



SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED

ARTICLES OF ASSOCIATION

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SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED

ARTICLES OF ASSOCIATION

CHAPTER 1 GENERAL PROVISIONS

Article 1 The Articles of Association of Sinopec Shanghai Petrochemical Company Limited (“these Articles”, or the “Articles of Association”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Guidelines on the Articles of Association of Listed Companies and the Standards for the Governance of Listed Companies issued by the China Securities Regulatory Commission (the “CSRC”), and other laws, administrative regulations, department rules, other relevant normative documents, and provisions of the securities regulatory rules of the places where the shares of the Company are listed (hereinafter referred to as the “relevant regulatory rules”), as well as the actual situation of the Company, with an aim to protect the lawful rights and interests of Sinopec Shanghai Petrochemical Company Limited (the “Company”), its shareholders, employees and creditors and regulate the organization and conduct of the Company.

The Company is a joint stock limited company established pursuant to the Company Law, the “State Council Special Regulations Relating to Issue of Shares and Overseas Listing of Joint Stock Limited Companies” and other laws and administrative regulations.

The establishment of the Company was approved by the State Commission for Restructuring the Economic System of the People’s Republic of China pursuant to the document Ti Gai Sheng (1993) No. 95 by the promoter method. The Company was registered at the Shanghai Administration for Industry and Commerce and was issued an enterprise legal person business licence on 29 June 1993. At present, the Company is registered with the Shanghai Municipal Administration for Market Regulation with its unified social credit code is: 91310000132212291W.

The promoter of the Company is Shanghai Petrochemical Complex.

Article 2 The registered name of the Company is:
Chinese: 中國石化上海石油化工股份有限公司
Abbreviation: 上海石化
English: Sinopec Shanghai Petrochemical Company Limited
Abbreviation: SPC

- Article 3** The legal address of the Company is: 48 Jinyi Road, Jinshan District, Shanghai, People's Republic of China (the "PRC").
Postal code: 200540
Telephone number: (021) 57941941
Facsimile number: (021) 57942267
- Article 4** The legal representative of the Company is the chairman of the board of the Company.
- If the chairman of the board resigns, he/she shall be deemed to have resigned as the legal representative at the same time, and the Company shall appoint a new legal representative within thirty (30) days from the date of the resignation of the legal representative.
- The methods for the appointment and change of the legal representative of the Company are as follows:
- (1) When the board of directors elects the chairman of the board, the chairman of the board shall concurrently serve as the legal representative of the Company.
 - (2) If the chairman of the board resigns, the general manager shall perform the duties of legal representative until the board of directors elects a new chairman of the board to assume such role. In the event of the resignation of the general manager or other circumstances that make it impossible for him/her to perform the duties, a director elected by a majority of the directors shall perform the duties of legal representative.
- Article 5** The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company.
- Restrictions on the functions and powers of the legal representative set forth in the Articles of Association or by the general meetings shall not be asserted against a bona fide counterparty.
- Where the legal representative causes harm to others in the course of performing duties, the Company shall bear civil liability. After assuming such liability, the Company may, in accordance with provisions of laws or the Articles of Association, recover from the legal representative at fault.
- Article 6** The Company is a joint stock company for perpetual existence. The rights and liabilities of shareholders of the Company are limited to the shares subscribed by them, and the Company is liable for its debts to the extent of its all property.

- Article 7** The Company adheres to the rule of law and strives to build a law-abiding enterprise with sound governance, operational compliance, management discipline, law-abiding and integrity.
- The Articles of Association were effective from the date of establishment of the Company.
- As from the effective date of the Articles of Association, the Articles of Association constitute the rules governing the organisation and conduct of the Company and become a legally binding document regulating the rights and obligations between the Company and a shareholder and among the shareholders inter se.
- Article 8** The Articles of Association are legally binding on the Company, its shareholders and its directors and senior management. The aforementioned persons may raise any claims relating to the affairs of the Company in accordance with the Articles of Association.
- According to the Articles of Association, the Company may take action against the shareholders, its directors and senior management. The shareholders may take action against other shareholders, the Company, the directors and senior management of the Company.
- Unless the context otherwise requires, the term “senior management” referred to in these Articles and its appendices means the general managers, deputy general managers, financial officers, the secretary to the board and other personnel designated by the Company or the board of directors of the Company.
- Article 9** The Company may invest in any other enterprises; provided that, unless the law otherwise requires, the Company shall not act as an investor in any invested enterprise that assumes joint and several liability for the debts owed by such enterprise.
- Article 10** Subject to the provisions of relevant regulatory rules, the Company has the power to raise or borrow money, including (without limitation) the power to issue corporate bonds and to mortgage or charge its assets.
- Article 11** In accordance with the Company Law and the Constitution of the Communist Party of China, the Company hereby sets up Party organizations, leverages the role of Party organisations, establishes related Party working organs and maintains an adequate level of staffing to handle Party affairs and as well as sufficient funding necessary for the activities of the Party organizations.

CHAPTER 2 PURPOSE AND BUSINESS SCOPE

Article 12 The purpose of the Company shall be to build and operate a diversified industrial company which will be one of the world's leading petrochemical companies; to promote the development of the petrochemical industry in the PRC through the production of a broad variety of outstanding products; to practise advanced scientific management and apply flexible business principle; and to develop overseas markets for the Company's product, so that the Company and all shareholders may receive reasonable economic benefits.

Article 13 The Company's scope of business shall be based on the projects approved by the Company's registration authorities.

The Company's scope of business include:

General items: manufacturing of petroleum products (excluding hazardous chemicals), sales of petroleum products (excluding hazardous chemicals), production of chemical products (excluding licensed chemical products), sales of chemical products (excluding licensed chemical products), manufacturing of synthetic fibers, sales of synthetic fibers, manufacturing of plastic products, sales of plastic products, manufacturing of synthetic materials (excluding hazardous chemicals), sales of synthetic materials, manufacturing of specialized chemical products (excluding hazardous chemicals), sales of specialized chemical products (excluding hazardous chemicals), recycling of renewable resources (excluding production of scrap metal), production and supply of heat energy, sewage processing and recycling, loading and unloading on roads, terminals and railways, general goods warehousing (excluding items requiring approval for hazardous chemicals and other licensed items), technological services, technology development, technology consultancy, technology exchange, technology transfer and technology promotion, property management, housing rental, social economy advisory services, advertisement production, advertisement design and agency services, advertisements publication, high-grade fiber and composite materials manufacturing, high-grade fiber and composite materials sales, gas stoves production, refined oil warehousing (excluding hazardous chemicals), import and export of goods, import and export of technology, sales of non-electrical household appliances, rental of special equipment, leasing services (excluding licensed rental services).

Licensed items: hazardous chemicals production, hazardous chemicals business, marine general goods transportation, marine hazardous goods transportation, crude oil warehousing, refined oil warehousing, hazardous chemicals warehousing, inspection and testing service, mobile pressure vessel/cylinder filling, power generation, power transmission, power supply and distribution, gas operations, operation of compressed natural gas refueling stations, production and supply of tap water, storage and transportation of petroleum and natural gas pipeline, production of food additives, manufacturing of basic chemical raw materials (excluding manufacturing of licensed chemical such as hazardous chemicals).

Article 14 The Company may establish wholly-owned or holding subsidiaries and branch companies, representative offices, business offices and other non-independent legal person branches in accordance with its business development needs.

The Company may adjust the Company's operation scope or investment directions and methods in due course in accordance with domestic and international market trends, the business requirements inside and outside of the PRC and the development capabilities of the Company.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Section 1 Issuance of shares

Article 15 The Company shall have ordinary shares at all times. The ordinary shares issued by the Company shall include domestic shares and foreign shares. Subject to its own requirements, the Company may issue shares of a class with rights different from those of ordinary shares as permitted by relevant regulatory rules.

The ordinary shares issued by the Company shall include two types of shares, namely domestic shares and foreign shares.

Shares issued by the Company and listed in the PRC shall be referred to as "domestic shares" or abbreviated as "A shares". Shares issued by the Company and listed outside the PRC shall be referred to as "foreign shares", among which shares listed in the Hong Kong Special Administrative Region of the PRC shall be abbreviated as "H shares".

Article 16 The capital of the Company shall be divided into shares. All the shares issued by the Company shall be shares with a par value with each share having a nominal value of RMB1.

The aforesaid Renminbi refers to the official currency of the PRC.

Article 17 The issue of the Company's shares shall adhere to the principles of openness, fairness and justice. Shares of the same class shall rank *pari passu* with each other. In the same places where the shares of the Company are listed, the issuance conditions and price per share of the same class in the same issuance are the same, and the same price is paid for each share subscribed by the subscribers.

Article 18 The A shares issued by the Company are held in central depository by the Shanghai Branch of the China Securities Registration and Clearing Company Limited. The H shares issued by the Company are held in custody by Hong Kong Securities Clearing Company Limited.

Article 19 Having been approved by the responsible company approval authority as authorized by the State Council upon the Company's establishment, the Company may issue a total of 7,200,000,000 ordinary shares, of which 4,000,000,000 shares have been issued to the promoter and have been subscribed by the promoter's assessed asset upon its establishment, representing 55.56% of the authorized ordinary share capital.

Article 20 After the establishment of the Company, the Company has issued 2,330,000,000 ordinary shares which are overseas listed foreign shares, representing 32.36% of the Company's total authorized ordinary share. The Company has also issued 870,000,000 ordinary shares to the public (including the employees of the Company) which are domestic shares representing 12.08% of the Company's total authorized ordinary shares.

The current share capital structure of the Company is: 10,542,617,500 ordinary shares, of which 7,328,813,500 domestic shares listed in the PRC, representing 69.52% and 3,213,804,000 overseas listed foreign shares, representing 30.48%.

Article 21 The registered capital of the Company shall be RMB10,542,617,500.

Article 22 The Company or its affiliated enterprises shall not provide financial assistance in the form of, among others, gifts, advances, guarantees, or lending for others to acquire the shares of the Company or its parent company, except for implementation of the Company's employee share ownership plan.

For the interests of the Company, pursuant to a resolution passed by the general meeting, or a resolution passed by the board of directors in accordance with these Articles or authorization of the general meeting, the Company may provide financial assistance to others to obtain shares of the Company or its parent company, but the cumulative total amount of financial assistance shall not exceed 10% of the total issued share capital. Such resolution of the board of directors shall be approved by more than two-thirds of all directors.

Section 2 Increase, decrease and repurchase of shares

Article 23 In accordance with relevant regulatory rules, the Company may increase the capital upon approval by resolutions of the general meeting according to the operation and development needs of the Company.

The Company may increase its capital by the following methods:

- (1) offering of shares to unspecified targets;
- (2) offering of shares to specified targets;
- (3) distributing bonus shares to its existing shareholders;
- (4) transfer of the reserve fund to increase capital;
- (5) other means required by the relevant regulatory rules.

The Company's increase of capital by issuing new shares shall, after obtaining the approval pursuant to the provisions of the Articles of Association, be conducted in accordance with the procedures as provided in relevant regulatory rules.

When the Company increases its registered capital, it shall register the change with the registration authority of the Company in accordance with the laws.

Article 24 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 relevant regulatory rules, as well as the prospectus approved by appropriate authorization when the Company issues convertible corporate bonds.

Article 25 The Company may reduce its registered capital. The Company shall comply with the procedures laid down in the Company Law, other relevant regulatory rules and these Articles in reducing its registered capital.

Article 26 The Company shall prepare balance sheet and inventory of assets when it reduces its registered capital.

The Company will notify the creditors within ten (10) days upon adoption of the resolution to reduce the registered capital at the general meeting and will within thirty (30) days make announcements on the newspaper that meet the conditions stipulated by the securities regulatory authorities of the place where the shares of the Company are listed, or on the National Enterprise Credit Information Publicity System. The creditors shall have the right to demand for repayment of the debts or for a guarantee for repayment of the debts within thirty (30) days of receiving such notice (or, for creditors who do not receive the notice, within forty-five (45) days from the date on which the notice is published).

After the capital reduction of the Company, the Company shall reduce contributed amounts or shares according to shareholding ratios of shareholders, except as otherwise prescribed by the relevant regulatory rules or the Articles of Association.

If the Company reduces its registered capital, it shall amend its registration record filed with the registration authorities of the Company in accordance with the law.

Article 27 After making up losses in accordance with paragraph 2 of Article 163 of the Articles of Association, if the Company still has losses, it may reduce its registered capital to make up the losses. When reducing registered capital to make up losses, the Company shall not distribute profits to shareholders, nor may it exempt shareholders from their obligation to contribute capital or share payments.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 26 of the Articles of Association shall not apply, but an announcement shall be made on newspaper that meet the conditions stipulated by the securities regulatory authorities of the place where the shares of the Company are listed, or on the National Enterprise Credit Information Publicity System within thirty (30) days after the resolution approving the reduction has been passed by the general meeting.

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

Article 28 Where the reduction of registered capital violates the Company Law or other relevant regulations, shareholders shall return the funds they have received, and any exemption from shareholders' capital contributions shall be restored to the original state; if any loss is caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

Article 29 The Company shall not purchase its own shares. However, under one of the following circumstances, the Company may repurchase its outstanding shares in accordance with the relevant regulatory rules and the Articles of Association:

- (1) reduction of registered capital of the Company;
- (2) merger with other companies which hold shares of the Company;
- (3) granting shares for employee share ownership plan or as share incentives;
- (4) acquiring the shares of shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company;
- (5) using shares for corporate bonds issued by listed companies which are convertible into shares;
- (6) necessary for a listed company to protect the Company's value and shareholders' equity;

(7) other circumstances as permitted by the relevant regulatory rules.

The Company shall comply with Articles 30 to 31 of these Articles in repurchasing its outstanding shares.

Article 30 When the Company acquires its own shares, it may conduct by way of public and centralized transactions, or other methods recognized by the laws, administrative regulations and securities regulatory authorities of the places where the shares of the Company are listed.

Article 31 If the Company purchases its own shares under circumstances provided in items (1) and (2) of Article 29, resolutions relating thereto shall be adopted at a general meeting. If the Company purchases its own shares in the circumstances set out under items (3), (5) and (6) of Article 29, the repurchase may be conducted in compliance with the requirements of these Articles or based on the authorization granted at the general meeting upon resolution by more than two-thirds of the directors attending the board meeting.

After the Company purchases its shares in accordance with Article 29 of the Articles of Association, it shall, in the case of item (1), cancel such purchased shares within ten (10) days of the purchase; in the case of items (2) and (4), shall either transfer such purchased shares or cancel such purchased shares within six (6) months of the purchase; in the case of items (3), (5) and (6), the total number of shares purchased by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three (3) years.

The Company shall acquire its own shares in accordance with the law and shall perform its information disclosure obligations in accordance with the Securities Law.

Where the Company acquires its own shares in the circumstances specified in items (3), (5) and (6) of the first section of Article 29, the acquisition shall be conducted through a public and centralized transaction method.

Section 3 Transfer of shares

Article 32 The shares of the Company shall be transferred in accordance with law.

Article 33 The Company does not recognise the use of its shares as the subject of a pledge.

Article 34 Directors and senior management of the Company shall declare to the Company their holdings in the Company's shares and the changes thereof. The transfer of shares in the Company held by them during their terms of office as determined at the appointment and after leaving office shall comply with the provisions of relevant regulatory rules.

Article 35 The Company shall formulate a special system to supervise and manage the holding of the Company's shares and the trading of the Company's shares by directors and senior management. Such system shall be implemented after approval by the board of directors.

Section 4 Share certificates and shareholders' register

Article 36 Share certificates issued by the Company are registered share certificates. The share certificates are in paper form or in such other form as may be prescribed by the securities regulatory authorities of the places where the shares of the Company are listed.

Article 37 The Company shall maintain a register of holders of shares according to the certificates provided by the securities registration and clearing institution.

The register of shareholders shall be sufficient evidence, unless evidence to the contrary is shown, of shareholding in the Company.

Article 38 The board of directors or the convenor of a general meeting shall fix the date for the determination of shareholders for the purposes of holding general meetings, distribution of dividends, liquidation and for other activities requiring determination of shareholders. The shareholders included in the register of shareholders at the close of business on the record date shall be the entitled shareholders.

When the Company carries out activities which require the identification of shareholders, where the relevant regulatory rules have stipulations governing closure of the register of members, such provisions shall prevail.

CHAPTER 4 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Section 1 General provisions for shareholders

Article 39 Shareholders of the Company are persons who legally hold the shares of the Company and have their names registered on the shareholders' register.

A shareholder has rights and bears obligations in accordance with his class of shares and shareholding held by him. Shareholders of the same class have the same rights and obligations.

Article 40

Holders of ordinary shares shall have the following rights:

- (1) to obtain or receive dividends or other forms of distribution proportional to their shareholding;
- (2) to request the holding of, convening, presiding over and attending general meetings in person or by proxy in accordance with the law and to exercise their corresponding rights to speak and vote in relation to the matters considered at the general meeting;
- (3) to supervise the business operations and activities of the Company and to make suggestions or raise enquiries;
- (4) to transfer, gift or pledge shares in accordance with relevant regulatory rules and these Articles;
- (5) to get access to relevant information under the provisions of the relevant regulatory rules and the Articles of Association, including inspecting and duplicating the Articles of Association, register of shareholders, minutes of the general meetings, resolutions of the board meetings, and financial accounting reports upon providing the Company with evidence of the class and number of shares of the Company held and following confirmation of the shareholder's identity by the Company, provided that such shareholders bear the associated costs incurred. Shareholders who meet the requirements of the Company Law may inspect the Company's accounting books and vouchers;
- (6) to receive the distribution of residual assets of the Company in proportion to their shareholding upon winding up or liquidation of the Company;
- (7) to request the Company to acquire their shares if the shareholders vote against any resolution adopted at the general meeting on the merger or demerger of the Company;
- (8) to have other rights granted by relevant regulatory rules and the Articles of Association and its appendices.

The Company shall establish effective channels of communication with shareholders and safeguard the rights of shareholders to acknowledge, participate in decision-making of and supervise major events of the Company.

Article 41 Shareholders who request to inspect and copy relevant materials of the Company shall abide by the Company Law, the Securities Law and the provisions of relevant regulatory rules on the protection of state secrets, trade secrets, personal privacy and personal information, submit a written request to the Company stating the purpose and reasons, and sign a confidentiality agreement.

Within the scope permitted by relevant regulatory rules, the Company may provide relevant materials to shareholders by means such as adopting alternative name, summarizing or deducting relevant information in order to comply with the Company Law, the Securities Law and the provisions of relevant regulatory rules on the protection of state secrets, trade secrets, personal privacy and personal information.

Where the Company has reasonable grounds to believe that the shareholder's inspection of the accounting books and vouchers is for an improper purpose that may harm the legitimate interests of the Company, it may refuse to provide access for inspection.

Article 42 In the event that the particulars of a resolution passed at a general meeting or a board meeting are in violation of laws or administrative regulations, the shareholders shall have the right to request the People's Court to declare the resolution as invalid.

If the procedures for convening a general meeting, or board meeting, or the way of voting, is in violation of any law, administrative regulation or the Articles of Association, or if a resolution is in violation of the Articles of Association, the shareholders may, within sixty (60) days from the day when the resolution is made, request the People's Court to revoke it. However, this does not apply if the procedures for convening the general meeting or board meeting, or the voting methods, only have minor defects that do not substantially affect the resolution.

If the board of directors, shareholders, or other relevant parties dispute the validity of a resolution of the general meeting, they shall file a lawsuit with the People's Court in a timely manner. Before the People's Court makes a judgment or ruling to revoke the resolution, the relevant parties shall implement the resolution of the general meeting. The Company, its directors, and senior management shall perform their duties effectively to ensure the normal operation of the Company.

Where the People's Court makes a judgment or ruling on the relevant matters, the Company shall perform its information disclosure obligations in accordance with the provisions of relevant regulatory rules, fully explain the impact, and actively cooperate in the enforcement after the judgment or ruling takes effect. Where it involves the correction of previous matters, it shall be handled in a timely manner and the corresponding information disclosure obligations shall be performed.

Article 43

In any of the following circumstances, the resolutions of the general meeting or board of directors of the Company shall be invalid:

- (1) no general meeting or board meeting was held to make the resolution;
- (2) the general meeting or board meeting did not vote on the matters to be resolved;
- (3) the number of persons attending the meeting or the number of voting rights held did not reach the quorum of persons or the number of voting rights specified in the Company Law or the Articles of Association;
- (4) the number of persons agreeing to the resolution or the number of voting rights held did not reach the number of persons or the number of voting rights specified in the Company Law or the Articles of Association.

Article 44

Where any director or senior management other than members of the audit and compliance committee violates any law, administrative regulation, or these Articles during the course of performing his/her duties, if any loss is caused to the Company, the shareholder(s) of the Company individually or jointly holding 1% or more of the total shares of the Company for a period of 180 days or more may request in writing the audit and compliance committee to file a lawsuit in the People's Court. Where any member of the audit and compliance committee violates any law, administrative regulation, or these Articles during the course of performing his/her duties, if any loss is caused to the Company, the aforesaid shareholders may request in writing the board of directors to file a lawsuit in the People's Court.

If the audit and compliance committee or the board of directors refuses to file a lawsuit after it receives a written request as mentioned in the preceding paragraph, or if it fails to file a lawsuit within thirty (30) days after it receives the request, or if, in an emergency, the failure to file a lawsuit immediately will cause unrecoverable damage to the interests of the Company, the shareholder(s) as listed in the preceding paragraph have the right to directly file a lawsuit in the People's Court in their own name for the benefit of the Company.

If the legitimate rights and interests of the Company are impaired and any losses are caused to the Company, the shareholders as mentioned in the first paragraph may file a lawsuit in the People's Court according to the provisions of the preceding two paragraphs.

If the directors, senior management of a wholly-owned subsidiary of the Company violate the provisions of laws, administrative regulations or these Articles in the performance of their duties, causing losses to the Company, or if others infringe upon the legitimate rights and interests of a wholly-owned subsidiary of the Company, causing losses, shareholders who have held, individually or jointly, 1% or more of the shares of the Company for more than 180 consecutive days may, in accordance

with the provisions of the first three paragraphs of Article 189 of the Company Law, request in writing the audit and compliance committee, board of directors or executive directors of the wholly-owned subsidiary to file a lawsuit with the People's Court or file a lawsuit directly with the People's Court in their own name.

Article 45 If a director or senior management violates the law, administrative regulations or the Articles of Association prejudicing the interests of any shareholder, such shareholder may file a lawsuit with the People's Court.

Article 46 Holders of the ordinary shares shall assume the following obligations:

- (1) to comply with the relevant regulatory rules and the Articles of Association;
- (2) to pay subscription prices in respect of the shares they have subscribed for and in accordance with the agreed manner of payment;
- (3) not to return shares other than in such circumstances stipulated by law and administrative regulation;
- (4) not to abuse their shareholders' rights to harm the interest of the Company or other shareholders, and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interest of any creditor of the Company;
- (5) to assume other obligations as imposed by relevant regulatory rules and the Articles of Association.

Article 47 If a shareholder of the Company abuses its shareholder's rights and thereby causes loss on the Company or other shareholders, such shareholder shall be liable for damages in accordance with the law. If a shareholder of the Company abuses the Company's independent legal person status and the limited liability of shareholders for the purposes of avoiding debts, resulting in materially impairing the interests of the creditors of the Company, such shareholder shall be severally and jointly liable for the debts owed by the Company.

Section 2 Controlling shareholders and de facto controllers

Article 48 The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfil their obligations in accordance with the relevant regulatory rules to safeguard the interests of the Company.

Article 49 Controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

- (1) to exercise their rights as shareholders in accordance with the law and not to abuse their control or use their connected relationship to prejudice the legitimate interests of the Company or other shareholders;
- (2) to strictly fulfil their public statements and various undertakings and not to change or waive such statements and undertakings;
- (3) to fulfil their information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are intended to occur;
- (4) not to appropriate the Company's funds and assets in any way, or prohibit any actions that could compromise or affect the Company's independence;
- (5) not to order, instruct, or request the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (6) not to make use of the Company's undisclosed material information to gain benefits, or disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-term trading, market manipulation or other illegal and unlawful acts;
- (7) not to prejudice the legitimate interests of the Company and other shareholders through unfair connected transactions, profit distribution, asset restructuring, external investment or any other means;
- (8) not to restrict or hinder minority investors from exercising their voting rights in accordance with the law, and not to harm the lawful rights and interests of the Company and minority investors;
- (9) other provisions of the relevant regulatory rules and the Articles of Association.

If the controlling shareholder and the de facto controller of the Company instructs directors or senior management to engage in an act that is detrimental to the interests of the Company or the shareholders, he or she shall be severally and jointly liable with the directors or senior management.

Article 50 The controlling shareholders and de facto controllers who pledge the shares of the Company held or actually controlled by them shall maintain the control and operational stability of the Company.

Article 51 Where a controlling shareholder or de facto controller transfers the shares of the Company held by him/her/it, he/she/it shall comply with the restrictive provisions on the transfer of shares set out in the relevant regulatory rules, as well as his/her/its undertakings in respect of the restriction on the transfer of shares.

CHAPTER 5 GENERAL MEETINGS

Section 1 General provisions on general meeting

Article 52 The general meeting of the Company is composed of all shareholders. The general meeting is the Company's authoritative organisation which exercises its powers in accordance with law.

The Company shall formulate the Rules of Procedure for the General Meetings and shall implement the same upon approval at a general meeting. The Rules of Procedure for the General Meetings shall include the following:

- (1) functions and powers of the general meeting;
- (2) the principle of delegation of powers to the board of directors by the general meeting;
- (3) the procedures to hold a general meeting, including the submission and collection of proposals, notice and change of the meeting, registration of the meeting, holding the meeting, voting and resolutions, adjournment of the meeting, post-meeting matters and public announcement, etc.;
- (4) any other matters which the general meeting considers necessary.

The Rules of Procedure for the General Meetings shall form an integral part of, and shall have the same legal effect as, these Articles. The Rules of Procedure for the General Meetings shall be drafted by the board of directors and approved at a general meeting.

Article 53 The general meetings exercise the following powers:

- (1) to elect non-employee representative directors;
- (2) to remove directors;
- (3) to decide on matters relating to the remuneration of directors;
- (4) to consider and approve reports of the board of directors;
- (5) to consider and approve the Company's profit distribution plans and plans for making up of losses;

- (6) to resolve on increases in or reductions of the Company's registered capital and the issuance of shares of any class, stock warrant, corporate bonds convertible into shares and other similar securities;
- (7) to resolve on issues such as merger (where the price paid exceeds 10% of the Company's net assets), division, dissolution, liquidation or changing of the form of the Company and other matters;
- (8) to resolve on the issuance of corporate bonds, or to authorise the board of directors to resolve on the issuance of corporate bonds;
- (9) to resolve on the appointment and dismissal of auditors that undertakes the Company's auditing activities;
- (10) to amend the Articles of Association and its appendices;
- (11) to consider resolutions proposed by the board of directors, the audit and compliance committee, and the shareholders holding 1% or more of the total number of the voting shares of the Company;
- (12) to consider and approve matters relating to guarantees stipulated in Article 54 of the Articles of Association;
- (13) to consider and approve matters relating to financial assistance stipulated in Article 55 of the Articles of Association;
- (14) to consider the Company's significant acquisition or disposal of material assets conducted within the period of one year with a value exceeding 30% of the latest audited total assets of the Company;
- (15) to consider and approve changes in the use of proceeds;
- (16) to consider the share incentive plans and employee share ownership plan;
- (17) to resolve on or authorise the acquisition of H shares of the Company pursuant to Article 29 of these Articles, or to resolve the acquisition of A shares of the Company pursuant to the circumstances set out in items (1) and (2) of Article 29 of these Articles;
- (18) to authorize and entrust the board of directors to handle any matters authorized and entrusted thereto;
- (19) to resolve on other matters of the Company as required to be resolved in general meetings in accordance with the relevant regulatory rules and the Articles of Association.

The general meeting may authorize the board of directors to make resolutions on the issuance of shares and corporate bonds convertible into shares. The specific implementation shall comply with the relevant regulatory rules and the Articles of Association.

Without violation of Article 53 of the Articles of Association and under necessary and reasonable circumstances, where it is not possible or not necessary for specific matters related to the resolutions to be by the general meeting, the general meeting may authorize the board of directors, directors, general manager or the secretary to the board to make decisions within the scope of the authority entrusted by the general meeting.

Where the resolution in relation to which the general meeting authorizes the board of directors, directors, general manager or the secretary to the board is an ordinary resolution, then a majority of the shareholders attending the meeting (including shareholders who appoint a proxy to attend a general meeting) must approve the authorization. If it is a special resolution, then two-thirds or more of the shareholders attending the meeting (including shareholders who appoint a proxy to attend a general meeting) must approve the authorization. The content of the authorization must be clear and specific.

Article 54

The following matters relating to guarantees provided by the Company to a third party shall be subject to the approval by shareholders at general meetings:

- (1) any subsequent guarantee to be provided by the Company in favour of a third party when the aggregate amount of guarantees of the Company and its holding subsidiaries given in favour of third parties has already exceeded 50% of the Company's most recently audited net asset value;
- (2) any subsequent guarantee to be provided by the Company in favour of a third party when the aggregate amount of guarantees of the Company and its holding subsidiaries given in favour of third parties has already exceeded 30% of the Company's most recently audited total asset value;
- (3) any guarantee that exceeds 30% of the Company's most recently audited total assets value in accordance with the principle of cumulative calculation of the guarantee amount within 12 consecutive months;
- (4) any guarantee to be provided by the Company in favour of an entity which is subject to a gearing ratio of over 70%;
- (5) any single guarantee to be provided by the Company exceeding 10% of the Company's most recently audited net asset value;

- (6) any guarantee to be provided in favour of any shareholder, de facto controllers and their connected parties;
- (7) other guarantees as required by the relevant regulatory rules or the Articles of Association.

When the guarantees as stipulated in item (3) of the preceding paragraph are considered by the general meeting, it shall be approved by two-thirds or more of the voting rights held by the shareholders attending the meeting. When the guarantees as stipulated in item (6) of the preceding paragraph are considered by the general meeting, such shareholders or shareholders controlled by de facto controllers shall not participate in the voting, and this resolution shall be adopted by the majority votes of other shareholders attending the meeting.

The directors and senior management of the Company shall not enter into external guarantee contracts on behalf of the Company without authorization in violation of the approval authority and consideration procedures. In the event that a director or senior management of the Company exceeds his/her authority to enter into an external guarantee contract without authorization and causes damage to the Company, the Company shall hold the parties responsible.

Article 55

The Company shall not provide funds and other financial assistance to its related parties as required by the relevant regulatory rules, unless the financial assistance is provided to a related investee company not controlled by the controlling shareholder or de facto controller of the Company and that other shareholders of the investee company also provide such financial assistance under the same conditions in proportion to their capital contribution.

The following financial assistance of the Company shall be considered and approved by the general meeting upon consideration and approval by the board of directors:

- (1) provision of a single financial assistance the amount of which exceeds 10% of the Company's latest audited net assets;
- (2) provision of financial assistance to anyone whose gearing ratio exceeds 70% according to its latest financial statements;
- (3) provision of financial assistance the accumulative amount of which for the recent 12 months exceeds 10% of the Company's latest audited net assets;
- (4) provision of financial assistance to a related investee company not controlled by the controlling shareholder or de facto controller of the Company that meet the conditions stipulated in the first paragraph of this Article;

- (5) other circumstance as required by the relevant regulatory rules or the Articles of Association and its appendices.

If the assistance subject is the holding subsidiary included in the consolidated statements of the Company and that the other shareholders of that holding subsidiary do not include the controlling shareholders, de facto controllers and their related parties of the Company, it may be exempted from the requirements under the preceding paragraph and paragraph 2 of Article 106 of these Articles.

The directors and senior management of the Company shall not enter into financial assistance contracts on behalf of the Company in violation of the approval authority and consideration procedures. In the event that a director or senior management of the Company exceeds his/her authority to enter into a financial assistance contract without authorization and causes damage to the Company, the Company shall hold the parties responsible.

Article 56 Except under crisis or other special circumstances, unless approved by a special resolution of the general meeting, the Company shall not enter into contracts to entrust the management of all or significant parts of the Company's business to persons other than directors and senior management.

Article 57 General meetings shall be divided into annual general meetings and extraordinary general meetings, and shall be convened by board of directors, unless otherwise provided in these Articles.

An annual general meeting must be convened once each year, and held within six (6) months after the end of last financial year.

The board of directors shall convene an extraordinary general meeting within two (2) months of any of the following circumstances:

- (1) the number of the directors is less than the number required by the Company Law or less than two-thirds required by the Articles of Association;
- (2) the unrecovered losses of the Company's capital reach one-third of the Company's paid-up share capital;
- (3) upon written requisition by the shareholders individually or jointly holding ten per cent. (10%) or more of the issued and outstanding voting shares of the Company;
- (4) when deemed necessary by the board of directors or proposed by the audit and compliance committee;

- (5) in other circumstance as required by the relevant regulatory rules or the Articles of Association.

In paragraph (3) above, shareholdings will be calculated as of the day upon which the written requisition is made.

Article 58 Any requisition by the audit and compliance committee or by shareholders individually and jointly holding ten per cent (10%) or more of the total voting rights of the Company, and proposal to the board of directors by independent director after consideration and approval at a special meeting of the independent directors to convene an extraordinary general meeting shall be dealt with the “Rules and Procedures for General Meetings”.

Article 59 When the Company convenes a general meeting, the board of directors, the audit and compliance committee and shareholders who individually or jointly hold shares with one per cent (1%) or more of the total voting rights of the Company shall have the right to propose proposals in writing for general meetings.

Shareholders who individually or jointly hold one per cent (1%) or more of the shares of the Company may propose and submit in writing an additional proposal to the convener ten (10) days prior to the convening of the general meeting. The convener shall issue a supplementary notice of the general meeting within two (2) days upon receipt of such proposal and shall make an announcement on the content of the extraordinary proposal and submit the same at the general meeting for consideration. Where more stringent provisions are related to regulatory rules, such provisions shall prevail, which exclude those violating the requirements of the laws, administrative regulations or these Articles, or falling out of the scope of the authority of the general meeting.

Except for those provided for in the preceding paragraph, the convener shall neither amend the proposal specified in the notice of the general meeting nor add any new proposal after the issuance of the notice of the general meeting.

Proposals for general meetings shall comply with the following conditions:

- (1) the contents do not conflict with laws, administrative regulations and the Articles of Association, and are within the powers of the general meeting;
- (2) there is a clear subject and specific resolution;
- (3) it is submitted or delivered in writing to the board of directors.

Proposals which are not specified in the notice of the general meeting or do not comply with the requirements set forth in the preceding paragraphs shall not be voted or resolved at a general meetings.

Article 60 Except for the cumulative voting system, the general meeting shall vote on all proposals item by item, and shall vote on the basis of time sequence in case that more than one proposal which is for one matter are received. The general meeting shall not shelve or take no votes on any proposal, unless the general meeting is adjourned or unable to make any resolution due to any special reasons, e.g., force majeure.

When considering any proposal, the general meeting shall make no change to the proposal; and if changes are made, the proposal shall be deemed as a new proposal and shall not be voted on at the current general meeting.

Article 61 When the Company convenes an annual general meeting, a written notice shall be issued at least twenty (20) full days before the meeting (excluding the meeting date), and when the Company convenes an extraordinary general meeting, a written notice shall be issued at least ten (10) full working days or fifteen (15) days (whichever is longer and exclusive of the meeting date) before the meeting, to inform all registered shareholders of the matters to be considered at the meeting and the date and venue of the meeting. The time for issuing the notice shall also meet the relevant requirements of the Hong Kong Stock Exchange in relation to closure of the register of members.

Article 62 The venue for holding a general meeting of the Company shall be in Shanghai, Shenzhen or Hong Kong and the exact venue shall be specified by the convener in the notice of general meeting. The Company shall set up a venue for general meeting and the meeting will be convened in the manner of live meeting. Subject to ensuring the legitimacy and validity of the general meeting, the Company shall also, according to needs, provide convenience to the shareholders by adopting safe, economical, convenient online and other means, including but not limited to providing modern information technologies such as online voting platforms and electronic communication meetings permitted by relevant regulatory rules, and expand the proportion of social public shareholders participating in the general meeting.

The same voting right shall only select any one of the voting methods, namely voting on-site, voting online or other voting methods. Repeated votes in respect of the same voting right will be handled according to the notice of the general meeting. Shareholders or their proxies who vote online or in other methods are entitled to check their own voting results through the relevant voting system.

Article 63 A notice of general meeting shall satisfy the following requirements:

- (1) specify the venue, date, time and duration of the meeting;
- (2) describe the matters to be discussed at the meeting;

- (3) if matters relating to election of the non-employee representative directors are proposed to be discussed at a general meeting, detailed information concerning the candidates shall be fully disclosed in the notice of the general meeting, which shall at least include the following:
- (i) personal information relating to the candidates' including educational background, work experience and all other positions undertaken on a part-time basis;
 - (ii) whether the candidates are connected with the Company, its controlling shareholders or de facto controllers, its directors, senior management and shareholders holding 5% or more of the shares;
 - (iii) whether there are any circumstances under which the candidate is prohibited from being nominated as a director or senior management of a listed company under the requirements of relevant regulatory rules;
 - (iv) the candidates' shareholdings in the Company;
 - (v) whether the candidates have been subject to any punishment by the CSRC or other relevant department or to any sanction by any stock exchange.

Except for the election of non-employee representative directors via the accumulative voting mechanism, the election of each director candidate shall be put forward by a single proposal;

- (4) contain conspicuously a statement that all ordinary shareholders are entitled to attend the general meeting and may appoint one or more than one proxies in writing to attend and vote on their behalf, and that such proxies need not also be a shareholder;
- (5) state the record date on which the shareholders are entitled to attend the general meeting;
- (6) state the name and telephone number of the contact person for the meeting;
- (7) the voting time and voting procedures by online or other means.

Any notice and supplementary notice of general meetings shall sufficiently and completely disclose the details of all proposals and all information or explanations necessary to enable shareholders to make a reasonable judgment on the matters to be discussed.

Article 64

The notice of the general meeting shall be sent to the shareholders (whether or not entitled to vote thereat) in the form of notice specified in these Articles or in other ways permitted by the relevant regulatory rules. Provided the compliance with the relevant regulatory rules, the Company may also issue the notice of general meeting through announcement (including through the Company's website or electronic methods) instead of sending the notice to shareholders in person or by prepaid mail.

- Article 65** In the case that the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice, the meeting and the resolutions made at that meeting shall not be invalidated.
- Article 66** After the meeting convener issued the notice for convening a general meeting, the meeting shall not be postponed or cancelled without cause and the proposals specified in the notice of the general meeting shall not be cancelled. In the event of any delay or cancellation of the general meeting, the meeting convener shall issue an announcement and explain the reasons for such delay or cancellation at least two (2) working days prior to the date on which the general meeting has been scheduled to convene.
- Article 67** The board of directors of the Company together with other convenors shall adopt necessary measures to maintain the normal order of the general meeting. Measures shall be taken to stop any act which interferes with or causes nuisance at a general meeting and any act which infringes the lawful interests of the shareholders. Timely report of these acts shall be made to the relevant authority for investigation.
- Article 68** All shareholders who are listed on the Company's register as of the record date or their proxies shall be entitled to attend the general meeting and exercise their voting rights in accordance with the relevant regulatory rules and these Articles, and neither the Company nor the convener shall refuse their attendance for any reason. Shareholders may attend the meeting in person or appoint one or more than one person (whether a shareholder or not) as his proxy/proxies to attend the meeting and exercise the voting right within the scope of authorization.
- The clearing company prescribed by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is entitled to appoint a proxy to attend the general meeting, such person may speak and vote at the meeting; if more than one person is authorized, the power of attorney shall clearly indicate the number and class of shares in respect to which each person is so authorized.
- Article 69** The proxy instrument issued by a shareholder authorizing a proxy to attend a general meeting shall set out the following information:
- (1) the name or title of the principal, and the class and number of shares held in the Company;
 - (2) the name or title of the proxy;
 - (3) the specific instructions from shareholders, including the instructions to vote for or against, or to abstain from voting on each matter set out on the agenda of the general meeting and so on;
 - (4) the date, and period of validity of proxy instrument;

- (5) the signature (or seal) of the principal or by the person duly authorized in writing to appoint such proxy; where the principal is a corporate shareholder, the seal of the legal person entity or the signature of the director or the person duly authorized shall be affixed.

Article 70

The instrument appointing a proxy shall be provided in a manner permitted by the relevant regulatory rules to the address of the Company or such other place as specified in the notice convening the meeting 24 hours before the time for holding the meeting to which the instrument of proxy relates or 24 hours before the time specified for the vote. If the proxy instrument is signed by an attorney authorized by the principal, the proxy or other authorization documents shall be notarised. The proxy or other authorization documents so notarised shall be provided together with the instrument of proxy to the legal address of the Company or such other place specified in the notice convening the meeting in a manner permitted by the relevant regulatory rules.

Article 71

An individual shareholder attending the meeting in person shall produce his valid identity card or other valid certificate or proof of his identification; where a proxy is appointed to attend the meeting, the proxy shall produce his own valid identity document and the proxy form issued by the shareholder, and provide other information that allow the Company to confirm the identity of the principal as a shareholder.

Corporate shareholder shall attend the meeting through their legal representatives or agent authorised by their legal representatives. If a legal representative is appointed to attend the meeting, the legal representative shall produce his/her valid identification documents and proof of his/her qualification as a legal representative, and he/she shall provide the Company with the information enabling the Company to confirm the identity of the corporate shareholder; where an agent is appointed by the legal representative of a corporate shareholder to attend the meeting, the agent shall produce his/her own valid identification documents, the written power of attorney issued by the legal representative pursuant to law, and shall provide information enabling the Company to confirm the identity of the principal as a corporate shareholder.

Article 72

The Company shall be responsible for preparing the attendance register of persons attending the general meeting in person. Information registered should include the name of the attendee (or organisation), identity document number, information to confirm the identity of the shareholders (such as the shareholders' account numbers), number of shares held or voting power of shares represented and name of person (or organisation) being represented.

The convenor and the legal advisers retained by the Company shall jointly verify the eligibility of the shareholders to vote based on the Company's shareholder register provided by the securities registration and clearing authority and shall register the name of the shareholders together with the numbers of voting shares in their possession. Registration shall come to a close before the chairman of the meeting announces the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote.

Prior to voting, the chairman of the meeting shall announce the number of shareholders and proxies physically attending the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote. The number of shareholders and proxies physically attending the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote shall be determined in accordance with those registered during the meeting.

Article 73 When shareholders request that directors and senior management shall be present at a meeting, directors and senior management shall be present and accept enquiries from shareholders.

Article 74 When a general meeting is considering and approving matters relating to connected transactions, the relative connected shareholders may not exercise any voting rights, and the voting rights represented by the number of shares held by such connected shareholders shall not be calculated in the total number of shares valid and voting. The announcement of the resolutions of the general meeting must fully disclose the results of the non-connected shareholders' voting.

Article 75 Shareholders (including shareholders who appoint proxies to attend a general meeting) shall exercise such voting rights at general meetings as they may have in accordance with the number of shares they hold which carry the right to vote and, other than in cases of cumulative voting set out in Article 103, each such share shall have one vote.

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

The shares held by the Company itself shall not be attached with voting rights. Such shares shall not be counted in the total number of voting shares held by shareholders attending the general meetings.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights attending the general meeting for thirty-six (36) months after the purchase.

The Company's board of directors, independent directors, shareholders holding 1% or more of voting shares, investor protection institutions established in accordance with laws, administrative regulations, or the provisions of the CSRC may solicit from the Company's shareholders their voting rights exercisable in the general meeting. While soliciting voting rights of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. The solicitation of voting rights shall be carried out in a gratuitous manner, and the information shall be fully disclosed to the person being solicited. There is no restriction on the minimum shareholding ratio of the person being solicited.

Article 76

Resolutions of the general meeting shall be classified into ordinary resolutions and special resolutions.

An ordinary resolution by a general meeting shall require the approval of shareholders (including shareholders who appoint proxies to attend a general meeting) representing a majority of the voting rights attending the meeting.

A special resolution by a general meeting shall require the approval of shareholders (including shareholders who appoint proxies to attend a general meeting) representing two-thirds or more of the voting rights attending the meeting.

The shareholders (including shareholders who appoint proxies to attend a general meeting) attending the meeting shall expressly vote "for", "against", or "abstain" with regard to each resolution that needs to be voted on (except for the proposals subject to cumulative voting), except where the securities registration and clearing institution, as the nominee of the holder of the shares under the Mainland China-Hong Kong Stock Markets Connect Program (內地與香港股票市場交易互聯互通機制), declare according to the beneficiary owner's intentions. For H shares held by HKSCC Nominees Limited, the number of shares entrusted to it for voting at the meeting shall be taken as the number of shares for which HKSCC Nominees Limited is attending the meeting.

Shareholders and authorised proxies attending the meeting shall fill in the votes carefully as required. Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstain". The abstention vote shall be regarded as valid votes when the Company counts the votes in respect of the relevant matter.

Where any shareholder is under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited required to abstain from voting or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

- Article 77** The following matters shall be adopted by ordinary resolution at general meetings:
- (1) the working reports by the board of directors;
 - (2) the profit distribution proposal and proposal to recover losses formulated by the board of directors;
 - (3) matters relating to the appointment and removal of the members of the board of directors and the remuneration, payment methods and liability insurance of them;
 - (4) other matters except those required to be adopted by special resolution in accordance with the relevant regulatory rules or these Articles.

- Article 78** The following matters shall be resolved by special resolution at general meetings:
- (1) to increase or reduce the Company's registered capital;
 - (2) division, merger (where the price paid exceeds 10% of the Company's net assets), dissolution, liquidation or changing of the form of the Company;
 - (3) the amendments to the Articles of Association and its appendices;
 - (4) the Company's acquisition or disposal of material assets or provision of guarantees to others conducted within the period of one year with a value exceeding 30% of the latest audited total assets of the Company;
 - (5) share incentive plans;
 - (6) other matters which are required under the relevant regulatory rules or the Articles of Association, and which are resolved by shareholders by ordinary resolution that are considered by the shareholders to be material to the Company and are required to be passed by special resolution.

Article 79 At the annual general meeting, the board of directors shall report on their work for the previous year and submit annual financial reports. Each of the independent directors shall also report on their work to explain the performance of their duties.

The external audit firm shall attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

Article 80 Shareholders may put forward recommendations or enquiries to the Company at the general meeting. Subject to the disclosure principles of fairness, directors and senior management shall provide responses and explanations to queries or suggestions raised by shareholders at a general meeting, unless the matters relate to commercial secrets of the Company which cannot be disclosed at the general meeting.

Article 81 The chairman of the board shall preside over general meetings. If the chairman of the board is unable to or does not perform his or her duties, the vice chairman of the board (and in case the Company has two or more vice chairmen of the board, the vice chairman of the board jointly elected by a majority of the total number of directors) shall preside over and chair the meeting. If the vice chairman of the board is unable to or does not perform his or her duties, a director jointly elected by a majority of the total number of directors shall preside over and chair the meeting.

A general meeting convened by the audit and compliance committee on their own shall be presided over by the chairman of the audit and compliance committee. If the convener of the audit and compliance committee is unable to or does not perform his or her duties, a member of the audit and compliance committee jointly recommended by a majority of the total number of members of the audit and compliance committee shall preside over the said meeting.

If a general meeting is convened by the shareholders on their own, the convener or a representative recommended by him/her shall preside over the meeting.

When convening a general meeting, if the person presiding over the meeting violates the rules of procedure resulting that the general meeting becomes unable to proceed, a person may, subject to the consent of a majority of the shareholders with voting rights attending the meeting at the scene, be elected at the general meeting to act as the person presiding the general meeting so that the meeting may be proceeded.

Article 82 Before a proposal is resolved at a general meeting, two representatives of the shareholders shall be nominated to participate in counting the votes as well as supervising the counting process. If a shareholder is interested in the matters under consideration, the relevant shareholder and his proxies shall not participate in counting the votes or supervising the counting process.

At the time of resolving on a proposal by voting at a general meeting, legal advisers and representatives of shareholders shall participate in counting the votes as well as supervising the counting process. They shall announce the voting results to the meeting. The voting results in connection with the resolution shall be recorded in the minutes.

- Article 83** If the chairman of the meeting has any doubt about the results of voting on a resolution, he may take a poll. If the chairman of the meeting does not demand a poll, and if any of the shareholders or proxies attending the meeting have any doubts about the results announced by the chairman, they have the right to demand a poll immediately after such announcement, and the chairman of the meeting shall immediately conduct a poll.
- Article 84** If a poll is taken at any general meeting, the result thereof shall be duly recorded in the minutes of that meeting.
- Article 85** A general meeting shall not be declared closed for shareholders who attend in person at a time earlier than for those shareholders who attend via internet or other permitted means. The chairman of the meeting shall announce to the meeting the voting details and results of each motion and shall declare whether or not a motion is adopted on the basis of the relevant voting results.
- Prior to announcing the voting results, all those who are involved in the meeting whether in person or via internet or other permitted means, including any companies, persons responsible for counting the votes, persons responsible for supervising the counting process, shareholders, internet service providers and other relevant parties shall have the obligation to keep matters related to voting confidential.
- Article 86** Minutes of a general meeting shall be kept and such minutes shall be prepared by the secretary of the board of directors. Minutes of general meetings should set out the following:
- (1) the date and venue for the meeting, meeting agenda and the name of the convenor;
 - (2) the name of the chairman of the meeting as well as those of the directors and senior management who are present at the meeting as non-voting attendees;
 - (3) the number of shareholders and proxies attending the meeting, the total number of voting shares represented by the shareholders who are entitled to vote; the proportion of the number of voting shares represented by the shareholders who are entitled to vote out of the total number of shares of the Company;
 - (4) a description of the considerations taken for each proposal, the main points put forward by each speaker relating thereto and the voting results thereof;
 - (5) details of enquiries and suggestions of the shareholders and the corresponding response or explanation in relation thereto;
 - (6) the names of the legal advisers and persons responsible for counting the votes and for supervising the counting process; and

- (7) other contents which should be recorded in the minutes as provided for in these Articles.

The convenor shall ensure that the content of the minutes shall be true, accurate and complete. Minutes shall be signed by the directors, secretary to the board, the convenor or its representative and the chairman of the meeting attending or present at the meeting. Minutes shall together with the register relating to shareholders present at the meeting in person and by proxy by way of issuing a proxy form or via internet or other permitted means, be kept by the Company at the register office of the Company for at least ten (10) years.

Article 87 An announcement of resolutions of a general meeting should be released immediately, which sets out the number of shareholders or proxies attending the meeting, the total number of voting shares held and the proportion of the Company's total shares with voting power thereby represented, the method of voting and the results of voting for each proposal, as well as the detailed contents of the resolutions passed.

For proposals not passed at the meeting, or where the general meeting alters the resolution(s) passed at the previous general meeting, a special note shall be made in the announcement of the resolutions of the general meeting.

Article 88 The convenor shall ensure that a general meeting is held on a continuous basis until a final resolution is adopted. If a general meeting is suspended or no resolution can be adopted due to force majeure or other exceptional reasons, necessary measures shall be taken so as to promptly re-convene the general meeting or to directly terminate the then general meeting, and public announcement relating thereto shall also be made on a timely basis. At the same time, the convenor shall report the same to the local office of the CSRC and to relevant stock exchanges.

Article 89 At a general meeting, the Company shall retain legal advisers and obtain legal advice in relation to the following issues which shall be incorporated into the shareholders' resolutions for announcement purposes:

- (1) whether the procedures for convening and holding a general meeting comply with the requirements of the laws, administrative regulations and these Articles;
- (2) whether attendees or the convenor of a general meeting meet the requisite legal requirements;
- (3) whether the voting procedures for and the voting results of the general meeting are lawful and valid;
- (4) issuance of legal opinions on other relevant issues at the request of the Company.

Article 90 If a proposal in respect of the distribution of cash or bonus shares, or in connection with the capital increase by conversion from reserve funds is adopted at a general meeting, the Company shall implement such distribution within two (2) months of the relevant general meeting. After the board of directors of the Company has formulated the specific plan in accordance with the interim dividend distribution next year considered and approved at the annual general meeting, the dividends (or shares) distribution shall be completed within two (2) months.

Section 2 Special procedures for voting by A and H shareholders

Article 91 If the Company intends to modify or abolish the rights of A or H shareholders, it shall be subject to approval by a special resolution of the general meeting and by the affected A or H shareholders at the general meetings respectively convened in accordance with Articles 93 to 97 of these Articles before such modification or abolition can be carried out.

Article 92 The following circumstances shall be deemed to be a variation or abrogation of the rights of A or H shareholders:

- (1) to increase or decrease the number of shares of such type, or increase or decrease the number of shares of a type having voting or distribution rights or other privileges equal or superior to the shares of such type;
- (2) to effect a conversion of all or a part of the shares of such type into another class or to effect a conversion or create a right of conversion of all or part of the shares of another type into the shares of such type;
- (3) to remove or reduce rights to dividends, rights to accrued dividends or rights to cumulative dividends of such type;
- (4) to reduce or remove the preferential rights to dividends of such type or the preferential rights to asset distributions of such type upon liquidation of the Company;
- (5) to add, remove or reduce the rights to conversion, option, voting, transfer, preferential placement or acquisition of the Company's securities of such type;
- (6) to remove or reduce the rights to receive payment in particular currencies of such type;
- (7) to create a new type of shares having voting or distribution rights or other privileges equal or superior to the shares of such type;
- (8) to restrict the transfer or the ownership of the shares of such type or add more restrictions;

- (9) to allot and issue rights to subscribe for, or to convert into, shares in the Company of such type or another type;
- (10) to increase the rights or privileges of another type;
- (11) to restructure the Company where the proposed restructuring will result in different type of shareholders bearing a disproportionate burden of such proposed restructuring;
- (12) to vary or abrogate this section.

Article 93

Affected A or H shareholders, whether or not otherwise carrying the right to vote at general meetings, shall nevertheless carry the right to vote at the A or H shareholders' meeting in respect of matters concerning Articles 92(2) to 92(8), Articles 92(11) to 92(12) of these Articles, but interested shareholder shall not be entitled to vote at that class meetings.

The meaning of an interested shareholder as mentioned in the foregoing paragraph shall be:

- (1) in the case of repurchase of shares by making a general offer to the shareholders in proportion to their shareholding or repurchasing their shares in public on a stock exchange, an "interested shareholder" means the controlling shareholder as defined in relevant regulatory rules;
- (2) in the case of a repurchase of shares by an off-market contract, an "interested shareholder" means a holder of the shares to which the proposed contract relates;
- (3) in the case of a restructuring of the Company, an "interested shareholder" means a shareholder within a type who bears less than a proportionate burden imposed on that type under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that type.

Article 94

Resolutions of the A or H shareholders' meeting shall be made by two-thirds or more of the votes of the shareholders whose shares carry rights to vote of that class present at corresponding meeting.

Article 95

Written notice of A or H shareholders' meeting, shall be given to the relevant class shareholders as per requirements regarding notice period of convening the meeting specified in Article 61 of these Articles. The agenda, date and venue of the meeting shall be notified to all of the type shareholders whose names are on the register (regardless of whether the registered address of such shareholders is within or outside the PRC).

Article 96 Notice of A or H shareholders' meeting needs only be served on class shareholders who are entitled to vote thereat.

The A or H shareholders' meeting shall be held in accordance with the procedures as similar as possible to those of the meeting. The provisions of the Articles of Association regarding the procedures for holding the general meeting shall apply to the A or H shareholders' meeting.

Article 97 Subject to the approval of the meeting by way of a special resolution, if the Company issues A shares and/or H shares separately or simultaneously every 12 months and the number of the proposed issuance of A shares and/or H shares does not exceed 20% of the issued shares of such type, the special procedures for the voting of A or H shareholders shall not apply.

CHAPTER 6 BOARD OF DIRECTORS

Article 98 The Company shall have a board of directors which shall consist of five to nineteen (5-19) members, among which there should be at least one (1) employee representative director, and more than one-third and at least three (3) shall be independent (non-executive) directors, and at least one (1) independent director shall be an accounting professional who meets the requirements of the relevant regulatory rules.

There shall be one (1) chairman and one (1) to two (2) vice chairman.

Article 99 The independent directors shall be directors who do not hold any positions other than director in the Company, and who are not directly or indirectly connected with the Company and the substantial shareholders and the de facto controllers of the Company in a way that may affect their independent and objective judgements. Independent directors must maintain their independence, and their qualifications for the position shall comply with the provisions of relevant regulatory rules.

The independent directors shall have the obligation of loyalty and diligence to the Company and all shareholders, and shall conscientiously perform their duties in accordance with the provisions of relevant regulatory rules and these Articles, play the roles of participating in the decision-making, supervising, checking and balancing, and professional consulting in the board of directors, safeguard the interests of the Company as a whole, and protect the lawful rights and interests of minority shareholders.

Independent directors shall perform their duties independently and impartially and none of them shall be influenced by the Company and its substantial shareholders, de facto controllers or entities or parties that are interested in the Company.

The Company shall establish a system governing the work of independent directors, specifying the terms of office, nomination, election and replacement, responsibilities and rights, performance guarantees and other matters of independent directors. Such system shall be implemented after approval by the board of directors.

Article 100 Directors shall be natural persons, and are not required to hold shares in the Company.

Among the board members, non-employee representative directors shall be elected by the general meeting, and employee representative directors shall be democratically elected by the Company's employees through the employee representative assembly, the employee general assembly or other forms. The term of office of the directors shall be three (3) years, which commences from the date on which such directors serve their term of office until the end of the current session of the board of directors. The directors may be re-elected after the expiration of their term, however independent directors may not serve for terms exceeding six (6) years. Any independent director who has served the Company for six (6) consecutive years shall not be nominated as a candidate for independent director of the Company within thirty-six (36) months from the date of the occurrence of such fact.

The newly appointed director shall assume office immediately after the general meeting or the employee representative assembly, the employee general assembly or other form of democratic meeting, or at the time specified in the resolution(s) of the above meetings.

If the term of the directors expires but re-election has not been conducted in time, the existing directors shall continue to perform their directors' duties in accordance with the relevant regulatory rules together with these Articles and its appendices until the re-elected directors serve their respective term of office.

The chairman and vice chairman shall be elected and removed from office by a majority of all the directors. The term of office of the chairman and vice chairman shall be three years and they may be re-elected after the expiration of their term.

Article 101 The list of candidates for directors other than employee representative directors shall be proposed to the general meeting for resolution in the form of a proposal and passed by an ordinary resolution.

Candidates for directors other than employee representative directors may be nominated by the board of directors, the audit and compliance committee or shareholders individually or jointly holding one percent (1%) or more of the issued shares of the Company, and shall all be elected by the shareholders at general meetings in the form of a proposal. The investor protection organizations established according to law may publicly request the shareholders to authorize it to exercise the right to nominate the independent directors on their behalf. The nominator aforementioned shall not nominate any person who has an interest or any other close associate that may affect the independent performance of his or her duties as a candidate for independent director.

Article 102 The following procedure must be followed prior to electing candidates for directors other than employee representative directors:

- (1) Before nominating a candidate for election, the nominator should first obtain the consent of the nominee, and fully understand the nominee's occupation, educational background, professional title, detailed working experience and other part-time job, and whether there is any major breach of trust and other adverse records, and said nominator is responsible for providing such written materials to the Company. If the nominee is a candidate for an independent director, the nominator shall also prudently verify whether the independent director candidate meets the conditions and qualifications for appointment, the ability to perform the duties of the office, and whether there are any circumstances affecting his/her independence. Each of such candidates for directors shall provide a written undertaking to the Company, agreeing to accept the nomination, confirming the truthfulness and completeness of the publicly disclosed materials relating to the candidate and guaranteeing that following election they will practically carry out the responsibilities of a director;
- (2) If the nominee is a candidate for an independent director, the nominator shall also make a statement regarding that the nominee meets the independence and other conditions for serving as an independent director, and the nominee shall make a public declaration that he/she meets the independence and other conditions for serving as an independent director. Both the nominator and the nominee shall make declarations and undertakings in compliance with the requirements of the relevant regulatory rules;
- (3) The nomination committee of the board of directors of the Company shall examine the qualifications of the nominees for appointment and form a clear opinion on such examination;
- (4) If the nomination occurs before the Company holds a board meeting, then the written materials regarding the nominee set out in paragraphs (1), (2) and (3) of this Article shall be made public together with the resolutions of the board of directors or the notice of the general meeting;

- (5) If shareholders who hold 1% or more of the Company's shares individually or jointly propose a additional proposal for the election of directors other than employee representative directors prior to the general meeting, then written notice of the intention of such person(s) nominating the candidates for non-employee representative directors or independent directors and the willingness of the nominee to accept the nomination, together with the written materials and undertakings relating to the nominee set out in paragraphs (1) and (2) of this Article, shall be delivered to the Company no less than ten (10) days before the general meeting. The period given by the Company to the relevant nominator to submit the aforementioned notice and documents, which starts from the day following the date of the general meeting notice, shall be no less than ten (10) days;
- (6) The Company shall, at the latest, when it issues the notice of the general meeting for the election of independent directors, also disclose the relevant contents in accordance with the provisions of paragraphs (1), (2) and (3) of this Article, and submit the relevant materials of all candidates for independent directors simultaneously to the domestic stock exchanges where the Company's shares are listed. If the board of directors have any objections to the nominees, it should also submit its written opinions at the same time;
- (7) The board of directors of the Company, independent director candidates and independent director nominators shall truthfully answer the enquiries of domestic stock exchanges where the Company's shares are listed within the prescribed time, and supplement the relevant materials in a timely manner as required. When convening a general meeting to elect independent directors, the board of directors of the Company should explain whether the domestic stock exchanges where the Company's shares are listed have any objections to any of the candidates for election as independent director. Candidates for independent directors who receive objections from the domestic stock exchanges where the Company's shares are listed shall not be submitted to the general meeting for election. If it has been submitted to the general meeting for consideration, the proposal shall be cancelled.

Article 103

When electing more than two (2) directors other than non-employee representative directors at a general meeting, the cumulative voting method shall be adopted, thus when a general meeting is electing directors other than employee representative directors, each share held by a shareholder participating in the vote has equal voting rights in relation to the total number of candidates for election as directors, and a shareholder may either vote all of their shares on one person, or divide their votes across several persons.

When electing independent directors, the voting of minority shareholders shall be counted separately and disclosed.

The main contents of the cumulative voting system are specified by the “Rules of Procedure for the General Meetings”.

In the event of inconsistency regarding the relevant provisions of cumulative voting system between the relevant regulatory rules and these Articles, the board of directors may decide to adopt an appropriate cumulative voting system subject to relevant regulatory rules.

Article 104 Subject to compliance with the relevant regulatory rules, the general meeting may by ordinary resolution remove any director whose term of office has not expired (however this will not prejudice any request for compensation which may be raised pursuant to any contract). The removal shall take effect on the date the resolution is passed. In case of early dismissal of an independent director, the Company shall promptly disclose the specific reasons and basis. If the independent directors have objections, the Company shall disclose them in a timely manner.

Article 105 Directors may resign prior to the expiration of their term of office. A director may resign by submitting written notice of his resignation to the Company, and an independent director must in addition provide explanations of any matters related to his resignation or which he believes should be brought to the attention of shareholders and creditors of the Company, and the Company shall disclose the reasons and concerns for the resignation of the independent director. The Company shall disclose information in a timely manner in accordance with relevant regulatory rules.

The resignation of a director shall take effect from the date on which the Company receives the notice. Except as otherwise provided by relevant regulatory rules and these Articles, if the resignation of a director would result in any of the following circumstances, the original director shall continue to perform his/her duties in accordance with the relevant regulatory rules and these Articles until a new director is elected and assumes office:

- (1) Where re-election procedures are not carried out in a timely manner on the expiration of the directors’ term of office, or where the number of directors on the board of directors falls below the quorum due to a director’s resignation;
- (2) The resignation of an independent director would lead the board of directors or its special committee of the Company to be not conforming to the requirements of the relevant regulatory rules or the provisions of these Articles for the proportion of independent directors, or a shortage of professional accountants among the independent directors;
- (3) The resignation of a member of the audit and compliance committee results in the audit and compliance committee falling below the quorum required by law, or there is a shortage of accounting professionals to serve as the convenor.

The Company shall complete the by-election of a director within sixty (60) days from the date of his/her resignation to ensure that the composition of the board of directors and its special committees complies with the relevant regulatory rules and the provisions of these Articles.

Article 106

The board of directors shall exercise the following powers:

- (1) to be responsible for convening general meetings and reporting on its work to the general meeting;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the Company's development strategy and five-year development plan;
- (4) to decide on the Company's business plans and investment proposals;
- (5) to decide on the Company's annual budget plan and regular reports (including financial reports);
- (6) to formulate the Company's profit distribution plans and plans for recovery of losses;
- (7) to formulate the Company's financial strategy, the Company's plan to increase or decrease its registered capital, and the issuance of corporate bonds, corporate bonds convertible into shares or other securities and plans for listing and to make decisions for the execution within the scope prescribed by these Articles or authorized by the general meeting;
- (8) to draft plans for major acquisitions or disposals, purchase of the Company's own shares, and for the merger, division, dissolution or changing of the form of the Company, and to decide on the merger where the price paid by the Company does not exceed 10% of the Company's net assets;
- (9) to formulate the proposal for amendments to the Articles of Association and its appendices;
- (10) to decide on matters relating to foreign investment, purchase or sale of assets, mortgage of assets, entrusted asset management, connected transactions and external donation by the Company within the scope of authority conferred by the general meeting;
- (11) to decide on matters relating to the provision of guarantee and financial assistance of the Company in favour of a third party within the scope of authority conferred by the general meeting;

- (12) to appoint or dismiss the Company's general manager, and pursuant to the general manager's nomination, to appoint or dismiss deputy general manager and financial officers of the Company; to appoint or dismiss the secretary to the board; and to decide on their remuneration;
- (13) to appoint or change the members of the boards of directors of the Company's wholly-owned subsidiaries, to appoint, change or recommend shareholder representatives, directors (or candidates) and supervisors (or candidates, if any) to the Company's controlled subsidiaries or companies in which the Company holds shares;
- (14) to decide on the establishment of the Company's internal management structure;
- (15) to decide on the establishment of branch entities of the Company;
- (16) to formulate the Company's basic management system;
- (17) to administer the disclosure of information by the Company;
- (18) to submit nominations for the appointment or change of accounting firms as the auditors of the Company to the general meeting;
- (19) to review the work reports of the general manager and monitor the work of the general manager;
- (20) to develop and review the Company's policies and practices on corporate governance;
- (21) to review and monitor the training and continuous professional development of directors and senior management of the Company;
- (22) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (23) to develop, review and monitor the code of conduct and compliance manual applicable to employees and directors of the Company;
- (24) to resolve for the acquisition of the Company's A shares as per the circumstances as specified in items (3), (5) or (6) of Article 29 of these Articles, or to resolve for the acquisition of the Company's H shares in accordance with the authorization of the general meeting;
- (25) to review the Company's independent changes in accounting policies, changes in accounting estimates, and significant asset impairment;

- (26) to decide other major matters and administrative matters not required by relevant regulatory rules or these Articles to be decided by the general meeting, and to sign other major agreements;
- (27) to exercise other powers as stipulated by relevant regulatory rules or the Articles of Association or as authorized by general meeting.

Save and except for the matters in sub-paragraphs (6), (7), (8) above which require the consent of more than two-thirds of all the directors, all the other matters may be approved upon resolution by a majority of all the directors (in which the matter as forth in sub-paragraph (10) is still subject to approval upon resolution by more than two-thirds of all attending directors).

If the matters are required to be decided by the general meeting in accordance with the relevant regulatory rules, the resolution of the general meeting shall still be necessary.

Article 107 The board of directors may, in accordance with the relevant regulatory rules and the actual needs of the Company, under certain conditions and within a certain scope, delegate some of the powers mentioned in the preceding article to the chairman of the board, one or several directors, the general manager or other relevant subjects for exercise. However, the various statutory powers of the board of directors, as well as matters involving the Company's major interests that require collective decision-making by the board of directors or submission to the general meeting for decision, cannot be delegated.

The Company formulates the management measures for the authorization of the board of directors, specifically stipulating the basic scope, procedures, supervision and change, responsibility and other specific matters of the board of director's authorization, and implements them upon approval by the board of directors.

Article 108 If any matters to be resolved by the board of directors involve significant matters such as direction of reform and development, key objectives, and priority operational arrangements of the Company, the board of directors should seek advice from the Party committee. When the board of directors appoints the senior management of the Company, the Party committee shall consider and provide comments on the candidates for management positions nominated by the board of directors or the president, or recommend candidates to the board of directors and/or president.

Article 109 When the board of directors makes a decision regarding the entering of new markets, mergers and acquisitions or investments in new fields, where the amount of investment or assets being acquired exceed ten per cent. (10%) of the Company's total assets, a consultancy body should be appointed to provide an expert opinion, as a major basis of the board of directors' decision.

The “Rules of Procedure for the General Meetings” and “Rules of Procedures for the Board Meetings” shall set out regulations for the limitations on the power of the board of directors to approve the investments in third parties, acquisition or disposal of assets, mortgage of assets, provision of guarantee to third parties, financial assistance, entrusted assets management, connected transactions, external donation and other related matters. The board of directors shall establish strict review and approval procedures for the above matters.

For major investment projects exceeding the board of directors’ approval limits, the board of directors must organise relevant experts and specialists to assess the projects, and report to the general meeting for approval.

Article 110 The board of directors shall formulate “Rules of Procedure for the Board Meetings”, in order to ensure that the board of directors implements the resolutions of the general meeting, improves work efficiency, and guarantees scientific decision-making.

Article 111 The board of directors must explain to the general meeting when a registered accountancy firm issues a non-standard audit opinion in respect of the Company’s financial statements.

Article 112 The board of directors shall establish audit and compliance, nomination, strategic and ESG, remuneration and appraisal, and other special committees. Additionally, it may establish certain other specialized committees in accordance with the relevant regulatory rules as amended from time to time, and the Company’s actual requirements. These committees conduct research on specialized matters, and provide opinions and suggestions which serve as references for the board of directors’ decision-making.

The audit and compliance committee of the board of directors exercises the powers of supervisory committee as stipulated in the Company Law.

Members of the specialized committees are all composed of directors, usually for a term of three years, and the term of office of the committee members should be consistent with that of the directors. Among them:

- (1) The audit and compliance committee shall consist of at least three (3) members, with independent directors constituting a majority. There shall be one (1) chairperson, who shall be an independent director elected by the board of directors. All members of the audit and compliance committee shall be directors who do not hold senior management positions in the Company, and the chairperson shall be an accounting professional satisfying the requirements of relevant regulatory rules;

- (2) The nomination committee and the remuneration and appraisal committee shall each consist of at least three (3) members, with independent directors constituting a majority. Each committee shall have one (1) chairperson, who shall be an independent director elected by the board of directors;
- (3) The strategy and ESG committee shall consist of at least five (5) directors, with one (1) chairperson, and one (1) vice chairperson if necessary. The chairperson and vice chairperson shall be elected by the board of directors from the committee members.

Article 113 The specialized committees perform their duties in accordance with these Articles and the authorization of the board of directors. Unless otherwise stipulated by relevant regulatory rules, or these Articles, proposals shall be submitted to the board of directors for deliberation and decision. Each specialized committee is mainly responsible for providing opinions and suggestions to the board of directors on the following matters, as well as undertaking other duties as authorized by the board of directors in accordance with the relevant regulatory rules:

- (1) The audit and compliance committee is primarily responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control, inspecting the Company's finances in accordance with the law, supervising the legality and compliance of the duties performed by directors and senior management, and other duties stipulated in the Articles of Association and its appendices, to safeguard the legitimate rights and interests of the Company and its shareholders;
- (2) The nomination committee is mainly responsible for formulating the selection criteria and procedures for directors and senior management, selecting and reviewing directors and senior management and their qualifications, and evaluating the performance of the board of directors in fulfilling its duties, etc;
- (3) The remuneration and appraisal committee of the board of directors is mainly responsible for formulating the appraisal standards for directors and senior management and conducting appraisal, and formulating and reviewing remuneration policies and plans for directors and senior management such as compensation determination mechanisms, decision-making processes, payment, suspension of payment and clawback arrangements;
- (4) The strategy and ESG committee is mainly responsible for researching the Company's developmental strategy plans, major investment plans, major investment projects, and other significant matters that affect the Company's development. It also provides suggestions on the Company's ESG (environmental, social, and governance) related strategies, plans, and major decisions.

The Company has formulated working rules for the specialized committees, clarifying the composition of personnel thereunder, term of office of committee members, scope of responsibilities, rules of procedure, archival preservation and relevant matters for the specialized committees, and standardizing the operation of the specialized committees. Such working rules shall be implemented upon approval by the board of directors.

Article 114 An independent director shall have the following special functions and powers in addition to those conferred on directors by relevant regulatory rules and these Articles:

- (1) to independently employ intermediaries to audit, consult or verify specific matters of the Company;
- (2) to propose to the board of directors to hold an extraordinary general meeting;
- (3) to propose to hold a board meeting;
- (4) to publicly solicit the rights of shareholders from shareholders according to law;
- (5) to express independent opinions on matters that may damage the rights and interests of the Company or minority shareholders;
- (6) other functions and powers as prescribed by relevant regulatory rules and these Articles.

The Company has established a special meeting mechanism for independent directors. When the board of directors considers matters such as related-party transactions, they shall be preliminarily approved by the special meeting of independent directors. Where an independent director exercises the functions and powers listed in sub-paragraphs (1) to (3) of the preceding paragraph shall be considered and approved by a special meeting of independent directors.

Where an independent director exercises the functions and powers listed in sub-paragraph (1) of the first paragraph, the Company will disclose it in a timely manner. If the above-mentioned functions and powers cannot be exercised normally, the Company will disclose the specific circumstances and reasons.

Article 115 The Company shall hold special meetings of independent directors on a regular or ad hoc basis. The following matters shall be submitted to the board of directors for consideration after being considered and approved by the special meetings of independent directors:

- (1) related transactions that shall be disclosed;
- (2) plans of the Company and the relevant parties for the modification or waiver of their undertakings;

- (3) decisions made and measures taken by the board of directors of the acquired company in relation to the acquisition;
- (4) other matters prescribed by relevant regulatory rules and these Articles.

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

A convenor and chairperson for a special meeting of independent directors shall be jointly elected by a majority of all independent directors. If the convenor fails or is unable to perform his or her duties, two or more independent directors may convene the meeting themselves and elect a representative to preside.

A resolution of the special meetings of independent directors shall be adopted by a majority vote of all independent directors. Minutes shall be prepared for special meetings of independent directors in accordance with the relevant requirements, and the opinions of independent directors shall be clearly recorded in the minutes. Independent directors shall sign to confirm the minutes.

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

Article 116 The chairman of the board of directors shall exercise the following powers:

- (1) to preside over general meetings and convene and preside over meetings of the board of directors;
- (2) to organise the implementation of the responsibilities of the board of directors, and to supervise the implementation of board resolutions;
- (3) to sign the Company's securities;
- (4) to sign major documents of the board of directors and other documents which require signature by the legal representative of the Company;
- (5) to exercise the powers of the legal representative;
- (6) in the case of major natural disaster or other circumstances of force majeure, to exercise special disposal power of matters of the Company in accordance with laws, regulations, and the interests of the Company, and subsequently to report to the board of directors and general meeting;
- (7) to exercise other powers as authorized by the board of directors.

The vice chairman of the board shall assist the chairman of the board with his or her duties. When the chairman is unable to, or does not, perform his or her duties, the vice chairman of the board shall perform the said duties (and if the Company has two or more vice chairmen of the board, the vice chairman of the board jointly elected by a majority of the total number of the directors shall perform the said duties). When the vice chairman of the board is unable to, or does not, perform his/her duties, a director jointly elected by a majority of the total number of the directors shall perform the said duties.

Article 117 The chairman of the board conducts collective research, discussion or decision-making on important matters within the scope of authority granted to directors by the Articles of Association, matters authorized by the board of directors, and other relevant important matters through the chairman's special meeting.

The Company has established a special meeting system for the chairman of the board, clearly defining specific matters such as authority, rules of procedure, meeting organization and document management, reporting of meeting resolutions, implementation and supervision. The system will be implemented after approval by the board of directors.

Article 118 Regular meetings of the board of directors shall be convened at least four (4) times per year by the chairman. Notice of meeting shall be given to all the directors at least fourteen (14) days prior to the meeting.

Article 119 In any one of the following circumstances, the chairman of the board should convene and chair an extraordinary board meeting within ten (10) working days after receiving the proposal:

- (1) shareholders representing 10% or more of the voting shares requisition a meeting;
- (2) one-third or more of the directors together requisition a meeting;
- (3) independent directors requisition a meeting after consideration and approval of the same at a special meeting;
- (4) specialized committees of the board of directors requisition a meeting;
- (5) president requisitions a meeting.

Where the chairman of the board cannot convene an extraordinary board meeting for special reasons, the chairman of the board shall appoint the vice chairman of the board or other director to convene the meeting. Where the chairman of the board fails to convene the meeting without cause and fails to appoint any person to convene the meeting on his behalf, a director may be nominated by the vice chairman of the board or a majority of the total number of all directors to convene the meeting.

Article 120 Board meetings shall be convened and held strictly in accordance with these Articles and the “Rules of Procedure for the Board Meetings”. All directors shall be notified in advance as required and provided with sufficient meeting materials, including all information, data and materials necessary for directors to vote on the proposals, such as the relevant background materials of the meeting topics. Directors’ enquiries shall be promptly answered, and relevant meeting materials shall be supplemented before the meeting as required by the directors.

The Company shall ensure that independent directors enjoy the same right to information as other directors. It shall promptly send out notices of board meetings to independent directors in accordance with these Articles, and provide relevant meeting materials no later than the notice period stipulated by relevant regulatory rules, or the Articles of Association. The Company shall also provide independent directors with effective communication channels.

Article 121 Notice of board meeting shall be given in the following manner:

- (1) Regular board meetings may be held without notice if the time and venue of such meetings have been fixed in advance by the board;
- (2) Notice of the time and venue of board meetings, for which a time and venue have not otherwise been fixed in advance by the board of directors, shall be given by the chairman of the board not less than five (5) days in advance; where an extraordinary board meeting needs to be convened as soon as possible in emergency, the notice of the meeting may be sent by telephone or by other oral means, but the convener shall make explanations at the meeting and record in the minutes of the meeting;
- (3) Notification methods for the board meetings are: telex, telegram, telefax, E-mail, courier, registered airmail, personal delivery or other means;
- (4) Notices shall be given in the Chinese language. An English version may be attached if necessary. The agenda shall also be given;
- (5) Any director may waive his rights to receive notice of board meeting.

Article 122 Notice of meeting of the board of directors shall include the following:

- (1) the time and place of the meeting;
- (2) the duration of the meeting;
- (3) the agenda of the meeting, particulars of the resolutions to be considered at the meeting and any documents or information relevant to the board meeting;

(4) the date of the notice.

Notice is deemed to be given to any director who attends the meeting without objecting, before or at its commencement, for not receiving any notice.

Article 123 Unless otherwise specified in relevant regulatory rules and these Articles, the quorum for a board meeting is a majority of all members of the board of directors (including directors who appoint other directors by proxies). Each member of the board shall have one vote. Any board resolution shall be passed by a majority of all the directors.

Article 124 The directors should attend board meetings in person. Should any directors be unable to attend the meeting, he may authorize another director by a way of a written instrument of proxy to attend on his behalf, and review the meeting materials in advance to form a clear opinion. The proxy form shall set out the name of the proxy, the matter the appointment relates to, scope of authority and valid period and should be signed or sealed by the principle. In relation to voting on proposals, the principal should specify his opinions on voting for, voting against or being abstain from voting on each of the proposals.

A director shall not make or accept the entrustment without providing any voting intent on the proposals, discretionary entrustment or any entrustment not well defined. One director shall not accept entrustment by more than two directors to attend one board meeting on his/her behalf. Independent director cannot appoint a non-independent director as a proxy to attend the meeting. When considering related transactions, non-related directors shall not appoint related directors to attend the meeting on their behalf. Directors' liability in respect of matters to be voted shall not be waived by the entrustment of other directors.

Any director acting as a proxy shall exercise the right on behalf of the principal within the scope of authority as set out in the proxy form. In the event that no proxy is appointed by the absent director to attend a board meeting, the absent director shall be deemed to have waived his right to vote at such a meeting.

Article 125 If an independent director fails to attend two (2) consecutive board meetings in person, nor does he/she entrust another independent director to attend on his/her behalf, the board of directors shall, within thirty (30) days as of the date of such occurrence, propose to convene a general meeting to remove such independent director.

Other directors shall be deemed as failing to carry out their duties if they fail to attend two (2) consecutive board meetings in person and to appoint an alternate director to attend board meetings on their behalf. The board of directors shall propose at the general meeting for the removal of such directors.

Attendance in person includes attendance in person on site or by correspondence.

Article 126 Expenses incurred by the directors in attending board meetings shall be paid by the Company, including transportation costs from the place where the director is located to the place of the meeting, the cost of accommodation and meals during the period the meeting is held, the rent of the place of the meeting and local transportation and other incidental expenses.

Article 127 The board of directors shall keep minutes of the meetings in accordance with the regulations. The minutes shall be true, accurate and complete, fully reflecting the opinions expressed by attendees on the matters considered.

The board minutes shall include the following:

- (1) date, time, the name of the convener and the chairman;
- (2) name of the attending directors, the principal preparing the proxy attendance procedure and the proxy;
- (3) agenda of the meeting;
- (4) the key points of the directors' views as expressed at the meeting (in the case of a written resolution, the key views of the directors set out in writing);
- (5) the opinion of the independent directors (if any) and whether such opinion is consistent with that of the directors;
- (6) the mechanism and results of voting for each resolution (the results shall include the number of votes cast for and against the resolution or the number of votes that abstained);
- (7) the signature of the directors.

Article 128 The board of directors shall be responsible for the resolutions passed. If any of the board resolution violates the laws, administrative regulations or the Articles of Association, resolutions of the general meeting and causes serious damage to the Company, such directors who voted in favour of such resolution shall be liable to the Company. Any director who abstained from voting or who neither attended in person nor appointed a proxy to attend the meeting shall not be exempted from liability. Any director who had objected to the resolution during discussions in the board meetings but did not vote against such resolution shall not be exempted from liability. Any directors who voted against such resolution and whose voting was recorded in the minutes of the board meeting shall be exempted from such liability.

CHAPTER 7 SENIOR MANAGEMENT OF THE COMPANY

Article 129 The Company shall have a general manager who shall be appointed or removed by the board of directors. The general manager shall have a term of office of three (3) years and may serve consecutive terms upon reappointment.

Upon authorization by the board of directors, the general manager shall have the full right to manage the business of the Company and deal with the internal and external matters of the Company.

Directors (excluding directors who are members of the audit and compliance committee of the board of directors) may concurrently serve as the general manager, deputy general manager or any other senior management, provided that the total number of directors who concurrently serve as the senior management and the total number of directors who are served by employee representatives shall not exceed one half of all the directors of the Company.

Article 130 The general manager is responsible to the board of directors and shall exercise the following powers:

- (1) to be in charge of the Company's production, operation and management of the Company and organize the implementation of the resolutions of the board of directors;
- (2) to organize the implementation of the Company's annual business plan and investment plan;
- (3) to formulate the proposal for the internal management structure;
- (4) to formulate the setting up of the Company's branch entities;
- (5) to formulate the basic management system of the Company;
- (6) to formulate the basic rules and regulations of the Company;
- (7) to propose the appointment and dismissal of the deputy general manager and financial officers of the Company;
- (8) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (9) to decide on the salaries, awards or punishment, appointment, dismissal or removal of the staff and workers of the Company;
- (10) to propose the convening of interim board meetings;

(11) to exercise other powers conferred by the Articles of Association and the board of directors.

Article 131 A general manager who is not a director may attend board meetings and has the right to receive notices of meeting and relevant documents. A general manager who is not a director does not have the right to vote at board of directors' meetings.

Article 132 The general manager shall report to board of directors (or upon the request of the audit and compliance committee), on the material contracts entered into by the Company, the implementation of these contracts, the use of funds and profitability of the business. The general manager shall warrant the accuracy of such report.

Article 133 The general manager shall consider the opinions of unions and the staff and workers' congress before making decisions relating to wages, benefits, work safety, work and workers' insurance, termination of employment (or dismissal) and other employee-related matters.

Article 134 The general manager shall issue the "General Manager Guidelines" and seek approval from the board of directors before implementation.

Article 135 The "General Manager Guidelines" shall include the following:

- (1) the requirements, procedures and attendees of the general manager working conference;
- (2) the duties and division of responsibility between general manager, deputy general manager and other senior management;
- (3) the usage of the Company's funds and assets, the limits of his authority to enter into material contracts, and the mechanism of reporting to the board of directors and the audit and compliance committee;
- (4) other necessary matters as the board of directors deems necessary.

Article 136 The general manager shall, through the general manager working conference, conduct collective research, discussion or decision-making on material matters within the scope of authority granted to the general manager by the Articles of Association, on matters authorized by the board of directors or the chairman of the board and other relevant material matters.

The Company shall formulate the general manager working conference system to clarify specific matters related to the authority, rules of procedure, meeting organization and documents management, implementation and supervision, etc., and report to the board of directors for approval before implementation.

- Article 137** In exercising their powers, the general manager, the deputy general manager and the financial controller shall not alter the resolutions passed by the general meetings or by the board of directors or exceed their authority.
- Article 138** The Company shall have a secretary to the board who shall be a member of senior management of the Company. The board of directors may set up a company secretarial working committee as required.
- The Company shall establish a working system for the secretary to the board, set out in detail the main duties, the qualifications for the job, appointment and dismissal of the secretary to the board and other matters, and implement such upon the approval of the board of directors.
- Article 139** The secretary to the board shall be a natural person having the requisite professional knowledge and experience and shall be nominated by the chairman of the board and appointed or removed by the board of directors.
- The secretary to the board is responsible for matters such as preparing the Company's general meetings and the board meetings, safekeeping documents, managing the information of the Company's shareholders and handling information disclosure and the investors relations management.
- The secretary to the board shall comply with relevant provisions of relevant regulatory rules and the Articles of Association and its appendices.
- Article 140** A director or senior management of the Company may be appointed to act as the Secretary. The accountants of the accounting firm and lawyers of the law firm employed by the Company shall not be appointed to act as the Secretary.
- Where the Secretary is also a director of the Company and an act is required to be done by that director and the Secretary separately, a person who is both the Secretary and the director may not perform the act in both capacities.
- Article 141** The Company shall execute the chief legal advisor system, and shall have a chief legal advisor, who shall play its role as the gatekeeper for legal review in operation management to facilitate the lawful operation and compliance management of the Company.
- Article 142** The general manager, deputy general manager, financial officer and other senior management may resign prior to the expiry of its term of service. The specific procedures and requirements for the resignation of the aforesaid senior management shall be stipulated in accordance with the service contracts between the person and the Company.

CHAPTER 8 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Article 143 A person shall be disqualified from being a director or a member of senior management of the Company if any of the following applies:

- (1) the individual has no civil capacity or his civil capacity is restricted;
- (2) a period of less than five (5) years has elapsed since the person was released after serving the full term of a sentence of corruption, bribery, expropriation of assets, misappropriation of assets or social and economic disorder or since the deprivation of political rights on the person due to a criminal conviction, or has been declared on probation, where less than two (2) years have elapsed since the date of the completion of the probation period;
- (3) a period of less than three (3) years has elapsed since a company or an enterprise in which the person was a director, factory supervisor or a manager was wound up and such person was held personally liable to the winding up of the company or the enterprise;
- (4) a period of less than three (3) years has elapsed since the revocation of the licence or the order for closure of a company or an enterprise for illegal business operations under circumstances where the person was the legal representative of such company or enterprise and was held personally liable to the illegal business operations of the company or the enterprise;
- (5) the person has a debt of a material amount which has not been repaid or cleared when due and has been listed as a dishonest person subject to enforcement by the People's Court;
- (6) a person who has been and is still being banned by the CSRC from entering the stock market;
- (7) a person who is publicly identified by a stock exchange as inappropriate to act as a director or senior management of listed company, where the designated period has not yet expired;
- (8) other circumstances specified by the relevant regulatory rules.

Any election of a director or employment of a senior management in violation of this Article shall be invalid.

Article 144 Should any director or senior management fall under any circumstances in Article 143(1) to (6) of these Articles during their tenure, or if an independent director loses his/her independence as stipulated by the relevant regulatory rules after assuming office, the relevant director or senior management should immediately cease their duties, and the Company should dismiss their position in accordance with relevant regulations.

In case of the circumstances in Article 143(7) or (8) of these Articles arising during tenure of any director or senior management, the Company should dismiss their position within thirty (30) days from the date of occurrence, except where otherwise stipulated by the domestic stock exchanges where the Company's shares are listed.

If relevant directors who are supposed to cease their duties but haven't ceased their duties, or those supposed to be dismissed but haven't been dismissed, and if they attend the board meetings, its specialized committee meetings and independent director specialized meetings and vote thereat, their votes shall be deemed invalid and they shall not be counted in the quorum.

Article 145 If an independent director does not propose to resign due to the fact that he/she contravenes the circumstances stipulated in Article 143 of these Articles or does not meet the independence requirements, the board of directors shall immediately dismiss him in accordance with the provisions after it knows or should have known of the occurrence of such fact.

Article 146 Directors and senior management of the Company cannot act on behalf of the Company or the board of directors, without being legally authorized by the Articles of Association or by the board of directors. Where such persons act on their own behalf but a third party may reasonably assume such persons to be acting on behalf of the Company or the board of directors, such persons shall state their own positions and identities.

Article 147 The directors and senior management shall comply with the relevant regulatory rules and the Articles of Association, and bear the duty of diligence to the Company. In performing their duties, they shall exercise the reasonable care that a manager should ordinarily exercise for the best interests of the Company.

The directors and senior management shall have the following duties of diligence to the Company:

- (1) to exercise the rights conferred upon them in a prudent, serious and diligent manner so as to ensure that the commercial activities carried out by the Company are in compliance with the laws and administrative regulations, as well as the requirements of various economic policies of the State and falls within the scope of business provided for in the business license;
- (2) to treat all shareholders equally;

- (3) to keep informed of the business operation and management of the Company in a timely manner;
- (4) to sign a written confirmation or opinion in connection with the regular reports of the Company and to ensure that the information disclosed by the Company is true, accurate and complete;
- (5) to inform the audit and compliance committee of the relevant circumstances and information that is in accordance with the facts, and shall not impede the audit and compliance committee from exercising their powers; and
- (6) to perform other duties of diligence as required by the relevant regulatory rules and these Articles.

Article 148

Directors and senior management shall comply with the relevant regulatory rules and the Articles of Association, bear the duties of loyalty to the Company, take measures to avoid conflicts of interests between their personal interests and the interests of the Company, and shall not take advantage of their positions and powers to gain improper benefits.

The directors and senior management shall have the following duties of loyalty to the Company:

- (1) not to encroach on the assets of the Company or misappropriate the funds of the Company;
- (2) not to put any funds of the Company under any account opened in their own names or in the name of others for deposits;
- (3) not to accept bribes or other illegal income by taking advantage of their position or powers;
- (4) not to directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the board of directors or the general meeting and having a resolution adopted by the board of directors or the general meeting in accordance with the provisions of the Articles of Association;
- (5) not to take advantage of their positions to seek business opportunities for themselves or others that should belong to the Company, unless reported to the board of directors or the general meeting and adopted by the resolution of the general meeting, or if the Company is unable to utilize such opportunity pursuant to laws, administrative regulations, or the provisions of the Articles of Association;

- (6) not to engage in or operate businesses similar to those of the Company for themselves or others without reporting to the board of directors or the general meeting and having a resolution adopted by the general meeting;
- (7) not to accept commissions from others involved in transactions with the Company for their own uses;
- (8) not to disclose the Company's secrets without authorization;
- (9) not to use their connected relationship to impair the interests of the Company;
- (10) other duties of loyalty as required by the relevant regulatory rules and the Articles of Association.

Any profits derived by a director and senior management in contravention of this Article shall be for the account of the Company. The relevant director and senior management shall be personally liable for any loss suffered by the Company as a result of his contravention of this Article.

When close relatives of directors and senior management, enterprises directly or indirectly controlled by directors, senior management, or their close relatives, and other connected parties with connected relationships to directors and senior management enter into contracts or conduct transactions with the Company, item (4) of paragraph 2 of this Article shall apply.

Article 149

The resignation of a senior management shall take effect upon receipt of the resignation letter by the board of directors.

If directors or senior management of the Company give notice of their resignation or if their term of office expire, they shall complete all handover procedures with the Company. The duties of loyalty borne by the directors and senior management to the Company and shareholders shall not necessarily cease within a reasonable period of their resignation or the expiry of the term of their tenure. Their obligations to maintain confidentiality of the Company's business confidential information shall remain effective before such business confidential information becomes public information, and they shall also strictly abide with the obligations of non-competition within the same industry as agreed with the Company. Other duties may continue for such a period as fairness may require and depending on the time which has elapsed between the termination and the act concerned and the circumstances under which the relationship with the Company is terminated. The obligations that directors and senior management should bear for performing their duties during their term of office shall not be exempted or terminated due to their resignation.

The Company shall establish a management system for the resignation of directors and senior management, clarifying the protective measures regarding accountability and compensation for unfulfilled public undertakings and other outstanding matters. Such system shall be implemented after approval by the board of directors.

Article 150 The senior management of the Company shall faithfully perform their duties, and safeguard the best interests of the Company and all shareholders.

Any senior management of the Company who fails to faithfully perform his/her duties or breaches the fiduciary duty shall indemnify the Company and the public shareholders for the damages arising therefrom according to law.

Article 151 If a director or a senior management causes damage to others while performing his/her duties in the Company, the Company shall bear the liability for compensation. If the director or the senior management acts with intent or gross negligence, they shall also bear liability for compensation.

A director or a senior management who violates any relevant regulatory rules or these Articles in performing his/her duties shall be liable for indemnifying the Company against any loss so caused.

Article 152 The Company shall enter into a contract in writing with each director, stipulating provisions relating to the rights and obligations of the Company and the director, the remuneration plan and the tenure of the director, the liabilities of the director if he commits a breach of the laws, regulations and the Articles of Association, and compensation payable by the Company for terminating such contracts in advance for any reason. Matters relating to remuneration plan shall be approved by the general meeting. The remuneration plan of senior management shall be approved by the board of directors and shall provide details at the general meeting.

The board of directors shall determine the remuneration of senior management based on the recommendations put forward by the remuneration and appraisal committee on the remuneration assessment of directors and senior management. The remuneration of directors shall be approved by the general meeting.

CHAPTER 9 ACCOUNTING SYSTEM, ALLOCATION OF PROFITS AND AUDIT

Section 1 Accounting system

Article 153 The Company shall establish its financial and accounting system in accordance with laws, administrative regulations, the accounting standards of the responsible financial authorities of the State Council and other relevant regulatory rules.

- Article 154** The accounting year of the Company shall follow the calendar year, that is, the period from 1 January to 31 December each year shall be counted as one financial year.
- The Company shall use Renminbi as the currency for its accounts, and the accounts shall be prepared in the Chinese language.
- The Company shall prepare its financial report at the end of each accounting year and such reports shall be audited by accounting firm in accordance with the law.
- Article 155** Twenty (20) days prior to the holding of the annual general meeting, the Company shall make available the financial report for inspection by shareholders at the Company. Every shareholder of the Company shall have the right to receive the financial report as referred to in this Chapter.
- Article 156** The financial statements of the Company shall be prepared not only in accordance with the PRC accounting standards but also be prepared in accordance with international accounting standards or the accounting standards of the place where the overseas shares are listed. If there are material differences in the financial statements using different accounting standards, the differences should be set out in the financial statements. In distributing the after- tax profits of the relevant financial year, the after-tax profits shall be the smaller amount in either of the financial statements.
- Article 157** Any interim results or financial information announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and the relevant regulatory rules and shall also be prepared in accordance with the international accounting standards or the accounting standards of the place where the shares are listed.
- Article 158** The Company shall make four announcements of its financial report in each financial year. The quarterly financial reports shall be submitted, disclosed and announced within one (1) month after the end of the first three (3) months and the first nine (9) months of the financial year respectively; the interim financial report shall be submitted to a resident office of the CSRC and a stock exchange and announced within two (2) months after the end of the first six (6) months of each financial year; and the annual financial report shall be submitted to a resident office of the CSRC and a stock exchange and announced within four (4) months after the end of each financial year.
- The aforesaid annual report, interim report and quarterly report shall be prepared in accordance with the relevant regulatory rules.
- Article 159** The Company shall have no accounting books other than the statutory accounting books. The Company's funds shall not be held under any personal account.

Article 160

The profit distribution policies of the Company are as follows:

- (1) The Company should place emphasis on delivering reasonable return on investments to the investors. The Company shall pay due attention to the opinions of minority shareholders through various channels when allocating its profits. The profits distribution policy of the Company shall be durative and stable, taking into account of the long-term interests of the Company, the overall interests of all shareholders and the Company's sustainable development;
- (2) The Company may distribute dividends in the following forms: cash, shares or other forms approved by the relevant regulatory rules. The Company shall give priority to the distribution of dividends in cash. The Company may make interim dividends distribution;
- (3) The Company shall distribute cash dividends when the Company's net profit and retained earnings, in separate financial statement, are positive and the Company has adequate cash inflows over the requirements of cash outflows of operation and sustainable development. The cash dividends per annum should not be less than thirty (30) percent of the net profit of the Company in the current year;
- (4) The Company may adjust its profits distribution policy referred to in sub-paragraphs (2) and (3) of this Article in case of war, natural disasters and other force majeure, or where changes to the external environment of the Company result in material impact on the production and operation of the Company, or where there are significant changes in the Company's own operations or financial conditions, or where the Company's board of directors considers it necessary. For the adjustment of profits distribution policy, the board of directors shall discuss the rationality of such adjustment in detail and form a resolution which shall be submitted to general meeting for approval by special resolution. The convening of general meeting shall comply with the relevant regulatory rules;
- (5) The management of the Company shall formulate the annual profits distribution plan and submit such plan to the board of directors for consideration. The board of directors shall form a resolution which shall be submitted for approval by general meeting. If the conditions for the distribution of cash dividends have been satisfied and the Company does not propose a cash dividends distribution plan or does not propose such plan in compliance with the sub-paragraph (3) of this Article, the board of directors shall give specific explanation regarding such arrangement and form a resolution which shall be submitted to general meeting for approval and make relevant disclosures. Independent directors shall be entitled to express independent opinions if they believe that the specific plan of cash dividends may harm the rights and interests of the Company or minority shareholders. If the board of directors fails to adopt or completely adopt the opinions of independent directors, it shall record the opinions of independent

directors and the specific reasons for non-adoption in the resolution of the board of directors and disclose the same. The plan for interim profit distribution of the Company shall comply with Article 170 of these Articles.

Article 161 The Company shall allocate 10% of the after-tax annual profits as the statutory reserve fund of the Company. Where the statutory reserve fund of the Company is over 50% of the registered capital of the Company, profits need not be allocated to it.

Where the statutory reserve fund of the Company is insufficient to make up the Company's losses in the previous year, the profits of the current year shall be applied to make up the losses before allocations are made from the statutory common reserve.

The Company may allocate funds from profits after tax for discretionary common reserve, provided that funds have been first allocated for common reserves and general resolution has been passed to approve such allocations.

The Company may distribute profits, after applying its profits towards making up losses, reserve fund, in accordance with the proportions of shareholdings except where these Articles stipulate that no profit distributions shall be made in accordance with the shareholding proportion.

If the general meeting distributes profits to shareholders, in violation of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company. If the Company consequentially incurs losses, the shareholders and the responsible directors and senior management shall bear the compensation liability.

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

Article 162 Capital common reserve include the following amounts:

- (1) the premiums over the par value of the shares issued;
- (2) other income which are required by the responsible financial department of the State Council to be included in the capital common reserve.

Article 163 The reserve fund of the Company shall be used for the purposes of making up losses of the Company, increasing the scale of production and operation of the Company or conversion into the registered capital of the Company.

The reserve funds shall be used to make up the losses of the Company on the basis of the audited individual financial statements for the preceding year of the Company and to the extent of reducing the negative number of undistributed profits at the end of the period to zero. The discretionary reserve funds and the statutory reserve funds shall be used first in sequence; if they fall short, the capital reserve funds may be used in accordance with the regulations.

When the statutory reserve fund is converted into an increase in the registered capital of the Company, the remaining statutory reserve fund after such conversion shall be no less than twenty-five percent. (25%) of the registered capital.

Article 164 Cash dividends and other payments made by the Company to shareholders shall be denominated and declared in Renminbi and paid to the shareholders in accordance with relevant regulatory rules.

Article 165 Unless otherwise provided in the relevant regulatory rules, the exchange rate used for the payment of cash dividends and other payments in Hong Kong dollars shall be the average of the daily reference exchange rate last published by the Foreign Exchange Trading Centre of the PRC for the five working days before the declaration of dividend.

Article 166 When the annual general meeting considers the annual profit distribution plan, it may consider and approve the interim dividends matters for the next year. The interim dividends limit for the following year considered at the annual general meeting shall not exceed the net profits attributable to shareholders of the Company during the corresponding period. The board of directors shall, in accordance with the resolution of the general meeting, develop a specific interim plan for distribution of dividends in line with the conditions of profit distribution.

Article 167 When distributing dividends to its shareholders, the Company shall act as a withholding agent in relation to individual income tax payable in accordance with tax law of the PRC with respect to such distribution based on the amount distributed.

Article 168 The Company shall appoint on behalf of the holders of foreign shares a receiving agent to receive on behalf of such shareholders dividends declared and all other monies owing the Company in respect of the overseas listed foreign shares.

Appointment of the receiving agent shall comply with the relevant regulatory rules.

Section 2 Internal audit

Article 169 The Company shall implement internal audit procedures, which shall specify the leadership structure, responsibilities and authorities, staffing, funding safeguards, utilization of audit results, and accountability mechanisms for internal audit work. The internal audit procedures of the Company shall be implemented upon approval by the board of directors and shall be disclosed externally.

Article 170 The internal audit department of the Company being staffed with dedicated audit personnel shall supervise and inspect the Company's business activities, risk management, internal controls and financial information.

The internal audit department shall be accountable to the board of directors. In the course of supervising and inspecting the Company's business activities, risk management, internal controls and financial information, the internal audit department shall be subject to the supervision and guidance of the audit and compliance committee. If the internal audit department discovers any significant issues or leads, it shall immediately report directly to the audit and compliance committee.

The audit and compliance committee shall participate in the performance appraisal of the head of the internal audit department.

Article 171 The internal audit department shall be responsible for the specific organization and implementation of the internal control evaluation of the Company. Based on the evaluation report and related materials issued by the internal audit department and reviewed by the audit and compliance committee, the Company shall issue the annual internal control evaluation report.

Article 172 When the audit and compliance committee communicates with external audit institutions such as accounting firms or national audit institutions, the internal audit department shall actively cooperate and provide necessary support and assistance.

Section 3 Appointment of accounting firm

Article 173 The Company shall appoint an accounting firm meeting the requirements of the Securities Law to audit the financial statements and verify the net assets of, and provide other counseling services to the Company. The accounting firm shall have a term of office of one (1) year and may be renewed.

Article 174 The Company warrants that the Company will provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and the Company shall not refuse to provide or conceal or falsify such documents.

Article 175 The audit fee of an accounting firm shall be decided by the general meeting.

Article 176 The appointment, dismissal or discontinuation of employment of an accounting firm shall be decided by the general meeting. The board of directors shall not appoint any accounting firm prior to a decision made by the general meeting.

Article 177 Any removal or discontinuation of employment of an accounting firm by the Company shall be notified to the accounting firm thirty (30) days in advance. When the general meeting vote on the removal of an accounting firm, such accounting firm shall be given an opportunity to express its opinions. Any resigning accounting firm shall explain in the general meeting as to whether there is any improper matters.

CHAPTER 10 LABOUR MANAGEMENT

Article 178 Subject to laws, regulations and policies of the PRC and the Shanghai Municipality and as required by its operations and management, the Company shall hire and dismiss staff and workers at its own discretion and have the full right to prepare and implement its own system for remuneration and personnel management.

The Company should establish a labour contract system and provisions relating to the employment, dismissal, resignation, remuneration, welfare benefits, rewards, discipline, punishments, labour insurance and labour discipline of the staff and workers of the Company shall be specified in the labour contract to be entered into by the Company and each individual staff member and worker of the Company.

Article 179 The Company shall have the right to dismiss any staff and workers. Staff and workers shall enjoy the freedom to resign.

Article 180 The resignation or transfer of staff and workers who have attended special training programs of the Company shall require the approval of the general manager.

Article 181 The Company shall implement the laws and regulations of the State Council, relevant labour authorities and the Shanghai Municipal Government relating to labour protection and labour insurance for the Company's retired and unemployed workers.

CHAPTER 11 TRADE UNION ORGANISATION

Article 182 The staff and workers of the Company shall have the right to carry out trade union activities.

The Company shall in each month allocate an amount equal to two per cent. (2%) of the total amount of wages paid to the staff and workers of the Company to the trade union fund. Such fund shall be used by the trade union of the Company in accordance with the measures for the Management of Trade Union Funds formulated by the All-China Federation of Trade Unions.

CHAPTER 12 MERGER AND DIVISION OF THE COMPANY

Article 183 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new company.

Merger by absorption refers to a company absorbs another company and thereby the absorbed company shall be dissolved. Merger by establishment of a new company refers to the creation of a new company by two companies or more and thereby the merging parties shall be dissolved.

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days of the date when the resolution relating to the merger is passed and shall make an announcement on newspapers that meet the conditions stipulated by the securities regulatory authorities of the place where the shares of the Company are listed, or on the National Enterprise Credit Information Publicity System within thirty (30) days of the date when the resolution relating to the merger is passed. A creditor may within thirty (30) days of receipt of the notice from the Company or, in the case of failure to receive such notice, within forty-five (45) days of the date of announcement, require the Company to repay its debts or to provide the corresponding guarantee for such debt.

Upon the merger, the credits and debts of each of the parties to the merger shall be inherited by the company which survives the merger or the newly established company.

Article 184 When the Company is divided, its assets shall be split accordingly.

In the event of a division, the parties to the division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The company shall notify its creditors within ten (10) days of the date when the resolution relating to the division is passed and shall make an announcement on newspapers that meet the conditions stipulated by the securities regulatory authorities of the place where the shares of the Company are listed, or on the National Enterprise Credit Information Publicity System within thirty (30) days of the date when the resolution relating to the division is passed.

Debts of the Company before the division shall be jointly and severally assumed by the company after the division except to the extent that prior to the division, the Company has otherwise reached an agreement with its creditors in writing in respect of the settlement of debts.

Article 185 When the Company merges or divides and there is a change in any registered matter, the Company shall amend the registration details with the company registration authority in accordance with laws. When the Company dissolves, the Company shall cancel its registration in accordance with laws. When a new company is established, its establishment shall be registered in accordance with laws.

CHAPTER 13 TERMINATION AND LIQUIDATION OF THE COMPANY

Article 186 The Company shall be dissolved and liquidated in any of the following circumstances:

- (1) expiry of term of business stipulated in the Articles of Association or occurrence of any other cause for dissolution stipulated in the Articles of Association;
- (2) a resolution for dissolution is passed at a general meeting;

- (3) the Company is required to be dissolved due to merger or division;
- (4) the Company has its business license revoked, is ordered to be closed down or revoked in accordance with the laws;
- (5) shareholders holding 10% or more of the total voting rights of the Company may request the People's Court to dissolve the Company if the Company experiences extreme difficulties in respect of its operation and management, which cannot otherwise be resolved, such that if the Company continues to operate, its shareholders will suffer significant losses.

If dissolution causes stipulated in the preceding paragraph occur, the Company shall publicize the dissolution causes through the National Enterprise Credit Information Publicity System within ten (10) days.

Article 187 Upon the occurrence of the situation mentioned in sub-paragraphs (1) and (2) of the preceding Article, and where the Company has not yet distributed its property to shareholders, the Company may continue to exist by amending the Articles of Association or by a resolution of the general meeting.

Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of the general meeting shall be approved by more than two-thirds of the votes held by the shareholders attending the general meeting.

Article 188 If the Company is dissolved in accordance with Article 186(1), (2), (4) and (5) of the Articles of Association, it shall be liquidated. The directors shall be the obligors of liquidation of the Company and shall form a liquidation group to carry out liquidation within fifteen (15) days from the date on which the cause of dissolution arises. The liquidation group shall consist of the directors, unless the general meeting resolves to elect another person. A liquidation obligor who fails to fulfill its liquidation obligations in a timely manner and causes losses to the Company or creditors shall be liable for compensation.

Article 189 The liquidation group shall within ten (10) days of its establishment send notices to creditors and within sixty (60) days of its establishment make announcements on the newspapers that meet the conditions stipulated by the securities regulatory authorities of the place where the shares of the Company are listed, or on the National Enterprise Credit Information Publicity System. Creditors shall within thirty (30) days upon receipt of such notice or, in the case of failure to receive such notice, forty-five (45) days of the release of the public announcement, declare their creditors' right to the liquidation group.

When declaring the creditors' right, the creditors shall specify particulars of such creditors' right and provide the evidential materials. The liquidation group shall register the creditors' rights.

During the period of declaration of creditors' right, the liquidation group shall not make repayment to the creditors.

Article 190 During the liquidation period, the liquidation group shall exercise the following powers:

- (1) to deal with the assets of the Company and prepare a balance sheet and an inventory of assets;
- (2) to send notices to creditors or notify them by public announcement;
- (3) to deal with and liquidate relevant uncompleted business matters of the Company;
- (4) to settle in full all outstanding taxes and taxes incurred during the liquidation process;
- (5) to deal with creditors' rights and indebtedness;
- (6) to distribute the remaining assets after the Company's debts have been paid;
- (7) to represent the Company in any civil proceedings.

Article 191 After dealing with the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and present it to the general meeting or to the People's Court for confirmation.

After the Company's assets are used for payment of liquidation expenses, employees' wages, social insurance premiums and statutory compensation, payment of tax in arrears and settlement of the Company's debts, the remaining assets shall be distributed in accordance with the class and proportion of the shareholders' shares by the Company.

The Company shall subsist during the course of liquidation but shall not conduct any business activity that is not related to liquidation.

No assets of the Company shall be distributed to the shareholders without having been used for making repayment in accordance with the preceding paragraphs.

Article 192 The liquidation group after dealing with the assets of the Company and, preparing a balance sheet and an inventory of assets and finding that the assets of the Company is not sufficient to repay its debts, it shall apply to the People's Court for insolvency and liquidation immediately.

Upon acceptance of the insolvency application by the People's Court, the liquidation group shall transfer the liquidation affairs to the insolvency administrator appointed by the People's Court.

Where the Company is declared insolvent in accordance with laws, it shall implement insolvency liquidation in accordance with the relevant laws relating to insolvency of an enterprise.

Article 193 After the liquidation of the Company is completed, the liquidation group shall prepare liquidation report and shall submit to the general meeting or the relevant court for confirmation, and then submit the same to the relevant company registration authorities for cancellation of the registration of the Company.

Article 194 Members of the liquidation group shall fulfill the liquidation duties and have obligations of loyalty and diligence.

Members of the liquidation group shall be liable for damages if they fail to perform their liquidation duties and cause losses to the Company; and shall be liable for damages if their wilful misconduct or gross negligence causes loss on the Company or its creditors.

CHAPTER 14 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 195 The Company shall amend its Articles of Association and its appendices in the following circumstances:

- (1) where there has been a change in the Company Law or the relevant laws or administrative regulations, and the Articles of Association and its appendices becomes inconsistent with the amended laws or administrative regulations;
- (2) where the circumstances of the Company change and become inconsistent with the existing Articles of Association and its appendices;
- (3) where it is resolved at the general meeting that the Articles of Association and its appendices are to be amended.

Article 196 The board of directors shall amend the Articles of Association and its appendices pursuant to the resolution of the general meeting on the amendment of the Articles of Association and the approval opinion of the relevant competent authorities (if involved).

Article 197 Where the amendments to the Articles of Association and its appendices resolved by the general meeting involve matters requiring registration, the Company shall amend its registration with the responsible company registration authority in accordance with the applicable laws. Where the amendments to the Articles of Association and its appendices involve matters requiring disclosure by relevant regulatory rules, the amendments shall be announced in accordance with the applicable laws.

CHAPTER 15 NOTICES

Article 198 The Company shall give notice in the following ways:

- (1) personal service;
- (2) by post;
- (3) by way of announcement;
- (4) methods as provided for in the relevant regulatory rules or the Articles of Association.

Where a notice is given by way of announcement, all relevant persons will be deemed as being served when the announcement is made.

Subject to compliance with relevant regulatory rules, the Company may distribute the corporate communications as required by the Hong Kong Stock Exchange through its company website, the website of the Hong Kong Stock Exchange or by electronic means.

Article 199 Where the Company serves notice by personal service, the person being served shall acknowledge receipt by signing (or affixing the seal) on the receipt. The person is deemed to be served on the date of acknowledging receipt.

Where the Company serves notice by way of announcement, the date of the first publication of the announcement shall be the date of service.

If the notice of the Company is sent out in electronic form, the sending date is deemed as the delivery date.

Provided the compliance with the relevant regulatory rules, if a notice of the Company is sent by way of the website, the delivery date shall refer to the date on which the notice is first published on the website.

Where a notice is sent by post, service of the notice shall be deemed to have been effected by properly addressing, prepaying and posting a letter containing the notice and to take effect five (5) business days after the letter containing the same is posted. Where the notice of the Company is sent by personal service or postage pre-paid mail, the recipient's address shall be the address as shown in the register of shareholders.

Any notice, order, document, information or written statement to be served on the Company by shareholders, directors or senior management to the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its legal address, or the registered agent of the Company. Where the address is clearly stated and the postage is prepaid, notice, order, document, information or written statement is mailed in such time as to admit to its being delivered in the normal course of delivery within the period prescribed for service.

- Article 200** Meetings and resolutions passed in meetings shall not be null and void by reason of an accidental omission to notify any person who is entitled to receive notice of the meeting or if such person has not received notice of the meeting.

CHAPTER 16 SUPPLEMENTARY PROVISIONS

- Article 201** Any references to “general manager”, “deputy general manager” in the Article of Association and its appendices shall mean “manager” “deputy manager” as defined under the Company Law.
- Article 202** The Articles of Association and its appendices are written in the Chinese language. If there is any discrepancy between any other language version or any version of the Articles of Association and these Articles and its appendices, the most recent Chinese version registered with the registration authority of the Company shall prevail.
- Article 203** In the Articles of Association and its appendices, references to “or more”, “within” are inclusive; references to “exceed”, “exclude”, “lower than” “more than”, “greater than” are exclusive.
- Article 204** The appendices to these Articles include rules of procedure for the general meetings and rules of procedure for the board meetings.
- Article 205** The right to interpret these Articles and its appendices shall be vested in the board of directors.
- Article 206** In the event that any matter not covered herein contradicts the requirements of the relevant regulatory rules as promulgated from time to time, such relevant regulatory rules shall prevail.



SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED

APPENDICES TO THE ARTICLES OF ASSOCIATION

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SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED

RULES OF PROCEDURE FOR THE GENERAL MEETINGS

CHAPTER I GENERAL PROVISIONS

- Article 1** These Rules are formulated in accordance with the relevant provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Guidelines on the Articles of Association of Listed Companies, the Standards on Corporate Governance for Listed Companies, the Rules of Procedure for the General Meeting of Listed Companies, the Rules Governing the Listing of Shares on the Shanghai Stock Exchange and other laws, administrative regulations, departmental rules, other relevant normative documents, as well as the securities regulatory rules of the places where the shares of the Company are listed (hereinafter referred to as the "relevant regulatory rules"), the Articles of Association of Sinopec Shanghai Petrochemical Company Limited (hereinafter referred to as the "Articles of Association"), as well as the actual situation of the Company, in order to protect the lawful interest of Sinopec Shanghai Petrochemical Company Limited (hereinafter referred to as the "Company") and its shareholders, to clarify the responsibilities and authority of the general meeting, to ensure the general meeting is conducted in a standardized, efficient and stable manner and to perform the functions and powers thereof according to law.
- Article 2** These Rules shall be applicable to matters relating to the convening, proposal, notification and holding of the general meetings and shall have binding effect on the Company, all shareholders, proxies authorized by the shareholders attending or present at the general meetings, the directors and senior management of the Company and other relevant personnel.
- Article 3** General meetings can be classified as annual general meetings and extraordinary general meetings. Except as otherwise provided in the Articles of Association and these Rules, general meetings shall be convened by the board of directors.
- For all general meetings held each year, meetings other than the annual general meetings shall be treated as extraordinary general meetings. The extraordinary general meetings shall be arranged in sequential order according to the time of holding during the year.
- Article 4** The annual general meetings shall be convened once every year and shall be held within six months after the end of the preceding accounting year.

Article 5 The board of directors shall hold an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:

- (1) the number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;
- (2) the unrecovered losses of the Company reach one-third of the total share capital of the Company;
- (3) upon written requisition for holding an extraordinary general meeting by the shareholders individually or jointly holding 10% or more of the issued and outstanding voting shares of the Company;
- (4) when deemed necessary by the board of directors;
- (5) when the audit and compliance committee proposes to hold a meeting;
- (6) other circumstances prescribed by the relevant regulatory rules or the Articles of Association.

In paragraph (3) above, the numbers of shares shall be calculated as per the shareholdings of the requesting shareholders on the date when such a written request is made.

Article 6 The ordinary shares issued by the Company shall include two types of shares: domestic shares and foreign shares. In the event that the Company intends to change or abolish the rights enjoyed by A or H shareholders, the said change or abolishment shall, in accordance with the provisions of the Articles of Association, be approved by a special resolution at the general meeting and a general meeting of A or H shareholders shall be held in connection therewith. No shareholders other than the A or H shareholders shall be allowed to attend such general meetings.

Article 7 The Company shall strictly comply with the relevant requirements as provided in the relevant regulatory rules, the Articles of Association and these Rules in respect of holding the general meeting and shall ensure that the shareholders can exercise their rights in accordance with law. The board of directors of the Company shall perform its duties earnestly and organize the general meeting diligently and in a timely fashion. All directors of the Company shall be diligent and responsible in duty performance so as to ensure the proper holding of the general meeting and their fulfillment of duties and powers in accordance with law.

All directors of the Company shall perform their duties earnestly, organize the general meeting diligently and in a timely fashion, and shall be diligent and responsible in duty performance so as to ensure the proper holding of the general meeting and their fulfillment of duties and powers in accordance with law.

Article 8 All shareholders who are listed on the Company's register as of the record date or their proxies shall be entitled to attend, in person or appoint one person or more (who may or may not be a shareholder), as their proxy/proxies to attend the general meeting on their behalf and shall enjoy various rights thereat according to the relevant regulations and the Articles of Association and in accordance with these Rules, including the right to be informed, the right to speak, the right to question and the right to vote.

Shareholders and their authorized proxies attending the general meeting shall comply with the provisions of the relevant regulations, the Articles of Association and these Rules to maintain the order of the meeting conscientiously. The lawful interests of other shareholders shall not be infringed.

Article 9 The secretary to the board of the Company shall be responsible for carrying out all preparatory and organization work for convening the general meeting.

CHAPTER II FUNCTIONS AND POWERS OF THE GENERAL MEETING

Article 10 The general meeting shall be the organ of authority of the Company. It may exercise the following functions and powers according to law:

- (1) to elect non-employee representative directors;
- (2) to remove directors;
- (3) to determine the remuneration of the directors;
- (4) to consider and approve the reports of the board of directors;
- (5) to consider and approve the Company's plans for profit distribution and for making up losses;
- (6) to resolve on the increase or reduction of the Company's registered capital or the issue of shares of any class, warrant, corporate bonds convertible into shares and other similar securities;
- (7) to resolve on the matters including the merger (where the consideration paid exceeds 10% of the Company's net assets), division, dissolution, liquidation or changing of the form of the Company;
- (8) to resolve on the issue of bonds of the Company, or to authorize the board of directors to resolve on the issue of corporate bonds;

- (9) to resolve on retaining or dismissing the accounting firms that undertake the Company's auditing activities;
- (10) to amend the Articles of Association and its appendices (including Rules of Procedure for the General Meetings and Rules of Procedure for the Board Meetings);
- (11) to consider proposals made by the board of directors, the audit and compliance committee and shareholders representing 1% or more of the shares with voting right of the Company;
- (12) to consider and approve matters relating to guarantees stipulated in Article 54 of the Articles of Association;
- (13) to consider and approve matters relating to financial assistance stipulated in Article 55 of the Articles of Association;
- (14) to consider the Company's acquisition or disposal of material assets conducted within the period of one year with a value exceeding 30% of the latest audited total assets of the Company;
- (15) to consider and approve changes in the use of proceeds;
- (16) to consider share incentive schemes and employee stock ownership plan;
- (17) to resolve for or to authorize the Company to repurchase its H shares as per Article 29 of the Articles of Association, or to resolve for the Company to repurchase its A shares as per item (1) or (2) of Article 29 of the Articles of Association;
- (18) to authorize or entrust the board of directors to handle all such matters as authorized or entrusted by it;
- (19) to resolve other matters as required to be resolved by the general meetings in accordance with the relevant regulations, the securities regulatory rules of the places where the shares of the Company are listed, the Articles of Association and these Rules.

The general meeting may authorize the board of directors to make resolutions on the issuance of shares and corporate bonds convertible into shares. The specific implementation shall comply with the relevant regulatory rules and the Articles of Association.

CHAPTER III DELEGATION OF POWERS OF THE GENERAL MEETING

Article 11 In order to ensure the sound operation of the Company and improve the efficiency of decision-making, the general meeting may, pursuant to the provisions of the Articles of Association, authorize expressly and with restrictions, the board of directors to exercise, in accordance with the provisions of this Chapter its functions and powers relating to external investment, purchase or disposal of assets, external guarantees, financial assistance, entrusting or entrusted asset management, contracting, leasing, securities investments, derivatives business, waiver of rights, external donations, and other matters.

Article 12 Except as otherwise provided in this Chapter, the Company is required to conduct size tests in accordance with the relevant regulatory rules when the following events occur:

- (1) Daily transactions, i.e. transactions related to the Company's daily operations, including the purchase of raw materials, fuel and power, the acceptance and provision of labour services, the sale of products and commodities, the contracting of construction projects and other matters;
- (2) Incidental transactions, i.e. transactions occurring outside the Company's ordinary business activities, including external investment, purchase or disposal of assets, provision of guarantees, entrusting or entrusted asset management, contracting, leasing, securities investments, derivatives business, financial assistance, waiver of rights, external donations, and other matters;
- (3) Connected transactions, i.e. ongoing and incidental transactions between the Company and its connected parties;
- (4) Other matters that may have a significant impact on the Company's financial position, including the issuance of securities, mergers, demergers, spin-offs, provision for impairment of assets, write-off of assets, etc.

The Company shall conduct a size test on the aforementioned matters. Any matter that meets the criteria specified in any rule for submission to the general meeting for consideration shall be submitted to the general meeting for consideration; any matter that meets the criteria specified in any rule for timely disclosure shall be submitted to the board of directors for consideration; for matters that do not meet the criteria for consideration by the board of directors, the board of directors may delegate the approval authority to the chairman of the board, general manager, or other relevant subjects to exercise in accordance with the Company's internal management system.

For matters that shall apply the principles under the securities regulatory rules of the places where the Company's shares are listed in relation to the cumulative calculation, the Company shall also carry out the corresponding calculations as required and determine the approval procedures for the general meeting, the board of directors, etc.

Article 13

The powers and authorities regarding investments

- (1) For investments in individual projects (including, but not limited to, projects involving fixed assets and external equity), the general meeting shall consider and approve any project with an investment amount which exceeds 5% of the most recent audited net asset value of the Company; it shall delegate to the board of directors the power to consider and approve any project with an investment amount no more than 5% of the most recent audited net asset value of the Company. For projects with an investment amount no more than 5% of the Company's latest audited net asset value, the board of directors may delegate the approval authority for such projects to the chairman of the board, general manager and other relevant subjects to exercise in accordance with the Company's internal management system.
- (2) In the event that the Company utilizes its own assets to conduct risk investments (including, but not limited to, bonds and shares) in any industry which is not related to the business of the Company, the general meeting shall consider and approve any such project with an investment amount which exceeds 2% of the most recent audited net asset value of the Company; it shall delegate to the board of directors the power to consider and approve any project with an investment amount of no more than 2% of the most recent audited net asset value of the Company. For projects with an investment amount no more than 2% of the Company's latest audited net asset value, the board of directors may delegate the approval authority for such projects to the chairman of the board, general manager and other relevant subjects to exercise in accordance with the Company's internal management system.

Article 14

The powers and authorities regarding external guarantees

The following matters relating to guarantees provided by the Company to a third party shall be subject to the approval by shareholders at general meetings:

- (1) any subsequent guarantee to be provided by the Company in favour of a third party when the aggregate amount of guarantees of the Company and its holding subsidiaries given in favour of third parties has already exceeded 50% of the Company's most recently audited net asset value;

- (2) any subsequent guarantee to be provided by the Company in favour of a third party when the aggregate amount of guarantees of the Company and its holding subsidiaries given in favour of third parties has already exceeded 30% of the Company's most recently audited total assets;
- (3) any guarantee with amount exceeding 30% of the Company's latest audited total assets as calculated in accordance with the principle of cumulative calculation of the guaranteed amount within 12 consecutive months;
- (4) any guarantee to be provided by the Company in favour of an entity which is subject to a gearing ratio exceeding 70%;
- (5) any single guarantee to be provided by the Company exceeding 10% of the Company's most recently audited net asset value;
- (6) any guarantees to be provided in favour of any shareholder, de facto controllers and their connected parties;
- (7) other external guarantees as stipulated in the relevant regulatory rules or the Articles of Association.

For guarantees provided by the Company to a third party which are not subject to the approval by shareholders at general meetings, the board of directors shall be authorized to consider and approve these guarantees in accordance with the Rules of Procedure for the Board Meetings.

Article 15

The powers and authorities regarding financial assistance

The Company shall not provide funds and other financial assistance to its related parties as stipulated in the relevant regulatory rules, unless the financial assistance is provided to a related company in which the Company has equity interest but is not controlled by the controlling shareholder or de facto controller of the Company and that other shareholders of such company also provide such financial assistance under the same conditions in proportion to their capital contribution.

Except as otherwise provided in the Articles of Association and these Rules, the following financial assistance matters shall be considered and approved by the general meeting:

- (1) provision of a single financial assistance, the amount of which exceeds 10% of the Company's latest audited net assets;
- (2) provision of financial assistance to anyone whose gearing ratio exceeds 70% according to its latest financial statements;

- (3) provision of financial assistance, the accumulative amount of which for the recent 12 months exceeds 10% of the Company's latest audited net assets;
- (4) provision of financial assistance to a related company in which the Company has equity interest but is not controlled by the controlling shareholder or de facto controller of the Company that meets the conditions set forth in the first paragraph of this Article;
- (5) other circumstances as provided by the relevant regulatory rules, or the Articles of Association and its appendices.

The board of directors is authorized to consider and approve financial assistance that does not meet the above criteria requiring consideration and approval by the general meeting, as well as financial assistance provided by the Company to a subsidiary which is included in the consolidated statements of the Company (and other shareholders of such subsidiary do not involve the Company's controlling shareholders, de facto controllers or its associates), in accordance with the Rules of Procedure for the Board Meetings.

Article 16

The power and authorities regarding external donations

- (1) The general meeting shall determine external donations where the single donation amount exceeds 0.1% of the latest audited net asset value of the Company;
- (2) For the total external donation expenditures for the year, a size test shall be made in accordance with the threshold of disclosable transaction as specified in relevant regulatory rules. For transactions reaching the threshold of the general meeting's approval, such transaction shall be considered and approved by the general meeting;
- (3) For the total external donation expenditures for the year, a size test shall be made in accordance with the threshold of disclosable transaction as specified in relevant regulatory rules. For transactions reaching the disclosure threshold, such transaction shall be considered and approved by the Board meeting;
- (4) For the external donations with a single donation amount of no more than 0.1% of the latest audited net asset value of the Company, and where the total external donation expenditures for the year do not reach the threshold of disclosable transaction, the board of directors, the chairman of the board, general manager, or other relevant parties shall be authorized to consider and approve the matters in accordance with the consideration and approval authority as stipulated by the Company's internal management systems.

Article 17 If the approval hierarchies involved in the relevant matters simultaneously include the general meeting, the board of directors, the chairman of the board and/or the general manager, the matter shall be submitted to the highest approval hierarchy for approval.

Article 18 Without violating Article 10 of these Rules, if necessary and reasonable, the general meeting may authorize the board of directors, directors, general manager or the secretary to the board the power to determine, to the extent permitted by the general meeting, any specific matters which are relevant to the matters being resolved and which are unable or unnecessary to be determined at the current general meeting.

Where the resolution in relation to which the general meeting authorizes the board of directors, directors, general manager or the secretary to the board is an ordinary resolution, then a majority of the shareholders attending the meeting (including shareholders who appoint a proxy to attend a general meeting) must approve the authorization. If it is a special resolution, then two-thirds or more of the shareholders attending the meeting (including shareholders who appoint a proxy to attend a general meeting) must approve the authorization. The content of the authorization must be clear and specific.

Article 19 For matters within the scope of the board of directors' approval authority as stipulated in the Articles of Association and these Rules, the board of directors may, in accordance with the relevant regulatory rules and the actual needs of the Company, under certain conditions and within a certain scope, delegate certain powers mentioned in Article 106 of the Articles of Association to the chairman of the board, one or several directors, the general manager or other relevant personal for exercise. However, the various statutory powers of the board of directors, as well as matters involving the Company's major interests that require collective decision-making by the board of directors or submission to the general meeting for decision, cannot be delegated.

The board of directors of the Company formulates the management measures for the authorization of the board of directors in accordance with the Articles of Association and its appendices, specifically stipulating the basic scope, procedures, supervision and change, responsibility and other specific matters of the board of directors' authorization.

CHAPTER IV PROCEDURES TO HOLD A GENERAL MEETING

Section 1 Proposing and seeking proposals

Article 20 The content of the proposals put forward in a general meeting shall fall within the scope of the duties and powers of the general meeting, and shall contain clear and definite items for discussion and specific matters to be resolved on, and shall comply with the relevant provisions of laws, administrative regulations and the Articles of Association.

Article 21 Proposals are generally submitted by the board of directors to the general meeting. In the event that the audit and compliance committee and independent directors propose to convene a general meeting after consideration and approval of the same at a special meeting of the independent directors, the audit and compliance committee and such directors shall be responsible for submitting proposals. In the event that shareholders who, individually or jointly, hold 10% or more of the total voting shares of the Company propose to hold a general meeting, they shall be responsible to submit proposals in relation thereto, regardless of whether or not the meeting is convened by the board of directors.

Article 22 In the course of holding a general meeting, the board of directors, the audit and compliance committee, a majority of independent directors or shareholders who individually or jointly hold 1% or more of the total voting shares of the Company shall have the right to submit a proposal.

Shareholders individually or jointly holding 1% or more of the shares in the Company can propose an additional proposal ten days before the convening of a general meeting and make the proposal to the convener in writing. The convener shall within two days after receiving the proposal issue a supplemental notice of the general meeting to announce the additional proposal and to submit such to the general meeting for consideration and approval, where there are more stringent requirements under the relevant regulatory rules, such requirements shall prevail, except where the additional proposal violates the laws, administrative regulations or the Articles of Association or is outside the power and authority of the general meeting.

In addition to the circumstances prescribed in the preceding paragraph, after giving notice of the general meeting, the convener shall not amend the proposal set out in the notice of the general meeting or add any new proposal.

The general meeting shall not vote or resolve on any proposal which is not set out in the notice of the general meeting or which does not comply with the provisions of Article 20 of these Rules.

Article 23 Before the chairman of the board issues the notice of the board of directors convening the general meeting, the secretary to the board may seek and collect proposals from shareholders who individually hold 1% or more of the total voting rights of the Company, the audit and compliance committee or a special meeting of independent directors and submit the same to the board of directors for consideration. Upon approval by the board of directors, such proposals shall be treated as resolution to be submitted to the general meeting for consideration.

Article 24 At the annual general meeting, the board of directors shall report on their work for the previous year and submit the annual financial report to the general meeting. Each of the independent directors shall also report on their work to state the performance of their duties.

The external audit firm shall attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

Article 25 The following circumstances shall be regarded as the modification or abolition of the rights of A or H shareholders:

- (1) to increase or decrease the number of shares of that type, or to increase or decrease the number of shares of a type having voting rights, distribution rights or other privileges equal or superior to those of the shares of that type;
- (2) to convert all or part of that type of shares into another type, or to convert all or part of another type of shares into that type of shares, or to grant such conversion right;
- (3) to cancel or reduce the rights in respect of dividends or the cumulative dividends attached to shares of that type;
- (4) to reduce or cancel preferential rights to dividends or to distribution of assets in the event that the Company is liquidated attached to shares of that type;
- (5) to add, cancel or reduce conversion rights, options, voting rights, transfer rights, pre-emptive rights arising from placement or the right to acquire securities of the Company attached to shares of that type;
- (6) to cancel or reduce the rights to obtain payables in specific currencies from the Company attached to shares of that type;
- (7) to create a new type of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that type;
- (8) to restrict the transfer of ownership rights of such type of shares or impose additional restrictions thereto;
- (9) to grant the right to subscribe for, or convert into, shares of such type of shares;
- (10) to increase the rights and privileges of shares of another type;

- (11) to conduct the proposed restructuring of the Company in such a way that may result in the holders of different types of shares to assuming liability disproportionately;
- (12) to amend or abrogate the provisions of Section 2 under Chapter 5, Special Procedures for Voting by A and H shareholders, of the Articles of Association.

Section 2 Notice of meeting and revision

Article 26 The convener of the general meeting shall give notice of the general meeting. Conveners include the board of directors, the audit and compliance committee and shareholders who individually or jointly hold 10% or more of the total voting shares of the Company.

Article 27 When the Company holds an annual general meeting, a written notice shall be issued at least 20 days before the meeting (excluding the meeting date), and when the Company holds an extraordinary general meeting, a written notice shall be issued at least 10 full working days or 15 days (whichever is longer and exclusive of the meeting date) before the meeting, to inform all registered shareholders of the matters to be considered at the meeting and the date and place of the meeting. The issuance date of the notice shall also meet the relevant notice requirements of The Stock Exchange of Hong Kong Limited for the suspension of share transfer registration.

Notice of the general meeting shall be given to the shareholders (whether or not having the right to vote at the general meeting) in the form of notice specified in the Articles of Association or in other ways permitted by the relevant regulatory rules. Provided that no relevant regulatory rules were violated, the Company may also issue the notice of general meeting through announcement (including through the Company's website or electronic methods) instead of sending the notice to shareholders in person or by prepaid mail.

In the event that the Company fails to give notice of the meeting as scheduled such that the annual general meeting fails to hold for any reasons within six months from the end of the preceding accounting year, it shall promptly report the same to the stock exchanges on which the Company's shares are listed to explain the reasons therefore and make an announcement relating thereto.

Article 28 The notice of the meeting of the A or H shareholders shall only be dispatched to such shareholders who have the right to vote in the meeting of the shareholders of that type.

Article 29 The notice of the general meeting shall meet the following requirements:

- (1) the venue, date, time, and duration for the meeting;

- (2) set out the matters to be considered in the meeting;
- (3) if matters relating to election of non-employee representative directors are proposed to be discussed at a general meeting, detailed information concerning the candidates shall be fully disclosed in the notice of the general meeting, which shall at least include the following:
 1. personal information relating to the candidates, including educational background, work experience and all other positions undertaken on a part-time basis;
 2. whether the candidates are connected with the Company, its controlling shareholders or de facto controllers, directors, senior management and shareholders holding 5% or more of the shares of the Company;
 3. whether there are circumstances under which the candidates may not be nominated as directors or senior management of a listed company in accordance with the relevant regulatory rules;
 4. the candidates' equity interest in the Company;
 5. whether the candidates have been punished by the China Securities Regulatory Commission or other relevant department or sanctioned by any stock exchange.

Except where non-employee representative directors are to be elected through cumulative voting, each candidate for the position of director shall be named by way of an individual proposal.

- (4) contain a clear statement that all holders of ordinary shares shall have the right to attend the general meeting and shall have the right to appoint one or more than one proxies in writing to attend and vote at the meeting on their behalf and such proxies need not be shareholders;
- (5) the record date for determining shareholders who have the right to attend the general meeting;
- (6) the names and contact numbers of the contact persons in connection with the meeting;
- (7) the voting time and procedure via internet or through other means.

The notice and supplemental notice of the general meeting shall fully and completely disclose the full details of all resolutions and all information or explanations necessary to enable the shareholders to make a reasonable judgment as to the matters to be discussed.

Article 30 The board of directors shall convene general meetings on time within the stipulated period. Independent directors shall be entitled to propose to the board of directors to hold an extraordinary general meeting, subject to the approval of a special meeting of independent directors. In respect of a proposal made by an independent director for holding an extraordinary general meeting, the board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give feedback in writing on whether it agrees or disagrees to the holding of an extraordinary general meeting within ten days after receiving the proposal.

If the board of directors agrees to the holding of an extraordinary general meeting, the board of directors shall give notice of the general meeting within five days after its adoption of the relevant resolution. If the board of directors does not agree to the holding of an extraordinary general meeting, the board of directors shall explain and announce reasons for its decision.

Article 31 The audit and compliance committee shall have the right to propose to the board of directors that an extraordinary general meeting be held, and shall make the proposal in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give feedback in writing on whether it agrees or disagrees to the holding of an extraordinary general meeting within ten days after receiving the proposal.

If the board of directors agrees to the holding of an extraordinary general meeting, the board of directors shall give notice of the general meeting within five days after its adoption of the relevant resolution. Any change to be made to the original proposal and set out in the notice shall have the consent of the audit and compliance committee.

If the board of directors does not agree to the holding of an extraordinary general meeting, or the board of directors does not give feedback within ten days after receiving the proposal, the board of directors shall be deemed to have been unable to or to have failed to perform its duty to convene a general meeting, and the audit and compliance committee may convene and chair the meeting on its own.

Article 32 Shareholders individually or jointly holding 10% or more of the shares in the Company shall have the right to request the board of directors to convene an extraordinary general meeting, and shall make the request in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give feedback in writing on whether it agrees or disagrees to the holding of an extraordinary general meeting within ten days after receiving the request.

If the board of directors agrees to the holding of an extraordinary general meeting, the board of directors shall give notice of the general meeting within five days after its adoption of the relevant resolution. Any change to be made to the original request and set out in the notice shall have the consent of the shareholders concerned.

If the board of directors does not agree to the holding of an extraordinary general meeting, or the board of directors does not give feedback within ten days after receiving the request, shareholders individually or jointly holding 10% or more of the share in the Company shall have the right to request the audit and compliance committee to hold an extraordinary general meeting, and shall make the request to the audit and compliance committee in writing.

If the audit and compliance committee agrees to the holding of an extraordinary general meeting, the audit and compliance committee shall give notice of the general meeting within five days after receiving the request. Any change to be made to the original request and set out in the notice shall have the consent of the shareholders concerned.

If the audit and compliance committee fails to give notice of the general meeting within the prescribed time limit, the audit and compliance committee shall be deemed to have failed to convene and chair a general meeting, and shareholders individually or jointly holding 10% or more of the share in the Company for more than 90 consecutive days may convene and chair the meeting on their own.

Article 33 If the audit and compliance committee or shareholders decides to convene a general meeting on their own, the audit and compliance committee or shareholders shall notify the board of directors in writing and shall at the same time file a report to the domestic stock exchanges on which the Company's shares are listed for the record.

Before the resolution of the general meeting is announced, the shareholding proportion of the convening shareholders shall not be lower than 10%.

The convening shareholders shall, at the time of giving notice of the general meeting and announcing the resolutions of the general meeting, submit the relevant supporting material to the domestic stock exchanges on which the Company's shares are listed.

Article 34 The board of directors and the secretary to the board shall facilitate the general meeting convened by the audit and compliance committee or shareholders on their own. The board of directors shall provide the shareholder register as at the shareholding record date. Where the board of directors does not provide a register of members, the convener may apply for obtaining it to the securities registration and clearing institution by providing relevant announcement on convention of a general meeting. The register of members obtained by the convener may not be used for other purposes except holding of a general meeting.

Article 35 The cost which is necessarily incurred for a general meeting convened by the audit and compliance committee or shareholders on their own shall be borne by the Company.

Article 36 After the meeting convenor gives notice of the general meeting, the general meeting shall not be deferred or cancelled without proper reasons, and proposals set out in the notice shall not be cancelled. In the event that the general meeting is required to be deferred or cancelled, the meeting convenor shall make an announcement stating the reasons at least two working days before the date originally scheduled for holding the general meeting.

Article 37 Notwithstanding a delay of the general meeting of the Company, the shareholding record date, as set out in the original notice, for the shareholders who have the right to attend the general meeting shall not be changed.

Article 38 The Company shall, in accordance with the requirements stipulated by the international and domestic stock exchange on which the Company's shares are listed, disclose information required for the shareholders to make reasonable decision on the matters to be discussed within the prescribed period prior to the general meeting.

Section 3 Registration of the meeting

Article 39 Shareholders may attend the general meeting in person or appoint a proxy to attend and vote on their behalf. If the general meeting requests the presence of directors and senior management, the directors and senior management shall be present at the meeting and accept the enquiry of shareholders. Other persons being invited by the board of directors can also be present at such meeting.

In order to ensure the solemnity and proper order of the general meeting, the Company shall have the right to refuse entry to any person other than those set out in the preceding paragraph in accordance with the law.

Article 40 The Company shall be responsible for preparing a shareholder attendance register for shareholders who physically attend an on-site general meeting, which shall be signed by the shareholders who physically attend the on-site meeting or by the proxies of such shareholders. The shareholder attendance register for the on-site meeting shall contain the individual (or the entity) names who (or which) attend the meeting, their identity card numbers, the number of voting shares held or represented, the name of the persons (or the names of the entities) which are represented by proxy, and so forth.

Article 41 In addition to what is stated in the preceding article, matters which shall be registered in respect of attendance at the general meeting by the shareholders or their proxies include:

- (1) requests to speak together with a description of the content of the speeches, if any;

- (2) collect voting ballots according to the number of shares held or represented by the shareholders or their proxies.

Article 42 If an individual person shareholder attends the meeting in person, he shall produce his valid identity card or other valid documents or proof capable of identifying himself; if he appoints a proxy to attend the meeting, such proxy shall present his valid identity card, the proxy form, and provide materials that enable the Company to confirm the principal's status as a shareholder.

Article 43 A legal person shareholder shall attend the meeting via its legal representative or the proxy appointed by such legal representative. In the event of attending the meeting via its legal representative, he shall present his valid identity card, valid proof evidencing his qualification as legal representative, and provide materials that enable the Company to confirm its status as a legal person shareholder. Where the legal representative of a legal person shareholder appoints a proxy to attend the meeting, such proxy shall produce his own valid identity card and the written power of attorney issued by the legal representative according to law, and provide materials that enable the Company to confirm the principal's status as a shareholder.

Article 44 The proxy form issued by a shareholder authorizing a proxy to attend a general meeting shall set out the following information:

- (1) the name of the principal, and the class and number of shares held in the Company;
- (2) the name of the proxy;
- (3) specific instructions of the shareholder, including instructions to vote for, against or abstain from voting in respect of each matter on the agenda of the general meeting;
- (4) the date of signing and the term for such proxy form.

Signature (or seal) of the principal or its proxy who is appointed in writing and, where the principal is a legal person shareholder, the official stamp of such legal person or the signature of its director or its duly appointed agent.

- Article 45** The proxy form shall be provided in a manner permitted by the relevant regulatory rules to the Company's registered office or such place as specified in the notice of convening the meeting at least 24 hours before holding the meeting for which votes will be cast under the proxy form or 24 hours before the specified voting time. In the event that the proxy form is signed under a power of attorney issued by the principal, such power of attorney or other authorization documents related thereto shall be notarised. The notarised power of attorney and authorization documents together with the proxy form shall be provided in a manner permitted by the relevant regulatory rules to the Company's registered office or other place as specified in the notice of convening the meeting.
- Article 46** The convener and the legal advisers retained by the Company shall jointly verify the eligibility of the shareholders to vote based on the Company's shareholder register provided by the securities registration and clearing authority and shall register the name of the shareholders together with the numbers of voting shares in their possession. Registration shall come to a close before the chairman of the meeting announces the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote.
- Article 47** Prior to voting, the chairman of the meeting shall announce the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote. The number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote shall be determined in accordance with those registered during the meeting.
- Article 48** In the event that a shareholder or its proxy requests to speak at the general meeting, it shall register with the Company before convening the general meeting. The number of persons registered to speak at the meeting shall be limited to 10. In the event that there are more than 10 speakers, the first ten shareholders or their authorized proxies with the largest shareholdings shall have the right to speak. The priority to speak shall be arranged according to the shareholdings in such a way that shareholder with the largest shareholding shall have the first priority.

Section 4 Holding the meeting

Article 49 The venue for holding a general meeting of the Company shall be in Shanghai, Shenzhen or Hong Kong and the exact venue shall be specified by the convener in the notice of general meeting. The general meetings shall be held at a meeting venue in the form of on-site meeting. The Company shall, based on needs and on the premise of ensuring the lawfulness and validity of the general meeting, provide convenience to the shareholders by adopting safe, economical, convenient online and other means, including but not limited to providing modern information technologies such as online voting platforms and electronic communication meetings permitted by the relevant regulatory rules, and expand the proportion of public shareholders participating in the general meeting.

Article 50 The chairman of the board shall preside over the general meeting. If the chairman of the board is unable to or does not perform duties for some reason, the meeting shall be presided over by the vice chairman (If the Company has two or more vice chairmen, the meeting shall be presided over by the vice chairman jointly elected by a majority of the directors.). If the vice chairman is unable to or does not perform duties, the meeting shall be presided over by a director jointly elected by a majority of the directors.

A general meeting convened by the audit and compliance committee on its own shall be presided over by the chairman of the audit and compliance committee. If the convener of the audit and compliance committee is unable or fails to perform duties, the meeting shall be presided over by one member of the audit and compliance committee jointly elected by a majority of the members of such committee.

A general meeting convened by the shareholders on their own shall be presided over by the convener or the representative elected by him.

When a general meeting is held, if the chairman of the meeting contravenes the these Rules and the general meeting cannot proceed as a result, upon the consent by a majority of the shareholders who physically attend the general meeting and having voting right, the general meeting may elect one person to preside over and proceed with the meeting.

Article 51 The chairman of the meeting may, being aware that all persons attending the meeting are in compliance with the legal requirements and that the registration of shareholders' request to speak are completed, declare the opening of the meeting at the time as scheduled in the notice, or at a later time in the event of any of the following circumstances:

- (1) when the equipment placed at the meeting venue is out of order such that the meeting cannot proceed as usual;

- (2) when any matters of material importance take place affecting the normal proceeding of the meeting.

Article 52 After the chairman of the meeting has declared the meeting officially open, he shall first announce that the number of shareholders attending the meeting and the number of shares represented by such shareholders are in compliance with the legal requirements. Thereafter, he shall read out the agenda as set out in the notice. After the chairman of the meeting has declared the agenda of the meeting, he shall inquire whether or not the shareholders attending the meeting have any objection to the voting order for the proposals.

Article 53 After the chairman of the meeting finishes his inquiries on the meeting agenda, he may start to read the proposals or entrust a person to read them out and, when necessary, make an explanation on the proposals in accordance with the following requirements:

- (1) in the event that the proposals are proposed by the board, the chairman of the board or other persons entrusted by him shall make an explanation in relation thereto;
- (2) in the event that the proposals are proposed by a party other than the board, the said person or its legal representative or a proxy who is lawfully and validly authorized by a shareholder shall give an explanation in relation thereto.

Article 54 Proposals which are included on the agenda of a general meeting shall be considered before voting. Each proposal shall be given a reasonable time for discussion during the general meeting. The chairman of the meeting shall orally inquire whether shareholders attending the meeting have finished considering such proposals. In the event that the shareholders attending the meeting have no objection in connection therewith, consideration of the proposals shall be deemed completed.

Article 55 No shareholder shall speak more than twice without the consent from the chairman of the meeting. He/she may not speak for more than 5 minutes for the first time and 3 minutes for the second time.

A shareholder requesting to speak shall not interrupt a person from presenting his/her report or interrupt other shareholders from making their speech.

Article 56 Shareholders may put forward suggestions or enquiries to the Company during the general meeting. The directors and senior management shall, subject to the fair information disclosure principle, respond to or provide explanations in connection with enquiries or suggestions from shareholders at the general meeting, except questions relating to the commercial secrets of the Company which shall not be disclosed during the general meeting.

Article 57 The board of directors of the Company together with other convenors shall adopt necessary measures to maintain the normal order of the general meeting. Measures shall be taken to stop any act which interferes with or causes nuisance at a general meeting and any act which infringes the lawful interests of the shareholders. Timely report of these acts shall be made to the relevant authority for investigation.

Section 5 Voting and resolutions

Article 58 General meetings shall resolve on specific proposals.

Article 59 Matters not covered in the notice of a general meeting shall not be resolved upon at the meeting. In the course of considering the content of the proposals as set out in the notice of a general meeting, no alteration shall be made to the content of the proposals. If any alteration is made, the alteration shall be deemed to be a new proposal which shall not be voted upon at the general meeting.

Except in the case of the cumulative voting system, the general meeting shall vote on all proposals that are put on the agenda one by one. Except in the case of force majeure or other special reasons which lead to suspension of the general meeting or its failure to adopt a resolution, voting on the same shall neither be put on hold nor be refused for any reason. In the event that different proposals are proposed for the same matters, voting on such proposals shall be conducted based on the order of the time of proposing such proposals to the general meeting.

Article 60 The chairman of the meeting is obliged to, prior to the vote, inform attending shareholders to vote and approve the proposals by recorded ballot at the general meeting.

Each shareholder (including shareholders who appoint proxies to attend the general meeting) shall exercise its voting rights in accordance with the number of voting shares represented. Except for the circumstances where cumulative voting is applicable, each share shall have the right to one vote.

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

The shares held by the Company itself shall not be attached with voting rights. Such shares shall not be counted in the total number of voting shares held by shareholders attending the general meetings.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights attending the general meeting for thirty- six months after the purchase.

The board of directors, independent directors, shareholders holding 1% or more of voting shares or investor protection institutions established in accordance with the laws, administrative regulations or provisions of the China Securities Regulatory Commission may collect votes from shareholders publicly. While collecting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. Solicitation of shareholders' voting rights in a paid or disguised paid way shall be prohibited. Save for statutory conditions, the Company shall not impose any limitation related to the minimum shareholding ratio on the solicitation of voting rights.

Article 61

The same voting right shall only select any one of the voting methods, namely voting on-site, voting online or other voting methods. Repeated votes in respect of the same voting right will be handled according to the notice of the general meeting.

Shareholders or their proxies who vote online or in other methods are entitled to check their own voting results through the relevant voting system.

Article 62

The cumulative voting method shall be adopted for voting on proposals in connection with the election of directors (other than employee representative directors) at the general meeting in accordance with the Articles of Association. The main contents of the cumulative voting system are as follows:

- (1) The cumulative voting method must be adopted where the number of directors to be elected is more than two;
- (2) When the cumulative voting method is adopted, each of the shares held by a shareholder shall carry the same voting right as to the number of directors to be elected under each resolution group;
- (3) The notice of the general meeting shall notify shareholders of the adoption of the cumulative voting method for electing directors. The conveners of the general meeting shall prepare ballots suitable for cumulative voting, and shall give descriptions and explanations in writing regarding the cumulative voting method, the completion method of the ballots and the methods of counting the votes;

- (4) When voting on directors candidates at a general meeting, a shareholder may spread to exercise his/her votes and may give equal number of votes to each director candidate corresponding to the number of shares he/she holds; or may exercise the voting rights in a way to concentrate his/her votes and give all the votes as represented by the shares the shareholder holds corresponding to the number of directors to be elected to one particular director candidate, or a certain number of votes as represented by the shares the shareholder holds corresponding to the number of directors to be elected to certain director candidate;
- (5) Shareholders should vote within the number of votes for each resolution group. After a shareholder has allocated all the voting rights represented by all of the shares held by the shareholder corresponding to the number of directors under such resolution group to one or a certain number of director candidates, the shareholder does not have further voting rights in respect of other director candidates under such resolution group;
- (6) If the total number of votes a shareholder has exercised and allocated to one or a certain number of director candidates exceeds the total number of voting rights represented by the shares held by the shareholders under such resolution group, or have casted votes for more candidates than the number to be elected in competitive election, the shareholder's whole votes shall become void, and the shareholders will be deemed to be abstained from voting. If the total number of votes a shareholder has exercised and allocated to one or a certain number of director candidates is less than the total number of voting rights represented by the shares held by the shareholders under such resolution group, the shareholder's votes are valid, and those votes not exercised will be deemed as being abstained from voting;
- (7) Where the total number of votes in favor of a director candidate exceeds one-half of the total number of shares with voting rights represented by shareholders attending the general meeting (based on the non-cumulative number of shares), that director candidate will be elected. If the number of directors so elected exceeds the number of directors to be elected, then those receiving the most number of votes in favor shall be elected as directors (provided that if director candidates receiving lesser votes in favor have an equal number of votes, and the election of whom would cause the number of persons elected to exceed the number of directors to be elected, then such candidates will be deemed to have not been elected). If an insufficient number of directors are elected at the general meeting to fill the number of directors to be elected, then a further round of voting will be conducted for the remaining positions, until all the directors to be elected have been elected;

- (8) Where the general meeting holds a new round of election for directors in accordance with the requirements set out in paragraph (7) above, the cumulative votes of the shareholders shall be recalculated based on the number of directors elected in each round of election;
- (9) Independent directors and other non-employee representative directors shall be elected separately.

In the event of inconsistency regarding the relevant provisions of cumulative voting method between the relevant regulatory rules and the provisions of the Articles of Association, the board of directors may decide to adopt an appropriate cumulative voting method subject to the relevant regulatory rules.

Article 63 In considering the proposals of the election of non-employee representative directors at a general meeting, voting shall be conducted on each of the candidates for director one by one.

Article 64 Resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions.

(1) Ordinary resolutions

- 1. An ordinary resolution at a general meeting shall be passed by votes representing the majority of the voting rights represented by the shareholders (including shareholders who appoint proxies to attend the general meeting) attending the meeting.
- 2. The following matters shall be resolved by an ordinary resolution at a general meeting:
 - (i) working reports of the board of directors;
 - (ii) plans for profit distribution and plans for making up losses prepared by the board of directors;
 - (iii) matters relating to methods of appointment and removal, and the remuneration, payment methods and liability insurance of the members of the board of directors;
 - (iv) matters other than those required by the relevant regulatory rules or the Articles of Association and these Rules to be adopted by special resolutions.

(2) Special resolutions

1. A special resolution at a general meeting shall be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including shareholders who appoint proxies to attend the general meeting) attending the meeting.
2. The following matters shall be resolved by a special resolution at a general meeting:
 - (i) an increase or reduction of the registered capital of the Company;
 - (ii) division, merger (where the consideration paid exceeds 10% of the Company's net assets), dissolution, liquidation or change of the form of the Company;
 - (iii) amendment to the Articles of Association and its appendices;
 - (iv) the Company's acquisition or disposal of material assets or provision of guarantees to others conducted within the period of one year with a value exceeding 30% of the latest audited total assets of the Company;
 - (v) share incentive schemes;
 - (vi) any other matter which is necessary to be adopted by way of a special resolution, as stipulated by the relevant regulatory rules or the Articles of Association, or considered at a general meeting by way of an ordinary resolution as having a material impact on the Company.

Article 65

A or H shareholders who are affected shall have the right to vote at the meeting of A or H shareholders on matters involving sub-paragraphs (2) to (8) and (11) to (12) of Article 25 hereof, regardless of whether or not they originally have the right to vote at the meeting; provided that interested shareholders shall not have any right to vote at the meeting for that type.

The term "interested shareholders" mentioned in the preceding paragraph shall be governed by the provisions of Article 93 of the Articles of Association.

Article 66 A resolution at the meeting of A or H shareholders shall be passed by votes representing two-thirds or more of the voting rights represented by the shareholders attending the corresponding meeting.

Where upon approval by a special resolution at a meeting, the Company issues, either separately or simultaneously, once every 12 months A shares and H shares, with not exceeding 20% of their respective issued and outstanding shares. Such matter shall not be subject to the special procedures for voting by A or H shareholders.

Article 67 When a general meeting is considering and approving matters relating to connected transactions, the relative connected shareholders may not exercise any voting rights, and the voting rights represented by the number of shares held by such connected shareholders shall not be calculated in the total number of shares valid and voting. The announcement of the resolutions of the general meeting must fully disclose the results of the non-connected shareholders' voting.

Article 68 Shareholders (including shareholders who appoint proxies to attend the general meeting) attending the meeting should clearly indicate a vote for, against or abstain each resolution requiring a vote at the meeting, except where the securities registration and clearing institution acts as the nominee holder of shares under the Stock Connect mechanism between the Mainland and Hong Kong markets, and it shall submit votes according to the instructions of the actual holders. For H Shares held by HKSCC Nominees Limited, the number of shares for which it has been authorized to vote at the meeting shall be counted as the number of shares held by HKSCC Nominees Limited in attendance at the meeting.

Shareholders and their authorized proxies attending the meeting shall, as required, carefully complete the ballot papers. Any ballot paper which is left blank or is not duly completed or the handwriting thereon is found to be illegible or which is not cast shall be deemed to be an abstention of voting by the voter. The voting results of the shares they hold shall be counted as "abstained". The abstention vote shall be regarded as valid votes when the Company counts the votes in respect of the relevant matter.

Where any shareholder is under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited required to abstain from voting or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 69 Before a vote was taken on a proposal at the general meeting, two representatives of the shareholders shall be nominated to participate in the counting of votes as well as scrutinizing the counting process. If a shareholder is interested in the matter under consideration, the relevant shareholder and his proxies shall not participate in the counting of votes or scrutinize the counting process.

At the time of a vote was taken on a proposal by voting at the general meeting, legal advisers, representatives of shareholders shall jointly be responsible for the counting of votes as well as scrutinizing the counting process. They shall announce the voting results in the meeting. The voting results in connection with the resolution shall be recorded in the minutes.

Article 70

Minutes of general meetings shall be kept and such minutes shall be prepared by the secretary to the board. Minutes of general meetings should set out the following:

- (1) the date and venue for the meeting, meeting agenda and the name of the convener;
- (2) the name of the chairman of the meeting as well as those of the directors and senior management who attend or are present at the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of voting shares represented by the shareholders who are entitled to vote; the proportion of the number of voting shares represented by the shareholders who are entitled to vote out of the total number of shares of the Company;
- (4) a description of the considerations taken for each proposal, the main points put forward by each speaker relating thereto and the voting results thereof;
- (5) details of queries and recommendations of the shareholders and the corresponding response or explanation in relation thereto;
- (6) the names of the legal advisers, vote counters and scrutineers;
- (7) other contents which should be recorded in the minutes as provided for in the Articles of Association.

The convener shall ensure that the content of the minutes shall be true, accurate and complete. Minutes shall be signed by the directors, secretary to the board, the convener or its representative and the chairman of the meeting who attend or are present at the meeting. Minutes shall together with the register of shareholders attending the meeting in person and proxy forms for representative attendance or valid records of attending via internet or other voting methods, be kept at the Company's registered office for at least 10 years as the Company's archives.

Article 71

If the chairman of the meeting has any doubt about the results of voting on a resolution, he may take a vote counting. If the chairman of the meeting does not demand a vote counting, and if any of the shareholders or proxies attending the meeting have any doubts about the results announced by the chairman of the meeting, they have the right to demand a vote counting immediately after such announcement, and the chairman of the meeting shall immediately conduct a vote counting.

Article 72 If a vote counting is taken at a general meeting, the result thereof shall be recorded in the minutes of that meeting.

Article 73 A general meeting shall not be declared closed for shareholders who attend in person at a time earlier than for those shareholders who attend via internet or other permitted means. The chairman of the meeting shall announce to the meeting the voting details and results of each proposal and shall declare whether or not a proposal is adopted on the basis of the relevant voting results.

Prior to announcing the voting results, all those who are involved in the general meeting whether in person or via internet or other permitted means, including any companies, vote counters, scrutineers, shareholders, internet service providers and other relevant parties shall have the obligation to keep matters related to voting confidential.

Article 74 When convening a general meeting, the Company shall engage a lawyer to issue a legal opinion on the following matters and disclose the opinion:

- (1) whether the procedures for convening and holding a general meeting comply with the requirements of the laws, administrative regulations and the Articles of Association;
- (2) whether the qualifications of attendees and the convener are lawful and valid;
- (3) whether the voting procedures for and the voting results of the general meeting are lawful and valid;
- (4) issuance of legal opinions on other relevant issues at the request of the Company.

For an extraordinary general meeting chaired by the proposing shareholder, such proposing shareholder shall, according to law, engage a lawyer to issue the attested legal opinion as provided in the preceding paragraphs. The procedures for convening the said meeting shall also comply with the relevant regulatory rules and these Rules.

Section 6 Adjournment of meeting

Article 75 If, in the course of the meeting, disputes arising out of the identity of any shareholder or the results of the calculation of the votes and so on cannot be resolved on site in such a way that the order of the meeting is affected and the meeting cannot proceed as usual, the chairman of the meeting shall declare an adjournment of the meeting.

If the foregoing circumstances cease to exist, the chairman of the meeting shall notify the shareholders of the resumption of the meeting as soon as possible.

Article 76 The convener shall ensure continuity of the general meeting until final resolutions are made. In case of suspension of the general meeting or failure in making resolutions for such special reasons as force majeure, the convener shall take necessary measures to resume the general meeting as soon as possible or directly terminate this general meeting and make a public announcement in a timely manner. Meanwhile, the convener shall make a report to the local agency of CSRC and the stock exchange.

Section 7 Post-meeting issues and announcement

Article 77 The secretary to the board shall be responsible for submitting the relevant materials as stipulated in the relevant regulatory rules including minutes and resolutions and making an announcement in the media that comply with the provisions of the securities regulators where the Company's shares are listed.

Article 78 The resolutions of the general meetings shall be announced promptly, and the announcement shall state the number of shareholders (or their authorized proxies) attending the meeting, the total number of the voting shares held by such shareholders and the proportion of such shares to the total number of voting shares of the Company, the voting method and the results of the polls for every proposal and the detailed content of each resolution passed.

The announcement of the resolutions of the general meetings shall be published in the newspapers that meet the requirements of the securities regulators where the Company's shares are listed and on the Company's website, and the content of the announcement shall comply with the relevant regulatory rules.

In the event that a proposal in the meeting has not been adopted or the resolutions of the preceding general meeting have been changed at the current general meeting, special notes shall be made in the announcement of the resolutions of the general meeting.

Article 79 The secretary to the board shall be responsible for keeping written materials, including the register of the attendees of the meeting, the proxy forms, voting statistical sheet, minutes of the meeting, legal opinions endorsed by legal advisors, announcements of resolutions, etc.

Article 80 If a proposal in respect of the distribution of cash or bonus shares, or in connection with the capital increase by conversion from common reserve funds, is adopted at a general meeting, the Company shall implement such distribution within two months following the conclusion of the relevant general meeting. After the board of directors has formulated specific plan for the next interim dividend distribution approved by the annual general meeting, the dividend (or share) distribution shall be completed within two months.

CHAPTER V SUPPLEMENTARY PROVISIONS

- Article 81** Unless otherwise specified, terms used in these Rules shall have the same meanings as those defined in the Articles of Association.
- Article 82** These Rules shall become effective after being adopted by the general meeting. Any modification to these Rules shall be made by way of amendments proposed by the board of directors and submitted to the general meeting for approval.
- Article 83** The right to interpret these Rules shall vest with the board of directors.
- Article 84** In the event that there are any matters not dealt with herein or there are any matters in these Rules which are inconsistent with the relevant regulatory rules as promulgated from time to time and the provisions of the Articles of Association, or resolutions of the general meeting, then such relevant regulatory rules and the provisions of the Articles of Association, or resolutions of the general meeting shall prevail.

SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED

RULES OF PROCEDURE FOR THE BOARD MEETINGS

CHAPTER I GENERAL PROVISIONS

Article 1 In order to ensure that the board of directors (hereinafter referred to as the “Board”) of Sinopec Shanghai Petrochemical Company Limited (hereinafter referred to as the “Company”) fulfills the duties and responsibilities conferred by the shareholders as a whole and is able to carry out discussions efficiently and make resolutions in a scientific, prompt and prudential manner and in order to standardize the operating procedures of the Board, Rules of Procedure for the Board Meetings of Sinopec Shanghai Petrochemical Company Limited (hereinafter referred to as the “these Rules”) are formulated in accordance with the relevant provisions of laws, administrative regulations, departmental rules, and other relevant normative documents, including the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Guidelines on the Articles of Association of Listed Companies, the Standards on Corporate Governance for Listed Companies, the Rules of Procedure for the General Meetings of Listed Companies, the Rules Governing the Listing of Shares on the Shanghai Stock Exchange and the securities regulatory rules of the place where the shares of the Company are listed (hereinafter referred to as the “relevant regulatory rules”), and the Articles of Association of Sinopec Shanghai Petrochemical Company Limited (hereinafter referred to as the “Articles of Association”), as well as the actual situation of the Company.

Article 2 Expenses incurred by the directors in attending board meetings shall be paid by the Company, including transportation costs from the place where the director is located to the place of the meeting, the cost of accommodation and meals during the period the meeting is held, as well as incidental expenses, such as the rent of the place of the meeting and local transportation costs.

CHAPTER II FUNCTIONS, POWERS AND AUTHORITY OF THE BOARD

Article 3 If any matters to be resolved by the Board involve any significant matters such as direction of reform and development, key objectives, and priority operational arrangements of the Company, the Board should seek advice from the Party committee of the Company. When the Board appoints the senior management of the Company, the Party committee shall consider and provide comments on the candidates for management positions nominated by the Board or the general manager, or recommend candidates to the Board and/or general manager.

Article 4 The Board shall exercise the functions and powers conferred by the relevant regulatory rules and the Articles of Association.

Article 5 Necessary conditions for the performance of duties by the Board:

The general manager shall provide all directors with necessary information and data so that the Board can make its decisions in a scientific, rapid and prudential manner. A proper introduction related to the Company's affairs shall be given to the newly appointed directors.

A director can request the general manager or, through the general manager, the senior management and the relevant department of the Company to provide information and explanations necessary for them to make decisions in a scientific, rapid and prudential manner. The Company must take steps to answer the questions of external directors, if any, as soon and completely as possible.

If independent directors deem necessary, upon the consideration and approval at a special meeting of independent directors, they can independently engage intermediaries to conduct audit, consultation or verification on specific matters of the Company, which shall serve as a basis for their decisions. The Company shall bear the expenses incurred thereof.

Article 6 The Board shall consider and resolve on the matters which the Board is required by the provisions of the relevant regulatory rules and the Articles of Association to submit to the general meeting for determination (including matters proposed by independent directors after consideration and approval at the special meeting of independent directors).

Article 7 In order to ensure the sound operation of the Company and improve decision-making efficiency, the Board can, pursuant to the provisions of the relevant regulatory rules and the Articles of Association and the authority conferred by the general meeting, delegate explicitly and with limitations the chairman of the board, general manager and other relevant subjects to exercise its functions and powers to decide external investment, purchase or disposal of assets, external guarantees, financial assistance, entrusting or entrusted asset management, contracting, leasing, securities investments, derivatives business, waiver of rights, external donations, and other matters, and formulate the Company's financial strategies and determine the management structure.

Article 8 When the Company engages in daily transactions, incidental transactions, related party transactions and other matters that may have a material effect on the Company's financial condition as specified in the Rules of Procedure for the General Meetings, and following the size test and cumulative calculation in accordance with the requirements of the relevant regulatory rules, for the transaction failing to meet the Board's review standards under any of the rules, the Board shall authorize the chairman of the board, general manager and other relevant subjects to approve the transaction within the scope of their respective authority as specified in the Company's internal management system.

Article 9 The powers and authorities of the Board regarding investments

- (1) The Board shall determine the Company's medium- to long-term investment plans;
- (2) The Board shall determine the Company's annual investment plans and proposals;
- (3) Individual investment projects (including but not limited to investment projects involving fixed assets and external equity) shall be considered and approved by the Board where the investment amount is not more than 5% of the Company's latest audited net asset value. The Board can, within the scope of its authority, delegate to the chairman of the board the authority to consider and approve any project with an investment amount not more than 3% of the Company's latest audited net asset value and delegate the general manager to consider and approve any project with an investment amount not more than 1% of the Company's latest audited net asset value;
- (4) In the event that the Company utilizes its own assets to conduct risk investments (including, but not limited to, bonds and shares) in any industry which is not related to the business of the Company, the board of directors shall consider and approve any such individual investment with an investment amount not more than 2% of the latest audited net asset value of the Company. The board of directors can, within the scope of its authority, delegate to the chairman of the board the authority to consider and approve any project with an investment amount not more than 1% of the Company's latest audited net asset value and delegate the general manager to consider and approve any project with an investment amount not more than 0.5% of the Company's latest audited net asset value.

Article 10 Power and authorities of the Board in relation to external guarantees

For guarantees provided by the Company to a third party which are not required by the Articles of Association or the Rules of Procedure for the General Meetings to seek approval by shareholders at general meetings, the Board shall consider and approve these guarantees.

Article 11 Power and authority of the Board in relation to financial assistance

For financial assistance provided by the Company which is not required by the Articles of Association or the Rules of Procedure for the General Meetings to seek approval by shareholders at general meetings, the Board shall consider and approve such financial assistance.

Article 12 Power and authority of the Board in relation to debts

The Board shall consider and approve the amount of long-term loans for the current year within the annual investment plan approved by it and can authorize the chairman of the board to adjust the amount of long-term loans for the year approved by the Board within 10%.

Article 13 Power and authority of the Board in relation to external donations

- (1) For the total external donation expenditures for the year, calculations shall be made in accordance with the disclosure standards for transactions as specified in relevant regulatory rules. If the disclosure standards are met, the matter shall be considered and approved by the Board;
- (2) For external donations with a single donation amount of not more than 0.1% of the latest audited net assets of the Company, and where the total external donation expenditures for the year do not meet the disclosure standards for transactions, the Board, the chairman of the board, and general manager and relevant parties shall consider and approve such matters in accordance with the approval authority as specified in the Company's internal management system.

Article 14 Power and authority of the Board in relation to management structures and personnel

The Board shall authorize the chairman of the board to make decisions about the establishment of the Company's internal management structure of the Company, establishment of branch entities, appointment and replacement of the members of the Board of the Company's wholly-owned subsidiaries, and appointment, replacement or nomination of shareholders' representatives, director candidates and supervisor candidates (if any) of subsidiaries controlled or invested in by the Company.

CHAPTER III SYSTEM FOR THE BOARD MEETINGS

Article 15 The board meetings shall be classified to regular board meetings and interim board meetings according to the regularity of such meetings.

Article 16 Regular board meetings shall be convened at least four times per year by the chairman of the Board. Notice of meeting shall be given to all the directors at least fourteen days prior to the meeting. Such meetings include:

- (1) Annual results meetings

Annual results meetings shall be convened within 120 days from the end of the accounting year of the Company. The directors shall consider the Company's annual reports and deal with other relevant matters at such meetings.

(2) Interim results meetings

The interim results meetings shall be convened within 60 days from the end of the first six months of the accounting year of the Company. The directors shall consider the Company's interim reports and deal with other relevant matters at such meetings.

(3) Quarterly results meetings

The quarterly results meetings shall be held in the first month of each of the second and fourth quarter of the Gregorian calendar year. The directors shall consider the Company's quarterly reports for the preceding quarters at such meetings.

The timing of annual and interim Board meetings shall ensure that the annual reports and interim reports of the Company will be despatched to the shareholders within the time limit specified by the relevant regulatory rules and the Articles of Association, and shall ensure that the annual and interim financial results of the Company will be announced within the time limit specified by the relevant regulatory rules. The timing of annual Board meetings shall ensure that the annual general meeting will be convened within 180 days from the end of accounting year of the Company.

Article 17

The chairman of the Board shall convene and preside over an interim board meeting within ten working days after receiving the relevant proposal in any one of the following events:

- (1) shareholders representing 10% or more of the total shares with voting rights of the Company requisition a meeting;
- (2) not less than one-third of the directors together requisition a meeting;
- (3) the special meetings of independent directors considered and approved to convene;
- (4) the special committees of the board requisition a meeting;
- (5) the general manager requisitions a meeting.

Where the chairman of the board cannot convene an interim board meeting for special reasons, the chairman of the board shall appoint the vice chairman of the board or other director to convene the board meeting. Where the chairman of the board fails to convene the board meeting without cause and fails to appoint any person to convene the board meeting on his behalf, a director can be nominated by the vice-chairman of the board or a majority of the total number of all directors to convene the meeting.

Article 18

The board meetings shall be classified according to the manner of the meeting being conducted to on-site meetings, video-telephone meetings (or by means of similar communication equipment) and meetings by way of written resolutions.

Regular board meetings or interim board meetings shall be convened on site in principle. On the premise of ensuring that all attending directors can fully communicate and express their opinions, the meetings can be held by way of video-telephone meetings (or by means of similar communication equipment) or through a combination of on-site and other forms of meetings.

The board meeting can be held by way of video-telephone meetings (or by means of similar communication equipment) and all attending directors shall be deemed to have attended the meeting in person, provided that the attending directors are able to hear clearly the director who speaks at the meeting and communicate amongst themselves. The meetings convened by this method shall be recorded and videotaped. In the event that the attending directors are unable to immediately sign the resolutions, they shall express their opinions by show of hands or orally during the meeting and shall complete the signing procedures as soon as practicable. The show of hands or verbal voting by a director shall have the same effect as a written vote, provided that there is no discrepancy between the opinions expressed by such director in the original written voting certificate (if any), written signature and opinions afterwards and the opinions by show of hands or orally expressed by him/her during the meeting. If there is any inconsistency, the voting opinion expressed during the meeting shall prevail.

When the smooth channels for communication and expression of opinions of directors are ensured, interim board meetings can be held by written resolution, provided that the draft resolution shall be delivered to each director via personal service, facsimile, telex, telegram, email, courier or registered post. After the Board has delivered the resolution to all directors and that the number of directors giving consent and sign on the written resolution has reached the quorum required for decision-making, such resolution, if delivered to the secretary to the Board by means of methods referred to above, shall become a board resolution. Meetings convened by way of written resolutions shall adopt the method of voting by poll in writing, and directors who vote shall also perform corresponding written signing procedures within the period stated in the notice of the meeting. Unless otherwise expressed by the directors, signing on the written resolutions by the directors shall be sufficient evidence that they have agreed to the resolutions.

CHAPTER IV PROCEEDINGS OF BOARD MEETINGS

Article 19 Putting forward Proposals

The proposals of the board meetings shall be put forward in the following circumstances:

- (1) matters proposed by the directors;
- (2) proposals from the special committees of the Board;
- (3) matters proposed by special meetings of independent directors;
- (4) matters proposed by the general manager;
- (5) other circumstances as prescribed by the Articles of Association and these Rules.

Article 20 Collecting Proposals

The secretary to the board shall be responsible for organizing and collecting the draft proposals in respect of the matters to be considered at the meeting. Each person who puts forward the relevant proposal(s) shall submit the proposals and relevant explanatory materials within a feasible period of time before the date of the meeting. Matters that need to be considered in advance by a special meeting of independent directors or a special committee of the board according to relevant regulatory rules and the Articles of Association, and shall be submitted to the Board for consideration after completing the prescribed procedures. The relevant materials shall be submitted to the chairman of the board after being reviewed by the secretary to the board, who shall also set out the date, venue and agenda of the meeting in the materials submitted.

Article 21 Convening Meetings

A board meeting shall be convened by the chairman of the board, who shall also sign and issue the notice convening the meeting, and the vice chairman shall assist the chairman of the board in his work. If the chairman of the board, without reason, does not convene the meeting, or is unable to convene the meeting due to special reasons, the meeting shall be convened by the vice chairman (If the Company has two or more vice chairmen, the meeting shall be convened by the vice chairman who is jointly elected by a majority of the directors.). If the vice chairman is unable to or does not convene the meeting, the meeting shall be convened by the director who is jointly elected by a majority of the directors. The convener of the meeting shall be responsible for signing and issuing the notice of the meeting.

Article 22

Notice of Meetings

- (1) The notice of a board meeting shall be delivered to all directors or other personnel attending the meeting before the date of the meeting. The notice of the meeting shall generally set out the following:
 - (i) the date and venue of the meeting;
 - (ii) the duration of the meeting;
 - (iii) the agenda, subject matter, resolutions and relevant board papers and materials;
 - (iv) the date of the issue of the notice.
- (2) Board meetings shall be notified according to the following requirements and form:
 - (i) Where the Board has set the date and venue of regular board meetings, there is no need for notice of the meeting to be delivered;
 - (ii) Where the Board has not set the date and venue of the board meetings, the chairman of the board shall give a notice at least five days before the meeting. If an interim board meeting needs to be held as soon as possible due to urgent circumstances, a meeting notice can be given at any time by telephone or other oral methods, provided that the convener gives an explanation thereof at the meeting and record such in the minutes of the meeting;
 - (iii) The notice of the board meetings shall be given by telex, telegraph, facsimile, email, courier, registered post, personal service or other means;
 - (iv) The notice shall be written in Chinese and an English version can be attached if necessary and shall include the agenda of the meeting;
 - (v) Any director can waive the right to receive notice of board meetings.

Notice of a meeting shall be deemed to have been given to any director who attends the meeting without objecting to any lack of notice before the meeting or at its commencement.

Article 23**Communication before Meetings**

After the issue of the notice of a meeting and before the date of the meeting, the secretary to the board shall be responsible for, and shall communicate and liaise with all directors, in particular independent directors, to seek their opinions or suggestions in respect of the resolutions of the meeting, and shall pass on these opinions or suggestions to the persons who put forward the resolutions, so as to enable necessary amendments to be made to them. The secretary to the board shall also, in a timely manner, arrange for the provision of the supplemental materials which are required for the directors to make decisions on the resolutions of the meeting, including all information, data and materials necessary for directors to vote on the proposals, such as the relevant background materials relating to the resolutions of the meeting, and provide effective communication channels for independent directors. After receiving opinions, suggestions or inquiries from directors on relevant proposals, the secretary to the Board shall promptly convey the same to the proposer of the proposal to improve the relevant proposals proposed by him/her. The secretary to the Board shall make timely arrangements to respond to relevant inquiries from directors, and supplement relevant meeting materials which are required for the directors to make decisions on the resolutions of the meeting at the directors' request before the meeting.

Where more than one-fourth of the directors or more than two independent directors are of the opinion that the materials provided are insufficient, unclear or not provided in time, they can jointly propose in writing to the Board to postpone the board meeting or postpone the consideration of such matter, and the Board shall adopt such a proposal. Unless such a proposal is put forward during the meeting, the secretary to the board shall serve a notice on the directors and other personnel attending the meeting upon receiving a written request concerning the postponement of holding of the meeting or the postponement of the consideration of such matter put forward by the Board.

Article 24**Attendance at Meetings**

Unless otherwise provided in the relevant regulations and the Articles of Association, board meetings shall be held only if a majority of all directors (including directors who entrust other directors in writing to attend the board meeting on their behalf) are present.

Directors shall attend the Board meetings in person. Where a director is unable to attend a meeting for any reason, he/she can by a written power of attorney appoint another director to attend the meeting on his/her behalf, provide that he/she shall review meeting materials in advance to form a clear opinion. The written power of attorney shall set out the name of the proxy, the particulars of items entrusted and the scope of authorization, duration of the validity of such authorization, and shall be signed or sealed by the principal. Where voting matters are involved, the principal shall expressly express his/her consent, objection or abstention on each matter in the power of attorney.

The directors shall not make or accept an entrustment of non-voting intention, full power or an entrustment with an unclear scope of authority. A director shall not accept appointment of more than two directors at a single board meeting as proxy to attend the meeting. An independent director cannot delegate a non-independent director to attend the meeting. In considering matters of related-party transactions, non-related directors shall not delegate related directors to attend the meeting. The responsibility of a director for voting matters remains even when another director represents him/her.

In the event that independent directors does not attend two consecutive board meetings in person or appoint another independent director to attend the meeting on their behalf, the Board should, within thirty days from the date of occurrence of such fact, propose to convene a general meeting to dismiss such independent director; or if the other directors do not attend two consecutive board meetings in person and do not appoint another director to attend on their behalf, this will be regarded as a dereliction of duty, and the Board should recommend to the general meeting to have such directors removed.

Personal attendance includes physical attendance or attending via communication means.

In accordance with the provisions of Article 144 of the Articles of Association, relevant directors who are supposed to cease their duties but haven't, or those supposed to be dismissed but haven't been, participating in board meetings and voting, will render their votes invalid and will not be counted towards attendance.

Article 25 Presiding over Meetings

Board meetings shall be presided over by the chairman of the board, and the vice chairman shall assist the chairman of the board in his/her work. If the chairman of the board does not preside over or fails to preside over the meeting, the vice chairman shall preside over the meeting (if the Company has two or more vice chairmen, the vice chairman jointly elected by a majority of the directors shall preside over the meeting). If the vice chairman fails to or does not preside over the meeting, a director jointly elected by a majority of the directors shall preside over the meeting.

Article 26 Considering the Proposals

The chairman of the meeting shall declare the commencement of the meeting as scheduled. The directors present shall reach an agreement on the agenda of the meeting thereafter. Where one-fourth or more of the directors or two or more independent directors are of the opinion that the materials for the meeting are incomplete, insufficiently explained or not provided in time, they can jointly make a proposal to the Board concerning the postponement of the board meeting or the postponement of the consideration of such matter, and the chairman of the meeting shall adopt such a proposal.

Article 27

Voting on Resolutions

In reviewing the resolutions submitted to the board meeting, all attending directors shall express their opinions in respect of voting for or against such resolution or abstention from voting.

The director who is acting as proxies of other director shall exercise the voting rights within the scope of such authorization.

Where a director does not attend a board meeting and fails to appoint a proxy to act on his behalf, such director shall be deemed to have been abstained from voting at the meeting.

Regarding the resolutions to be passed by the Board, except for the following matters the resolutions of which shall be passed by the consent of two-thirds or more of the directors, other matters shall be passed with the consent of the majority of the directors (provided that, where any guarantee and financial assistance are to be provided to any external party, the resolution shall be passed by the consent of two-thirds or more of the directors attending the meeting; matters under Article 106 (24) of the Articles of Association must be approved by a resolution presented at a board meeting attended by two-thirds or more of the directors):

- (1) plans for formulating the debt and financial policies of the Company, the increase or reduction of the registered capital of the Company and the issuance of corporate bonds, any class of shares, warrants, corporate bonds convertible into shares and other similar securities, and their listing;
- (2) plans for formulating significant acquisition or disposal, the repurchase of the Company's shares and plans for merger, division, dissolution or change of the form of the Company, and deciding on mergers where the price paid by the Company not exceeding 10% of its net assets;
- (3) plans for formulating amendments to the Articles of Association and its appendices;
- (4) other matters as stipulated by the relevant regulatory rules or the Articles of Association.

The voting methods for the resolution of the Board are as follows: vote by a show of hands or verbal vote or vote by poll in writing. The meeting held by way of physical meeting shall adopt the method of voting by a show of hands or verbal vote or voting by poll in writing. The meeting held in an offsite form such as video-telephone meetings (or by way of similar communication equipment) can adopt the method of voting by a show of hands or verbal vote, but directors who attend the meeting shall confirm the vote in writing as soon as possible, and the directors' verbal vote shall have the same effect with the vote in writing, provided that there is no discrepancy between the opinions expressed by such director in the original written voting certificate (if any), written signature and opinions afterwards and the opinions by show of hands or orally expressed by him/her during the meeting. If there is any inconsistency, the voting opinion expressed during the meeting shall prevail. Meetings convened by written resolution shall adopt written voting procedures. Directors participating in the vote shall complete the corresponding written signature formalities within the timeframe specified in the meeting notice.

Each director shall have one vote.

Article 28

If a director is affiliated to any enterprise or individual involved in a matter to be resolved on at a board meeting, such director shall promptly report in writing to the Board. If an independent director discovers any situation affecting his/her independence regarding the matters under consideration, he/she should declare it to the Company and abstain from voting. The director with such affiliation shall not exercise its voting right on the resolution, nor shall such director exercise the voting right of any other director as the latter's proxy, his/her voting right shall not be counted towards the total voting rights. The board meeting can be held if more than half of the unaffiliated directors are present, and the resolution adopted at the board meeting shall be passed only with the consent of more than half of the unaffiliated directors who are present. If the number of unaffiliated directors present at the board meeting is less than three, the matter shall be submitted to the general meeting for discussion and approval.

Article 29

Responsibilities of directors for board resolutions

The directors shall be responsible for the resolutions passed at the board meetings. Any director who participates in a resolution which contravenes the laws, administrative regulations, the Articles of Association or resolutions of the general meeting thus causing serious damage to the Company shall be liable for compensation of damages incurred by the Company as a result. A director who abstains, or who fails to attend the meeting and fails to appoint a proxy to act on his behalf, cannot avoid liability. A director who explicitly expresses his objection in the course of discussion but fails to cast an objection vote in the voting cannot avoid liability. A director who has been proved as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting can be exempt from liability.

Article 30 Resolutions of the Meeting

The board meeting should normally resolve on all the matters considered at the meeting.

For matters considered by the Board that require prior consideration by special committees of the board, the board resolution shall specify the committees' review on such matters. If the recommendations of the special committees are not adopted or not fully adopted by the Board, the opinion of the special committees and the specific reasons for not adopting the recommendations shall be recorded in a resolution of the Board and disclosed.

If voting against or abstaining from voting on a resolution of the Board, the independent directors shall state the specific reasons and basis, the legality and compliance of the matters involved in the resolution, the potential risks and the impact on the interests of the Company and minority shareholders. When the Company discloses the resolutions of the Board, the Company shall also disclose the dissenting opinions of the independent directors, and record the same in the resolutions of the Board and minutes of meetings.

Article 31 Minutes of the Meetings

Minutes of the board meeting shall be prepared in accordance with the prescribed requirements. The minutes shall be true, accurate, and complete, fully reflecting the opinions expressed by attendees on the matters under consideration.

The minutes of the board meeting shall state the following:

- (1) the date, place, names of the conveners and chairman of the meeting;
- (2) the names of the attending directors and the names of appointers who appoint proxies to attend the meeting and their attorneys;
- (3) the agenda of the meeting;
- (4) the essential points of the directors' presentations (for a meeting by written resolution, the version containing the directors' feedback in writing shall prevail);
- (5) the opinions of independent directors (if any) and whether their opinions are different from the other directors';
- (6) the voting methods and outcome for each proposal (the outcome of the voting shall set out the respective number of assenting or dissenting votes or abstentions);
- (7) the directors' signatures.

The secretary to the board shall take initiative to arrange for the matters considered at the meeting to be recorded. The minutes of the board meeting shall be given to all directors as soon as practicable. Directors who wish to amend or supplement the minutes shall submit a written report setting out his comments to the convenor within one week of this receipt of the draft minutes circulated. Once the board minutes have been finalised, the attending directors, the secretary to the board and the minute-taking officer shall sign the minutes of the board meeting. The minutes of the board meeting shall be kept at the business address of the Company for a period of not less than ten years as the Company's archives.

CHAPTER V DISCLOSURE OF INFORMATION RELATING TO THE BOARD MEETING

Article 32 The Board of the Company shall strictly comply with the requirements of the securities regulatory authorities on which the Company's shares are listed in relation to the disclosure of information. It shall ensure that matters considered or resolutions passed at the board meeting which are disclosable are disclosed fully, accurately and in a timely manner. Information relating to significant matters (as determined under the effective regulatory rules issued from time to time by the securities regulatory authorities on which the shares of the Company are listed) of the Company shall promptly fulfill the relevant information disclosure obligations.

Article 33 Where matters relating to the performance of duties by independent directors involve information that should be disclosed, the Company shall disclose the information in a timely manner; where the Company does not disclose such information, the independent directors may directly apply for disclosure or report the same to the CSRC and the domestic stock exchanges on which the Company's shares are listed.

Article 34 Persons who have knowledge of the confidential contents of the board meetings shall keep such information confidential. Liability shall be imposed on those who are in breach of this duty.

CHAPTER VI IMPLEMENTATION AND FEEDBACK OF THE RESOLUTIONS OF THE BOARD MEETING

Article 35 Matters that require consideration and approval by the general meeting shall be submitted to the general meeting for approval after being considered and approved by the board meeting before implementation.

Article 36 After resolutions are passed at a board meeting, the general manager shall implement the resolutions which fall within the scope of the authority of the general manager, or which the board of directors authorizes the general manager to handle, and shall report the status of implementation to the board of directors.

- Article 37** The chairman of the board shall personally, or by authorizing the vice-chairman or the directors, examine, supervise and urge the implementation of the resolutions of the meeting.
- Article 38** At each board meeting, the general manager shall deliver a report to the meeting in relation to the status of implementation of the matters which, according to the resolutions of the previous board meeting, must be implemented.
- Article 39** Under the direction of the board of directors and the chairman of the board, the secretary of the board shall take the initiative to obtain information in respect of the progress on the implementation of the board resolutions, and shall, in a timely manner, report to and submit proposals to the board of directors and the chairman of the board in relation to the important issues in implementation.

CHAPTER VII SUPPLEMENTAL PROVISIONS

- Article 40** Unless otherwise specified, terms used in these Rules shall have the same meanings as those defined in the Articles of Association.
- Article 41** In the event that there are any matters not dealt with herein or there are any matters in these Rules which are inconsistent with the relevant regulatory rules as promulgated from time to time and the provisions of the Articles of Association, or resolutions of the general meeting, then such relevant regulatory rules and the provisions of the Articles of Association, or resolutions of the general meeting shall prevail.
- Article 42** These Rules shall become effective after being adopted by the general meeting. Any modification to these Rules shall be made by way of amendments proposed by the board of directors and submitted to the general meeting for approval.
- Article 43** The right to interpret these Rules shall vest with the board of directors.