposition to such resolution when it was put to voting, and that such opposition was recorded in minutes of the meeting, the director shall be exempted from such liability.

The minutes of board meetings shall be kept as a company file for a period of no less than 10 years.

Article 150 The minutes of the board meetings shall contain the following information:

- (1) date and venue of the meeting and the name of the convener;
- (2) the names of the directors present and names of directors (proxy) acting for other directors to attend the meeting;
- (3) the agenda;
- (4) the main points of directors' speeches;
- (5) the voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).

CHAPTER 10 SECRETARY TO THE BOARD OF DIRECTORS

Article 151 The Company shall have one board secretary. The board secretary shall be a senior management member of the Company.

Article 152 The secretary to the board of directors shall be a natural person with the requisite professional knowledge and experience and shall be appointed by the board of directors.

The primary responsibilities of the secretary to the board include:

- (1) to assist the daily work operations of the board, continuously provide the board with the operation provisions on corporate operations under the law, regulations, policies and requirements of domestic and foreign regulatory agencies and ensure the board comprehend such provisions, and assist the directors and general manager perform duty under domestic and foreign law, regulations, the Articles of Association and any other relevant provisions;
- (2) to organize board meeting and shareholders general meeting, prepare the relevant documentations, prepare the meeting minutes, ensure the meeting's decision – making processes in accordance with statutory procedures, and be fully aware of the implementation of the board's resolutions;

- (3) to be responsible for arrangement and coordination of information disclosure, liaise with investors, and enhance the transparency of the Company's work operations;
- (4) to participate in the arrangement of capital market financing;
- (5) to with intermediate agencies, regulatory authorities and media, and maintain good public relations;
- (6) to fulfill other tasks assigned by the board of directors as well as the chairman.

The scope of responsibilities of the secretary to the board includes:

- (1) to organize board meetings and shareholders general meetings, prepare relevant documentations, arrange for meeting affairs, prepare meeting minutes, ensure the accuracy of the meeting minutes, keep the meeting documents including the meeting minutes and take the initiative to fully comprehend the implementation of the related resolutions, report to the board of directors with suggestions on important issues in relation to such implementation.
- (2) to ensure that the board's decision-making on major issues is in strict accordance with the prescribed procedures, organize and participate in the discussion and analysis meetings and provide relevant opinions or suggestions as requested by the board, and fulfill routine work assigned by the board or related committees of the board.
- (3) to serve as the contact person between the Company and the securities regulatory authorities, organize the preparation and timely submission of the documents requested by the regulatory authorities, and receive and organize the completion of relevant tasks assigned by the regulatory authorities.
- (4) to coordinate and organize the information disclosure of the Company, improve the information disclosure system, participate in all the meetings related to information disclosure, and be fully aware of the major business decisions and related information timely.
- (5) be responsible for the confidentiality of the sensitive information on the Company's share price, and formulate effective confidentiality measures; in the event of any leakage of sensitive information of the share price of the Company, to take necessary remedial measures, make prompt explaining and clarifying accordingly, and inform overseas listing regulatory agencies and the CSRC.
- (6) to coordinate and organize the Company's marketing events, receive visitors in such events, deal with investor relationship, liaise with investors, intermediate agencies and media, coordinate and reply to public enquiries, ensure that investors are able to receive timely information disclosed by the Company; prepare and organize the Company's domestic and overseas promotion events, compile summary reports on such events and important visits, and report on relevant matters to the CSRC.

- (7) to be responsible for the maintenance of shareholders' register, directors' register, records of shareholdings of substantial shareholders and directors as well as a list of holders of outstanding debentures of the Company.
- (8) to assist directors and the general manager in performing duties in accordance with domestic and foreign law, regulations, these Articles of Association and other relevant regulations. When knowing that the Company is making or to make a resolution in violation of any relevant provisions, the secretary has an obligation to timely remind the Company and has the right to truthfully report the situation to the CSRC and other regulatory agencies.
- (9) to coordinate to provide information to the Company's Audit and Risk Management Committee and other auditing agencies needed for performance of their supervisory functions, and assist the investigation relevant to the Company's financial controller, directors and general manager on fulfillment of fiduciary duties.
- (10) to perform such other functions and powers assigned by the board of directors and other functions required by the law in the listing place of the Company or stock exchange.

Article 153 Directors or other senior management members may concurrently act as the secretary to the board of directors. No accountant(s) of the accounting firm engaged by the Company may concurrently act as the secretary to the board of directors.

If the office of the secretary to the board is held concurrently by a director, and an act is required to be taken by a director and the secretary to the board separately, the person who concurrently holds the offices of director and secretary to the board shall not perform the act in dual capacity.

Article 154 The Company's directors, general manager and related departments shall support the secretary to the board to perform his/her duties in terms of institutional setup, staff deployment, funding etc. if required. All relevant departments of the Company shall actively cooperate with the secretary to the board.

CHAPTER 11 COMPANY SECRETARY

Article 155 The Board shall appoint a company secretary to ensure good communication among the members of the board and compliance with the board policies and procedures. The company secretary shall report his/her work to the chairman and/or the general manager, recommend to the board on corporate governance through the chairman and/or the general manager, and make arrangements in respect of director's induction training and professional development.

Article 156 The election, appointment and dismissal of a company secretary shall be approved by the board through board meetings but not written resolutions. The post of company secretary shall be taken by a person who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of a company secretary. The Company may appoint the company secretary by selecting an employee who is familiar with the ordinary course of business of the Company or engaging external agencies. In the event that the company secretary is an external agency, the Company shall designate a senior management member to liaise with the external agency.

Article 157 The company secretary shall attend professional training of no less than 15 hours for each fiscal year.

Article 158 All the directors of the Company may have access to the advice and services of the company secretary to ensure compliance with the board procedures and all the laws, regulations and provisions.

CHAPTER 12 GENERAL MANAGER

Article 159 The Company shall have one management team who, under the steering of the board of directors, implements the decisions of the board of directors and supervises the Company's daily work operations. The management team shall be led by the general manager.

The Company shall have one general manager and several deputy general managers to assist the general manager and shall also have one financial controller, one chief engineer and one general legal counsel. The general manager, deputy general managers, financial controller, chief engineer and general legal counsel shall be appointed and dismissed by the board of directors.

Article 160 The term of office of the general manager shall be three years and the general manager may serve consecutive terms if re-appointed.

The general manager can submit his resignation before the expiry of his term of office. The procedures and methods concerning the general manager's resignation shall be regulated by the employment contract between the general manager and the Company. If the general manager fails to perform his/her duties for special reasons, one deputy general manager designated by the Board of directors shall act on his/her behalf.

A director may concurrently take the post of general manager or deputy general manager, provided that the post of chairman and general manager shall be taken by different persons.

Any person holding any executive position in the controlling shareholder of the Company other than as a director or supervisor shall not serve as senior management of the Company. The senior management members of the Company only receive remuneration from the Company, and shall not be paid by the controlling shareholder.

The provisions of these Articles of Association relating to the circumstances under which a person may not serve as a director and the termination management system shall be also applicable to the senior management members.

The provisions of these Articles of Association regarding the fiduciary and diligent obligations of directors shall be also applicable to the senior management members.

Article 161 The Company's general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

- (1) to lead the Company's production, operation and management, and report to the board of directors;
- (2) to organize resources to carry out the Board's resolutions;
- (3) to organize the implementation of the Company's annual business plan and investment plan formulated by the board of directors;
- (4) to draft plans for the establishment of the Company's internal management structure;
- (5) to draft the basic management system of the Company;
- (6) to formulate detailed rules and regulations of the Company;
- (7) to propose the appointment or dismissal of the Company's deputy general manager(s), financial controller, chief engineer and general counsel to the board;
- (8) to decide on appointment or dismissal of other management members other than those required to be appointed or dismissed by the Board;
- (9) to exercise other powers conferred by these Articles of Association or the board of directors.

Where the above duties involve any of the significant events or issues referred to under Article 119, it shall be first deliberated by the Party Committee and the General Manager Office will make the final decision.

Article 162 The Company's general manager shall be in attendance at the meetings of the board of directors. If the general manager is not a director, he shall not have the right to vote at such meetings.

Article 163 The general manager shall formulate the detailed working rules of the general manager, which shall be submitted to the board of directors for approval.

The working rules of the general manager include the following:

- (1) conditions, procedures and attendants for convening manager meeting;
- (2) respective duties and responsibilities of the general manager and other senior management members;
- (3) limits of authority in using company funds and assets as well as the signing of significant contracts, together with the reporting system to the board of directors and the Audit and Risk Management Committee;
- (4) other matters considered necessary by the board of directors.

Article 164 In the exercise of his/her functions and powers, the general manager shall act honestly and diligently in accordance with the law, administrative regulations and these Articles of Association.

Article 165 The Company adopts a general legal counsel system and has a general legal counsel. The general legal counsel is a senior management member of the Company appointed by the board of directors and is the specific leader of the Company's rule of law efforts. The general legal counsel shall be responsible for legal affairs of the Company by coordinating and handling legal affairs in decision-making, operation and management of the Company. The general legal counsel reports directly to the general manager or chairman of the board of directors and is accountable to the board of directors. Significant matter to be discussed and considered at a decision-making meeting of the Company which is subject to legal review and verification must be submitted to the general legal counsel for legal review in advance. If the general legal counsel considers that such matter involves material risks, submission to the decision-making meeting shall be deferred. The general legal counsel shall attend the meetings of the Party committee and the board of directors on legal issues and participate in the general manager's work meetings to provide independent legal opinions on legal issues related to the matters under consideration.

CHAPTER 13 QUALIFICATIONS AND OBLIGATIONS OF THE COMPANY'S DIRECTORS AND OTHER SENIOR MANAGEMENT MEMBERS

Article 166 A person may not serve as a director or senior management member of the Company if he/she is in any of the following circumstances:

- (1) he/she has no capacity or only has restricted capacity for civil acts;
- (2) he/she has been found guilty of offences of corruption, bribery, embezzlement or misappropriation of property or disruption of the social economic order, or he/she has been deprived of his or her political rights due to his or her crimes, where not more than five years have lapsed since the sentence was served, in the case of a suspended sentence, where less than two years have lapsed since the date of expiration of the probation period;

- (3) he/she is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of completion of the insolvency and liquidation of the company or enterprise;
- (4) he/she is a former legal representative of a company or enterprise which had its business license revoked and was ordered to be closed down due to violation of the law and he/she is personally liable for such revocation, where less than three (3) years has elapsed since the date of revocation of the business license or the date of being ordered to be closed down;
- (5) he/she has a relatively large amount of debts due and outstanding and has been listed as a judgment defaulter by the People's Court;
- (6) he/she has been barred from the securities market by the CSRC for a certain period of time and such period has not expired yet;
- (7) he/she has been publicly declared by any stock exchange to be unsuitable for serving as the directors and senior management of any listed company;
- (8) other circumstances prescribed by the laws, administrative regulations or departmental regulations or rules of security regulators and stock exchange(s) in the territory where the Company's shares are listed.

Article 167 Directors and senior management members shall observe the provisions of laws, administrative regulations and the Articles of Association with the obligations of loyalty to the Company, take measures to avoid conflicts between their own interests and the Company's interests, and must not abuse their authority to seek improper benefits.

The directors and senior management members shall fulfill the following obligations of loyalty to the Company:

- (1) not to misappropriate the Company's properties or divert the funds of the Company;
- (2) not to deposit any funds of the Company in an account opened in their names or in the names of others;
- (3) not to abuse their authority in bribes or accepting other unlawful income;
- (4) not to enter into any contract or conduct any transaction, directly and indirectly, with the Company without reporting to the board of directors or the general meeting and obtaining approval through resolutions by the board of directors or the general meeting as stipulated in the Articles of Association;

- (5) not to take advantage of their positions to seek any business opportunities that are due to the Company for themselves or others, unless such business opportunities are not available to the Company upon reporting to the board of directors or the general meeting and obtaining approval through resolutions by the general meeting or as required in laws, administrative regulations and the Articles of Association;
- (6) not to conduct any businesses similar to those of the Company for themselves or others without reporting to the board of directors or the general meeting and obtaining approval through resolutions by the general meeting;
- (7) not to take any commission for any transaction between other parties and the Company as their own;
- (8) not to disclose any secret of the Company;
- (9) not to use his or her related/connected relationships to harm the interests of the Company;
- (10) to fulfill other obligations of loyalty stipulated by laws, administrative regulations, departmental rules or these Articles of Association.

Directors' and senior management members' income derived from violation of this Article shall belong to the Company; and directors shall be liable to compensate any loss incurred to the Company.

The provisions of the item (4) of the second paragraph of this Article shall apply to the conclusion of contracts or engagement in transactions with the Company by close relatives of the directors and senior management members or enterprises directly or indirectly controlled by the directors and senior management or their close relatives, as well as persons who are otherwise connected/related to the directors and senior management.

Article 168 Directors and senior management members shall observe laws, administrative regulations and the Articles of Association to perform their obligations of diligence to the Company. They shall fulfill their obligations with reasonable care generally due to managers in the best interests of the Company.

Directors and senior management members fulfill the following obligations of diligence to the Company:

- (1) to prudently, conscientiously and diligently exercising the rights granted him or her by the Company, so as to ensure that the commercial acts of the Company comply with state laws, administrative regulations and the requirements of the various economic policies of the state, and that its commercial activities do not exceed the scope of business specified on the business license;
- (2) to treat all shareholders impartially;
- (3) to keep informed of the operation and management conditions of the Company;

- (4) to sign the written confirmation in respect of the regular reports of the Company to assure that the information disclosed by the Company is true, accurate and complete;
- (5) to honestly provide the Audit and Risk Management Committee with relevant information and data, and not to prevent the Audit and Risk Management Committee or supervisors from performing their duties and powers;
- (6) to fulfill other obligations of diligence stipulated by laws, administrative regulations, departmental rules or these Articles of Association.

Article 169 The Company may establish a liability insurance system for directors and senior management members in order to reduce the risks which may arise from the ordinary performance of duties by such personnel.

CHAPTER 14 FINANCIAL ACCOUNTING SYSTEM AND DISTRIBUTION OF PROFITS

Article 170 The Company shall formulate its own financial and accounting systems in accordance with provisions of the laws, administrative regulations and relevant authorities.

Article 171 The Company adopts the calendar year as its fiscal year, which shall begin in each year on 1 January and end on 31 December of the Gregorian calendar.

The Company shall prepare financial reports at the end of each fiscal year, and such reports shall be examined and verified according to laws.

Article 172 The board of directors of the Company shall place before the shareholders at each general meeting such financial reports as required by relevant laws, administrative regulations and normative documents promulgated by the local government and the competent authorities.

Article 173 The financial reports of the Company shall be made available in the office of the Company for inspection by shareholders at least 20 days prior to an annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this chapter.

At least 21 days before the annual general meeting, the Company shall deliver the aforementioned reports to each holder of overseas listed foreign shares with the pre-paid mail or by other means (including through posting at the Company website or other websites designated by the relevant stock exchange) permitted by the Stock Exchange of the place where the Company's shares are listed, to the registered address of the shareholders as recorded in the share register.

Article 174 The financial statements of the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and regulations.

Article 175 The interim results or financial information announced or disclosed by the Company shall be prepared in accordance with the PRC Accounting Standards for Business Enterprises and regulations.

Article 176 The Company shall submit and disclose its interim financial report to the CSRC dispatched agencies and the stock exchange within two months after the end of the first six months of each fiscal year and submit and disclose its annual report to the CSRC dispatched agencies and the stock exchange within four months after the end of each fiscal year.

If it is otherwise required by the securities regulatory authority of the place where the Company's shares are listed, such requirements and regulations shall prevail.

Article 177 The Company shall not maintain any account books other than statutory account books. The Company's funds are not stored in accounts opened in any individual's name.

Article 178 The capital reserve shall include the following funds:

- (1) the premiums obtained from the issue of shares in excess of the par;
- (2) other revenue required by the finance authority under the State Council to be included in the capital reserve.

Article 179 When the Company distributes its after-tax profits of the current year, it shall allocate 10% of the profits to the Company's statutory common reserve. The Company may stop such allocation if the accumulative balance of the common reserve is equal to or more than 50% of the Company's registered capital.

If the accumulative balance of the Company's statutory common reserve is not enough to make up for the losses of the Company of the previous years, the current year's profits shall first be used for making up the losses before any allocation to the statutory common reserve according to the provisions of the preceding paragraph.

After the Company makes allocation to the statutory common reserve from the after-tax profits, it may, upon a resolution made by the general meeting, make allocation to the discretionary common reserve from the after-tax profits.

After the losses have been made up and allocation to common reserves have been made, the remaining after-tax profits shall be distributed to its shareholders in proportion to their respective shareholding, except for any out-of-proportion distribution as required under these Articles of Association.

If the general meeting, in violation of the Company Law, distributes profits to the shareholders, the profits so distributed shall be returned to the Company; in case of losses caused to the Company, shareholders and responsible directors and senior management members shall be liable for compensation.

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

Article 180 The reserve of the Company is used to make up the Company's losses, expand the production and operation of the Company or increase the Company's registered capital.

When the reserve is used to make up the Company's losses, the discretionary reserve and statutory reserve shall be first used; if the losses can still not be covered, the capital reserve may be used according to provisions.

When statutory reserve funds are capitalized to increase registered capital, the remaining balance of that reserve fund shall not be less than 25% of the registered capital of the Company before the capitalization.

Article 181 The Company may distribute dividends in either or both of the following forms:

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

Any cash dividends and other payments to domestic shareholders shall be paid in RMB. Any cash dividends and payments to foreign shareholders will be denominated and declared in RMB and paid in foreign currency. The Company will, according to regulations on foreign exchange, deal with foreign currency matters for cash dividends and other payments to foreign shareholders.

Unless otherwise provided by the relevant laws and regulations, for the payment of cash dividends and other payments in foreign currency, the applicable exchange rates shall be the average sell price announced by the People's Bank of China in one calendar week immediately preceding the declaration date of such cash dividends and other payments.

Article 182 Profit distribution policies and decision-making mechanism

- (1) Any profit distribution of the Company shall not exceed the amount of accumulated distributable profits and shall not adversely affect the continued operation of the Company. The Company may distribute interim dividends according to its profit and capital requirements.
- (2) Terms and policies of cash dividends

The Company shall give priority to the payment of cash dividends. If no cash dividends are available, no scrip dividends shall be declared for the same year. Any cash dividends proposed shall satisfy the following criteria: The current profit and accumulated retained earnings of the Company shall be positive and its cash flow shall be sufficient to support the continued operation and long-term development of the Company; the profit to be distributed in cash shall not be less than 10% of the distributable profits of the year, and the cumulative

profit distributed in cash in any three consecutive financial years shall not be less than 30% of the average distributable profit of the Company for such three years.

With a view to providing investment returns to its shareholders and sharing its corporate values, the Company may declare the payment of scrip dividends in addition to the cash dividends, taking into account practical and reasonable factors such as the growth of the Company, dilution of net asset value per share and the maintenance of an adequate reflection of its share capital on its share price.

Where the Company records surplus for consecutive years, each cash dividend shall not be more than 24 months apart.

The board of directors shall distinguish the following situations and formulate/ diversified cash dividend distribution proposals in accordance with requirements of these Articles of Association and comprehensively take into account of the Company's industry, stage of development, business model, and profitability and other factors such as whether there are significant capital expenditure arrangements:

1. If the Company is at a mature stage of development and has no significant capital expenditure arrangements, the proportion of cash dividends should be at least 80% in the profit distribution;
2. If the Company is at a mature stage of development and has significant capital expenditure arrangements, the proportion of cash dividends should be at least 40% in the profit distribution;
3. If the Company is at a development stage and has significant capital expenditure arrangements, the proportion of cash dividends should be at least 20% in the profit distribution.

When it is difficult to assess the Company's stage of development but there are significant capital expenditure arrangements, the profit distribution may be determined in accordance with the foregoing provisions.

Significant capital expenditure arrangements are transactions involving, among other things, acquisition of assets, external investment and investment in fixed assets contemplated by the Company and settled in cash in the following 12 months with expenditure amounting to or exceeding an aggregate of 30% of the latest audited total assets, or exceeding 50% of the latest audited net assets and RMB50 million, in each case except for project investments through raised capital.

(3) Decision-making mechanism

Particulars of any profit distribution shall be determined by the board of directors in accordance with the requirements of these Articles of Association, the Company's profits, capital supply and requirements and shareholders' return and be proposed for approval at a general meeting.

The board of directors shall specify the use of retained earnings and, where scrip dividends are to be distributed, the reasonableness and feasibility thereof in any profit distribution proposal. In the event that the board of directors does not declare any cash dividend in its annual profit distribution plan in accordance with relevant requirements herein, the board shall provide reasons for not declaring the cash dividend or declaring a dividend below the stipulated percentage and the specific use of the retained profits and expected return thereon, which shall be proposed at a general meeting for shareholders' approval. Such information shall be disclosed in the announcement on results of the meeting of the board of directors of the Company and periodic reports.

Independent directors may collect opinions from minority shareholders, propose dividend distribution proposals and directly submit it to the board of directors for approval.

The Company shall elicit opinion of investors on profit distribution through effective means such as investors' interaction platforms, the website of the Company, telephone, facsimile and electronic mail. Such opinion shall be summarized by the secretary to the board of directors and provided at the meeting thereof considering a proposal for profit distribution.

When considering a proposal for profit distribution at a board meeting, the board of directors shall earnestly research and determine the timing, conditions, minimum proportion, adjustment conditions and other decision-making procedures in relation thereto. Such proposals shall be proposed at a general meeting upon being approved by the board of directors.

Before a cash dividend proposal is considered at a shareholders' meeting, the Company shall communicate with shareholders, especially minority shareholders through various channels to listen to the opinion and requests of minority shareholders and give timely responses to issues which minority shareholders are concerned about. When convening a general meeting to consider a proposal for profit distribution, online voting shall be provided in addition to the on-site meeting for the convenience of minority shareholders. A proposal for profit distribution shall be passed by over half of the shareholders present (including their proxies).

If, due to the Company's operating conditions, investment planning and needs for long-term development or changes in the Company's external operating environment, it is necessary to adjust the profit distribution policy, the adjusted profit distribution policy should focus on protecting the rights and interests of shareholders and shall not violate relevant laws and regulations, and provisions of regulatory documents and these Articles of Association. The proposal to adjust the profit distribution policy will be considered by the board of directors before submission to the general meeting of the Company for approval, and will be passed by more than two-thirds of the voting rights held by shareholders attending the general meeting. Regular reports shall explain in details whether the conditions for and the process of such policy adjustment comply with relevant requirements.

Article 183 Any amount paid up in advance of calls on any share of the Company may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

Article 184 The Company shall appoint a receiving agent for holders of overseas listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of overseas listed foreign shares.

The receiving agent appointed by the Company shall meet the requirements of the laws of the place(s), or the relevant regulations of the stock exchange(s), where the Company's shares are listed.

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

Subject to relevant PRC laws and regulations, the Company may exercise the power to retain unclaimed dividends, but that power shall not be exercised until the applicable limitations period applicable to claim of such dividends expires.

The Company has the right to cease sending dividend warrants by post to certain holders of overseas listed foreign shares, provided that such right may not be exercised until such warrants have been so left uncashed on two consecutive occasions. However, such right may be exercised after the first occasion on which such a warrant is returned undelivered.

The Company has the right to sell the shares held by a holder of overseas listed foreign shares who is untraceable under the following circumstances:

- (1) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (2) on expiry of such 12 years the Company gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the stock exchange where such shares are listed of such intention.

Article 185 After the general meeting has resolved on the plan to allocate profits, or after the board of directors of the Company has formulated specific plan based on the conditions and upper limit for the next year interim dividend approved by the annual general meeting, the board of directors shall complete the distribution of dividends (or bonus shares) within 2 months of the general meeting.

Article 186 The Company will give full consideration to the interests of shareholders and adopt a reasonable profit distribution policy according to business situation and market environment. The Company's profit distribution policy shall to the greatest extent maintain continuity and stability, and give priority to cash dividends, with the specific dividend rate to be passed with a resolution by the general meeting or the board of directors based on the resolution passed at the annual general meeting in accordance with relevant laws and regulations.

CHAPTER 15 INTERNAL AUDIT

Article 187 The Company shall implement an internal audit system, which clearly defines the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit.

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

Article 188 The internal audit institution of the Company shall conduct supervision and inspection on matters such as the Company's business activities, risk management, internal control, and financial information.

Article 189 The internal audit institution reports to the board of directors.

During the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the Audit and Risk Management Committee. Where the internal audit institution discovers relevant significant issues or leads, it shall immediately report directly to the Audit and Risk Management Committee.

Article 190 The specific organization and implementation work of the Company's internal control evaluation shall be the responsibility of the internal audit institution. The Company shall issue the annual internal control evaluation report based on the evaluation report and related materials issued by the internal audit institution and reviewed by the Audit and Risk Management Committee.

Article 191 When the Audit and Risk Management Committee communicates with external audit units such as accounting firms and state audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

Article 192 The Audit and Risk Management Committee shall participate in the performance assessment of the head of internal audit.

CHAPTER 16 APPOINTMENT OF AN ACCOUNTING FIRM

Article 193 The Company shall employ an independent accounting firm that complies with relevant regulations to audit the annual and other financial reports and financial statements of the Company, and provide services such as net asset tests and relevant consulting service.

The first accounting firm of the Company may be employed by the inaugural meeting prior to the first annual general meeting. Such accounting firm shall hold office until the conclusion of the first annual general meeting.

If the Company's inaugural meeting does not exercise its power under the preceding paragraph, the board of directors shall exercise such power.

Article 194 The Company shall engage an accounting firm which is qualified under the provisions of the Securities Law to perform audits of accounting statements, verify net assets and provide other relevant consulting services. The term of such engagement is one year and can be renewed.

Article 195 An accounting firm employed by the Company shall have the following rights:

- (1) the access at any time to the account books, records or vouchers of the Company and the right to require directors and other senior management members of the Company to provide the relevant information and explanations;
- (2) the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;
- (3) the right to attend general meetings, receive a notice or other information concerning any meetings which shareholders have a right to receive, and to be heard at any general meetings on any matter which relates to it as the accounting firm of the Company.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

Article 196 The engagement or dismissal of the accounting firm by the Company must be determined by the general meeting. The board of directors cannot engage an accounting firm before the decision by the general meeting.

The general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of employment, notwithstanding anything in the contract between the accounting firm and the Company, but without prejudice to such accounting firm's right, if any, to claim damages from the Company in respect of such dismissal.

Article 197 The audit fee of an accounting firm shall be determined at a general meeting by way of an ordinary resolution.

Article 198 The decision to employ, dismiss or not to renew the employment of an accounting firm shall be made by the general meeting and reported to the securities regulatory authority under the State Council for filing.

Where the Company is intended to pass a resolution at a general meeting to appoint a non-incumbent accounting firm to fill any vacancy of the position of the accounting firm, or to dismiss an accounting firm before the expiration of a term of office, such matters shall be dealt with the following provisions:

- (1) before the notice of such general meeting is given, the proposal on the appointment or dismissal shall be delivered to the accounting firm to be appointed or to leave its office or already left in the relevant fiscal year. "Leave or left" referred in this paragraph shall include dismissal, resignation and retirement.
- (2) If the accounting firm to leave its office makes any statement in writing and requires the statement to be informed to shareholders by the Company, the Company shall (unless the written statement has been received too late) take the following measures:
 - (1) to state, in the notice to shareholders for the resolution, the fact that the statement has been made by the accounting firm leaving its post; and
 - (2) to attach a copy of the statement to the notice and deliver it to the shareholders in the manner stipulated in these Articles of Association.
- (3) If the Company fails to deliver such statement by the relevant accounting firm in accordance with the provisions in paragraph (2) of this article, the accounting firm concerned may require the statement to be read out at the general meeting and make further complaints.
- (4) The leaving accounting firm is entitled to attend the following meetings:
 - (1) the general meeting at which its term of office shall expire;
 - (2) the general meeting at which it is proposed to fill the vacancy caused by its removal; and
 - (3) the general meeting which is convened as a result of its voluntary resignation.

The leaving accounting firm is entitled to receive all notices or other information related to the above meetings, and to speak at the aforementioned meetings on matters related to it as the former accounting firm of the Company.

Article 199 Where the Company decides to dismiss or not to renew the appointment of an accounting firm, it shall notify the accounting firm 15 days in advance. The accounting firm is entitled to present its views when the general meeting of the Company conducts a vote on the dismissal of the accounting firm. Where an accounting firm submits its resignation, it shall explain to the general meeting whether there are any irregularities in the Company.

- (1) The accounting firm may resign from its post by placing its resignation notice in writing at the legal address of the Company. Such notice shall take effect upon the date it is placed at the legal address of the Company or a later date as specified in the notice. The notice shall include the following statements:
 - (1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or

- (2) a statement of any such circumstances.
- (2) Within 14 days upon the receipt of such notice in writing as referred to in paragraph (1) of this article, the Company shall deliver a copy of the notice to the competent authorities. If the notice contains statements as above mentioned in paragraph (1)(2), the Company shall prepare and place copies of such statements at the company for inspection by shareholders. The Company shall also deliver copies of such foregoing statements with postage prepaid mail to each holder of overseas listed foreign shares at its address registered in the share register, or, subject to applicable laws, regulations and listing rules, post such information at the company website or a website specified by the stock exchange of the listing place of the Company's shares.
- (3) If the accounting firm's resignation notice contains any statement referred to in paragraph (1)(2). of this Article, the accounting firm may request the board of directors to convene an extraordinary general meeting of shareholders to hear its explanations on the situation of its resignation.

CHAPTER 17 MERGER, DIVISION, DISSOLUTION AND LIQUIDATION

SECTION 1 MERGER AND DIVISION

Article 200 The merger or division of the Company shall require preparation of a proposal by the board of directors. After such proposal has been adopted in accordance with the procedures specified in these Articles of Association, relevant examination and approval procedures shall be carried out according to laws. Shareholders that oppose to such proposal on the merger or division of the Company shall have the right to require the Company or shareholders that approve such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders.

The above mentioned document shall also be served on the holders of overseas listed foreign by post or by any other means as permitted by relevant laws, regulations or listing rules of the listing place.

Article 201 The merger of a company may be effected by merger by absorption or merger by the establishment of a new company.

Absorption means that a company absorbs and merges with another company and the absorbed company will be dissolved. Where two or more companies merge into a new company, the original companies will be dissolved.

If the Company is subject to a merger, the parties to such merger shall conclude a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify the creditors according to the Company Law, and shall make a public announcement on a newspaper recognized by the stock exchange of the place where the Company's shares are listed or the National Enterprise Credit Information Publicity System. A creditor may request the Company to settle any outstanding debts or provide guarantees accordingly within 30 days upon receipt of the notice, or within 45 days of the date of the announcement if he/she/it has not received any notice.

After the merger, the rights against debtors and the indebtedness of each of the parties to the merger shall be inherited by the company which survives the merger or the newly established company.

Article 202 Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors according to the Company Law, and shall make a public announcement on a newspaper recognized by the stock exchange of the place where the Company's shares are listed or the National Enterprise Credit Information Publicity System.

Debts of the Company prior to division shall be severally and jointly assumed by the companies which exist after the division, unless otherwise agreed in writing with the creditors in respect of the debt settlement before division takes place.

Article 203 Where any of the registered items of the Company is changed due to merger or division of the Company, the Company shall go through modification registration with the company registry. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

SECTION 2 DISSOLUTION AND LIQUIDATION

Article 204 The Company shall be dissolved under any of the following circumstances:

- (1) any of the matters for dissolution as stipulated in these Articles of Association appears;
- (2) a resolution regarding the dissolution is passed by shareholders at a general meeting;
- (3) it is necessary to be dissolved due to merger or division of the Company;
- (4) its business license is canceled or it is ordered to close down or to be dissolved according to the law;

- (5) the Company is dissolved by the competent people's court in accordance with law, if the Company has great difficulties in operation or management, which would cause substantial loss to the interests of the shareholders if the Company continues to exist, and there is no other solution to remove such difficulties, and the shareholders who hold 10% or more of the voting rights of all the shareholders of the Company plead the people's court to dissolve the Company.

Upon the occurrence of events of dissolution specified in the preceding paragraph, the Company shall publicize the events of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Article 205 Where the Company is to be dissolved according to the provisions of Article 204 (1), (2), (4) or (5) of these Articles of Association, it shall be liquidated. The directors are the obligor of liquidation of the Company, and shall establish a liquidation committee to carry out liquidation within 15 days from the date when the event of dissolution occurs. The members of the liquidation committee shall be composed of directors, unless it is otherwise provided in these Articles of Association or otherwise elected by the general meeting. If the liquidation obligor fails to perform its liquidation obligations in a timely manner and causes losses to the Company or its creditors, it shall be liable for compensation. Where no liquidation committee is formed within the time limit, the creditors may plead the people's court to designate relevant persons to form a liquidation committee.

If the Company is declared bankrupt in accordance with law, bankruptcy liquidation shall be carried out in accordance with the laws on enterprise bankruptcy.

Article 206 If the board of directors decides that the Company shall be liquidated (except the liquidation as a result of the Company being declared insolvent), the notice of the general meeting convened for such purpose shall include a statement to the effect that the board of directors has made full inquiry into the position of the Company and that the board of directors is of the opinion that the Company can pay its debts in full within 12 months after the commencement of the liquidation.

The functions and powers of the board of directors shall terminate immediately after the general meeting has passed the resolution to carry out liquidation.

The liquidation committee shall take instructions from the general meeting and shall make a report to the general meeting on the committee's income and expenditure as well as the business of the Company and the progress of the liquidation at least annually. It shall make a final report to the general meeting when the liquidation is completed.

Article 207 The liquidation committee shall, within ten days as of its formation, notify the creditors, and shall, within 60 days, make a public announcement on newspapers recognized by the stock exchange for the listing of shares of the Company or the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days as of the receipt of the notice or within 45 days as of the publications of the public announcement in the case of failing to receiving the notice, declare to the liquidation committee their claims against the Company.

To declare claims, a creditor shall explain the relevant matters and provide relevant supporting documents. The liquidation committee shall register the credits.

The liquidation committee shall not discharge any of the debts of any creditor during the period of credit declaration.

Article 208 The liquidation committee shall have the following functions during the process of liquidation:

- (1) liquidating the properties of the Company, and preparing a balance sheet and an inventory of assets;
- (2) informing creditors by notice or public announcement;
- (3) disposing of and liquidate any unfinished businesses of the Company that are related to the liquidation;
- (4) paying the outstanding taxes and the taxes incurred in the process of liquidation;
- (5) settling all credits and debts;
- (6) allocating the residual assets of the Company after discharge of debts; and
- (7) participating in the civil litigation on behalf of the Company.

Article 209 The liquidation committee shall, after liquidating the properties of the Company and preparing the balance sheet and the inventory of properties, make a plan of liquidation, and report it to the general meeting or the people's court for confirmation.

The residual assets after paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed to the shareholders according to the proportions of shares held by the shareholders.

During the period of liquidation, the Company continues to exist, but may not carry out any business operation that is not related to the liquidation.

The Company's assets shall not be distributed to shareholders until all debts and liabilities mentioned in the preceding paragraph are paid off.

Article 210 In case of liquidation upon dissolution, if the liquidation committee discovers, after liquidating the properties of the Company and preparing the balance sheet and the inventory of properties, that the assets of the Company are insufficient to fully discharge all debts, it shall file an application to the people's court for insolvency of the Company.

Once the people's court accepts the bankruptcy application,, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designed by the people's court.

Article 211 Following the completion of liquidation, the liquidation committee shall prepare a liquidation report, submit the same to the general meeting or the people's court for confirmation, and submit the same to the companies registration authority and apply for cancellation of registration of the Company.

Article 212 The members of the liquidation committee shall fulfill the liquidation duties and have obligations of loyalty and diligence.

Where the member of the liquidation committee neglect to perform the liquidation duties and causes any loss to the Company, he/she shall be liable to make compensation; where any of the members of the liquidation committee causes any loss to the Company or any creditor by intention or due to gross negligence, he shall make corresponding compensations.

CHAPTER 18 AMENDMENT TO ARTICLES OF ASSOCIATION

Article 213 The Company may amend these Articles of Association in accordance with the law, administrative regulations and relevant provisions prescribed in these Articles of Association.

Article 214 In any one of the following circumstances, the Company shall amend the Articles of Association:

- (1) after amendment to the Company Law or relevant laws or administrative regulations, the contents of these Articles of Association conflict with the laws or administrative regulations;
- (2) the status of the Company has changed so that it is different from the contents of these Articles of Association; or
- (3) the general meeting decides that these Articles of Association shall be amended.

Article 215 If any amendment to these Articles of Association passed by resolutions at the general meeting is subject to examination and approval by the competent authorities, such amendment shall be submitted to the competent authorities for approval. If any amendment to these Articles of Association involves any registered item of the Company, such amendment shall be filed for alteration registration according to the law.

Article 216 The board of directors shall amend these Articles of Association according to the resolutions of the general meeting and the opinions of the relevant competent authority.

Notwithstanding the foregoing paragraph, in the following circumstances, the general meeting may pass a resolution to authorize the board of directors to amend these Articles of Association in accordance with the following principles:

- (1) the board of directors may make non-substantial amendments to these Articles of Association as required for implementing a resolution passed by the general meeting, such as changes to registered capital, number of shares, company name or address as required by the resolution of the general meeting; and

- (2) the board of directors may change the wordings or order of articles of these Articles of Association in accordance with the requirements raised by the competent authorities during their review of the draft of these Articles of Association passed by the general meeting.

Article 217 Any amendment to these Articles of Association which involves information to be disclosed as required by the laws, regulations or the listing rules of the place where the Company's shares are listed shall be publicly announced as required.

CHAPTER 19 NOTICE

Article 218 Notices of the Company may be served through the following means:

- (1) delivery by hand;
- (2) by post;
- (3) by fax or email;
- (4) subject to the laws, regulations and listing rules of the place where the Company's shares are listed, by posting at the Company's website and such website designated by relevant stock exchange;
- (5) by public announcement;
- (6) by means agreed between the Company and the recipient in advance or accepted by the recipient after receipt of such notices;
- (7) other means approved by the relevant regulatory agency of the listing place or as set out in these Articles of Association.

Where the Company issues a notice by public announcement, all recipients shall be deemed to have received such notice once the public announcement has been made.

Unless the context otherwise requires, "public announcement" referred to in these Articles of Association shall refer to, if issued to domestic shareholders or within the PRC in accordance with relevant regulations and these Articles of Association, an announcement published in such Chinese newspapers as specified by the Chinese laws and regulations or the securities regulatory authority under the State Council; and, if issued to holders of H shares or in Hong Kong in accordance with the relevant regulations and these Articles of Association, an announcement published in Hong Kong newspapers specified in relevant listing rules. All notices or other documents required under Chapter 13 of the Main Board Listing Rules to be sent by the Company to the Hong Kong Stock Exchange shall be in English, or accompanied by a certified English translation.

Subject to the relevant listing rules of the place where the Company's shares are listed, with respect to the service/distribution of corporate communications to holders of the overseas listed foreign shares, the Company may electronically or at the company's website or such website of the stock exchange post such corporate communication so as to deliver such information to such holders, instead of such delivery by hand or postage prepaid mail.

Article 219 Unless otherwise provided in these Articles of Association, the means of delivery of notice as set out in the preceding Article may also be applicable to notices for general meeting, meetings of board of directors or the Audit and Risk Management Committee.

Article 220 If the notice is served by hand, the date of service is the date of acknowledgement of receipt by signature or affixed seal on the service return slip. If the notice is sent by post, the date of service is the fifth working day from the date on which the notice is put into the post. If the notice is made via facsimile, e-mail or website or other electronic means, the date of service is the date of transmission. If the notice is made by public announcement, the date of service is the date of the first publication of the public announcement.

Article 221 If any corporate documents are required, under to the listing rules of the place where Company's shares are listed, to be sent, posted, distributed, given, published or otherwise provided in both English and Chinese versions, but the Company has made proper arrangements to confirm whether a shareholder is willing to receive only one of the two language versions above, then the Company may send to such shareholder only the language version as requested by such shareholder, in accordance with and to the extent permitted by applicable laws and regulations.

CHAPTER 20 RESOLUTION OF DISPUTES

Article 222 The Company shall abide by the following provisions for dispute resolution:

- (1) Whenever any disputes or claims arise from these Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company between any holder of overseas listed foreign shares and the Company; or any holder of overseas listed foreign shares and any director, the general manager or other senior management member of the Company; or any holder of overseas listed foreign shares and any holder of domestic shares, the parties concerned shall submit such disputes or claims to arbitration.

Where a dispute or claim of rights referred to in the preceding paragraph is submitted to arbitration, the entire claim or dispute must be submitted to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim and all persons whose participation is necessary for the resolution of such dispute or claim, shall, where such persons are the Company or the Company's shareholders, directors, general manager or senior management members, submit to the arbitration.

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

- (2) The arbitration claimant may opt to submit the dispute or claim either to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules, or to the Hong Kong International Arbitration Centre for arbitration in accordance with its arbitration rules. Once the claimant submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the claimant.

If the arbitration claimant elects to submit the dispute or claim to the Hong Kong International Arbitration Centre for arbitration, then either party may apply to have such arbitration proceedings conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.

- (3) The laws of PRC shall govern the arbitration of disputes or claims described in Item (1) above, unless otherwise provided by the laws or administrative regulations.
- (4) The award of the arbitral body is final and shall be binding on the parties thereto.

CHAPTER 21 SUPPLEMENTARY PROVISIONS

Article 223 Definition

- (1) In these Articles of Association, “acting in concert” means two or more persons agree, whether in oral or written form, that one of such persons acquires and holds voting rights in a company for and on behalf of all such persons, so as to achieve or reinforce their control over such company.
- (2) The “controlling shareholder” means a shareholder who holds more than 50% of the share capital of the Company, or (even if such shareholder holds less than 50% of the share capital) based on the shareholdings of the shareholder, such shareholder has substantial influence on the resolutions to be passed at the general meetings of shareholders.
- (3) The “actual controller” means a natural person, legal person or other organizational entity that has actual power to direct the acts of such company by investment, contract or other arrangements.
- (4) “Connected relationship” is the relationship between the controlling shareholder, the actual controller, directors or senior management members of a company and enterprises directly or indirectly controlled by them, as well as other relationships which may cause the transfer of the Company’s interests. However, enterprises owned by the State will not be regarded as having related/connected relationship only because they are owned by the State.

- (5) The “connected relationship,” “connected party” and “connected transaction” shall have the meanings ascribed to them under the Hong Kong Stock Exchange Listing Rules.
- (6) The “treasury shares” means shares repurchased and held by the Company in treasury (to the extent permitted by the laws of its place of incorporation and these Articles of Association). For the purpose of the Hong Kong Listing Rules, treasury shares include shares repurchased by the Company and held or deposited in CCASS for sale on the Hong Kong Stock Exchange.

Article 224 In these Articles of Association, the terms “not less than” and “before” shall include the given figure following such terms, and the terms “more than half”, “exceeding”, “below”, “less than” and “fewer than” shall not include the given figure following such terms.

Article 225 The term “accounting firm” as used in these Articles of Association shall have the same meaning as “auditor”.

Article 226 These Articles of Association are made in Chinese. If there is any discrepancy between the Chinese version and any other language versions, or between different revisions of these Articles of Association, the Chinese version which was most recently filed and registered at the Market Supervision Administration of Shenzhen Municipality shall prevail.

Article 227 The board of directors of the Company shall have the power to interpret these Articles of Association.