

Beijing Jingcheng Machinery Electric Company Limited

ARTICLES OF ASSOCIATION

Amended in December 2025

(In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.)

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CHAPTER 1: GENERAL PROVISIONS

Article 1 Beijing Jingcheng Machinery Electric Company Limited (hereafter “**the Company**”) was established prior to the implementation of the Company Law of the People’s Republic of China (“**the Company Law**”) in accordance with relevant laws and regulations of the state and the *Guideline Opinions for Joint Stock Liability Company* promulgated by the State Commission for Restructuring the Economic System, and continues to exist upon the entry into force of the Company Law, and has been restructured pursuant to the Company Law and satisfied the conditions specified by the Company Law.

The Company was established by the promoter on July 12, 1993 with the approval of the State Commission for Restructuring the Economic System (Ti Gai Sheng (1993) No.117), and registered in Beijing Administration of Industry and Commerce on July 13, 1993, and obtained the *Business License for Legal Person*, and the unified social credit code of the Company is: 91110000101717457X.

Beiren Group Corporation is the promoter of the Company.

Article 2 These Articles of Association are formulated in accordance with the *Company Law*, *Securities Law of the People’s Republic of China* (the “**Securities Law**”), “*Constitution of the Communist Party of China*” (the “**Constitution**”), *Rules Governing the Listing of Securities on the Shanghai Stock Exchange*, *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “**Listing Rules of Hong Kong Stock Exchange**”) and other relevant regulations to safeguard the legal interests of the Company, its shareholders, employees and creditors, and to regulate the organizations and activities of the Company.

Article 3 The Company obtained approval from the Securities Committee of the State Council on July 9, 1993, to issue an initial of 100,000,000 overseas listed foreign shares to overseas investors which were subscribed in foreign currency. The 100,000,000 shares were listed on the Stock Exchange of Hong Kong Limited on August 6, 1993. 50,000,000 RMB ordinary shares were issued to domestic investors and were listed on the Shanghai Stock Exchange on May 6, 1994. On December 19, 2002, the Company obtained approval from China Securities Regulatory Commission to issue additional 22,000,000 RMB ordinary shares to domestic investors and were listed on the Shanghai Stock Exchange on January 16, 2003. On November 27, 2019, the Company obtained approval from China Securities Regulatory Commission to issue additional 63,000,000 RMB ordinary shares to a domestic investor and registration for new shares was completed at the China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on July 9, 2020. On March 21, 2022, the Company obtained approval from China Securities Regulatory Commission to issue additional 46,481,314 RMB ordinary shares to domestic investors and registration for new shares was completed at the China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on June 24, 2022. On March 21, 2022, the Company obtained approval from China Securities Regulatory Commission to issue additional 10,784,674 RMB ordinary shares to domestic investors and registration for new shares was completed at the China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on August 19, 2022. The Company launched the 2023 share incentive scheme after the consideration and approval at the general meeting and class meeting, and made the initial grant of restricted shares to the eligible participants on November 14, 2023, and issued an additional 5.4 million RMB ordinary shares to the domestic investors, and completed the registration of the new shares at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on December 28, 2023, and reduced its registered capital accordingly after the repurchase and cancellation of 180,000 restricted A shares on August 4, 2025.

Article 4 The Company's registered Chinese name: 北京京城機電股份有限公司

English name: Beijing Jingcheng Machinery Electric Company Limited

Article 5 The Company's address: Rm 901, Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC, postal code: 100022

Article 6 The chairman is a director who represents the Company in the execution of corporate affairs and is the legal representative of the Company.

If the chairman serving as the legal representative resigns, he/she is deemed to resign as the legal representative at the same time.

If the legal representative resigns, the Company will determine a new legal representative within thirty days from the date of the legal representative's resignation.

Article 7 The Company is a joint stock liability company of permanent existence.

Article 8 The legal consequences of civil activities undertaken by the legal representative in the name of the Company shall be borne by the Company.

The restrictions on the powers of the legal representative imposed by these Articles of Association or the general meeting shall not be used against a bona fide counterparty.

If the legal representative causes damage to others due to the performance of his/her duties, the Company shall bear civil liability. After bearing civil liability, the Company may recover compensation from the legal representative who is at fault in accordance with the law or these Articles of Association.

Article 9 Shareholders are liable to the extent of the shares they held, whereas the Company is liable for its liabilities with all its assets.

Article 10 Upon its entry into force, the Company's Articles of Association shall constitute a legally binding document that regulates the Company's organizations and activities, rights and obligations between the Company and each shareholder and among the shareholders.

Article 11 The Company's Articles of Association are binding upon the Company and its shareholders, members of the Party Committee (Discipline Inspection Commission), directors, and senior officers, the forementioned may, according to the Company's Articles of Association, assert rights in respect of the affairs of the Company.

Senior officers fore-mentioned shall refer to the Company's managers, deputy managers, secretary of the board of directors, financial officers, chief engineers and general counsel.

A shareholder may take action against the Company pursuant to the Company's Articles of Association. The Company may take action against the shareholders, the directors and senior officers pursuant to the Company's Articles of Association. A shareholder may also take action against another shareholder or the directors and senior officers of the Company pursuant to the Company's Articles of Association.

The prosecution referred includes court proceedings and arbitration proceedings.

Article 12 The Company may invest in other enterprises. Where the law stipulates that the Company shall not be the investor who assumes joint and several liabilities of the invested enterprise, such provisions shall prevail.

Article 13 CPC grassroots activities of the Company shall be governed by the CPC Constitution. The Company shall, in accordance with the provisions of the CPC Constitution, establish a CPC organisation to carry out party activities. The Company shall provide necessary supporting conditions to facilitate the party activities.

CHAPTER 2: OBJECTIVES AND SCOPE OF BUSINESS

Article 14 Objectives: the Company shall lawfully conduct the business, utilize the funds in a proper and effective manner, introduce the advanced and scientific management, keep seeking for the technical progress, use the latest market and technical information to duly adjust the operation strategy, pay attention to economic lot size and scale of economy, engage in gas storage and transportation equipments and related industries, explore domestic and international market with excellent products, superior service and advanced technology, to be world-class company, and to ensure the greatest extent proper economic returns to the shareholders lawfully.

Article 15 Authorised scope of operation: general logistics; professional contractor.

General scope of operation: development, design, sales, installation, adjustment, maintenance of cryogenic containers for storage, compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; machinery equipment and electrical equipment; technical consultancy and technical services; information consulting services; import and export of commodities and technology and acting as import and export agency.

The Company shall file application with registration authority based on the scope of operation set out in this article. The scope of business of the Company shall be consistent with and subject to that approved by the authority responsible for the registration of the Company.

The Company is allowed to set up branches, subsidiaries, jointly controlled enterprises and offices domestically and overseas based on the scope of operation set out in this article upon gaining approval in accordance with the approval procedures.

CHAPTER 3: SHARES AND REGISTERED CAPITAL

Article 16 There must, at all times, be ordinary shares in the Company. Subject to the approval of the department authorized by the State Council, the Company may, according to its requirements, create other classes of shares.

Article 17 The shares issued by the Company shall each have a par value of Renminbi one (1.00) yuan.

Article 18 Shares of the Company shall be issued in an open, fair and just manner, and shares of the same class shall carry the same rights.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance. The price payable per share subscribed by any entity or individual shall be the same.

Article 19 The Company may issue shares to domestic investors and foreign investors in compliance with the law, and register or file with the China Securities Regulatory Commission (the “CSRC”) in accordance with regulations.

“Foreign investors” in the preceding paragraph shall mean those investors who subscribe shares issued by the Company and are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. “Domestic investors” shall refer to those who subscribe shares issued by the Company and are located within the territory of the PRC, excluding the above mentioned areas.

Article 20 Shares which the Company issues to domestic investors for subscription in Renminbi shall be referred to as “domestic-invested shares”. Shares which the Company issues to foreign investors for subscription in foreign currencies shall be referred to as “foreign-invested shares”. Foreign-invested shares which are listed overseas are called “overseas-listed foreign-invested shares”.

Holders of domestic-invested shares and holders of foreign-invested shares are both ordinary shareholders who enjoy the same rights and bear the same obligations.

Article 21 Upon establishment, the Company instantly turned to public offering. Approved by the competent department authorized by the State Council, the Company may issue a total of 547,485,988 ordinary shares, of which:

- I. When the Company was established, 250,000,000 shares were issued to the promoter, accounting for 45.66% of the total number of ordinary shares which may be issued by the Company.
- II. After its establishment, the Company, from July 23 to July 28 of 1993, issued 100,000,000 shares in Hong Kong to foreign investors, accounting for 18.27% of the total number of ordinary shares which may be issued by the Company.

III. After its establishment, the Company, from March 27 to April 12 of 1994, issued 50,000,000 shares to domestic investors, accounting for 9.13% of the total number of ordinary shares which may be issued by the Company.

IV. After its establishment, the Company, from December 26, 2002 to January 7, 2003, issued 22,000,000 shares to domestic investors, accounting for 4.02% of the total number of ordinary shares which may be issued by the Company.

V. After its establishment, on June 29, 2020, the Company issued 63,000,000 shares to a domestic investor, accounting for 11.51% of the total number of ordinary shares which may be issued by the Company.

VI. After its establishment, on June 24, 2022, the Company issued 46,481,314 shares to domestic investors, accounting for 8.49% of the total number of ordinary shares which may be issued by the Company.

VII. After its establishment, on August 19, 2022, the Company issued 10,784,674 shares to domestic investors, accounting for 1.97% of the total number of ordinary shares which may be issued by the Company.

VIII. After its establishment, on December 28, 2023, the Company issued 5,400,000 shares to domestic investors, accounting for 0.99% of the total number of ordinary shares which may be issued by the Company.

IX. After its establishment, on August 4, 2025, the Company repurchased and cancelled 180,000 restricted A shares that had been granted to 5 participants but subject to lock-up. After the repurchase and the cancellation, the total number of shares of the Company was reduced from 547,665,988 shares to 547,485,988 shares.

Article 22 The Company's registered capital is RMB547,485,988.

Article 23 The Company may, based on its operation and development needs, in accordance with the provisions of laws and regulations, increase the capital in the following ways upon approval of resolutions at the general meeting:

- (1) by issuance of shares to non-specific entities;
- (2) by issuance of shares to specific entities;
- (3) by allotting bonus shares to its existing shareholders;
- (4) by converting reserve funds into capital;
- (5) by other means permitted by laws, administrative regulations and the CSRC.

Article 24 The Company or its subsidiaries (including its affiliates) shall not provide financial assistance in the form of gifts, advances, guarantees or loans to others for the acquisition of shares of the Company or its parent company, except for the Company's implementation of employee share schemes.

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

In the event of any damages caused to the Company due to their violation of the preceding provisions, the responsible directors and senior managers shall be liable for compensation.

CHAPTER 4: REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 25 The Company may reduce its registered capital. The reduction of registered capital shall be conducted in compliance with the Company Law and other relevant regulations and procedures stipulated in these Articles of Association.

Article 26 The Company shall not repurchase its own shares, except in one of the following situations:

- (1) registered capital reduction;
- (2) merging with another company that holds shares in the Company;
- (3) using shares for employees share ownership plans or share incentives;
- (4) merger or division resolutions proposed at the general meeting of the shareholders are opposed by some shareholders who ask the Company to repurchase their shares;
- (5) using shares for converting the corporate bonds issued by the Company which are convertible into shares;
- (6) protecting the Company's value and the shareholders' rights and interests when necessary.

Acquisition by the Company of its shares due to the circumstances referred to in the preceding items (1) and (2) shall be subject to the approval in general meeting by resolutions; acquisition by the Company of its shares due to the circumstances referred to in the preceding items (3), (5) and (6) shall be subject to the approval in board meeting attended by more than two-thirds of the directors by resolutions in accordance with the mandate from the general meeting.

Article 27 The Company may its acquire the shares of the Company in one of the following ways:

- (1) by making a general offer of repurchase to all its shareholders on same pro rata basis;
- (2) by repurchasing shares through public trading on a stock exchange;
- (3) by repurchasing shares outside the stock exchange by means of an agreement;
- (4) Other means accepted by the law, administrative regulations and CSRC.

Acquisition by the Company of its shares due to the circumstances referred to in items (3), (5) and (6) in the first paragraph of Article 29 herein shall be conducted through centralized trading in an open manner.

Article 28 Upon the repurchase of shares pursuant to law and Article 26 herein, in case of the circumstance specified in item (1) of Article 26, the Company shall cancel this part of shares within 10 days upon the purchase; in case of the circumstances specified in items (2) or (4), it shall make the transfer or cancellation within 6 months; in case of the circumstances specified in items (3), (5) or (6), the total number of shares of the Company held by the Company shall not exceed 10% of the total issued shares of the Company, and shall make the transfer or cancellation within 3 years.

After the cancellation of the shares of the Company, it shall apply to the original company registration authority for the registration of the change in its registered capital. The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.

CHAPTER 5: SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 29 Share certificates of the Company shall be in registered form.

The share certificate of the Company, in addition to those required by the Company Law, shall include other particulars required by the stock exchange where the Company's shares are listed.

Article 30 Share certificates shall be in paper form, specify the serial number of the share certificate. The share certificate shall be signed by the legal representative and affixed with the seal of the Company. Where the stock exchanges on which the Company's shares are listed require other senior officers' signatures, the share certificates shall also be signed by such senior officers. Share certificates shall take effect after being imprinted or affixed with the seal of the Company in printed form under the authorization of the board of directors. The signatures of the chairman of the board of directors or other senior officers also can be in the form of printing.

Article 31 The Company shall keep a register of shareholders which shall contain the following particulars:

- (1) the name (title) and address (residence), occupation or nature of each shareholder;
- (2) the class and quantity of shares held by each shareholder;
- (3) the amount paid up or agreed to be paid up on the shares held by each shareholder;
- (4) the share certificate number of the shares held by each shareholder;
- (5) the date on which each person was entered in the register as a shareholder;
- (6) the date on which any shareholder ceased to be a shareholder.

Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company.

Article 32 The Company may, in accordance with the mutual understandings and agreements between the securities authority of the State Council and overseas securities regulatory organizations, maintain the register of shareholders of overseas-listed foreign-invested shares overseas and appoint overseas agent(s) to manage such register of shareholders. The original register for holders of overseas-listed foreign-invested shares listed in Hong Kong shall be maintained in Hong Kong, and the register for holders of overseas-listed foreign-invested shares must be available for inspection by shareholders.

The duplicate register of shareholders of overseas-listed foreign-invested shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate register of shareholders at all times.

If there is any inconsistency between the original and the duplicate register of shareholders of overseas-listed foreign-invested shares, the original one shall prevail.

Article 33 The Company shall have a complete register of shareholders which shall include the following parts:

- (1) the register of shareholders which is maintained at the Company's residence, other than those described in (2) and (3) of this Article.
- (2) the register of shareholders of overseas-listed foreign-invested shares of the Company which is maintained at the overseas stock exchange on which the shares are listed;
- (3) the register of shareholders which is maintained in such other place as the board of directors may consider necessary for the listing of the Company's shares.

Article 34 Each part of the register of shareholders shall not overlap. No transfer of any shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register.

The transfer of overseas-listed foreign-invested shares listed in Hong Kong shall be carried out in writing through transfer instrument in normal or ordinary form or in the form acceptable to the board of directors, or in a standard form of transfer specified by Hong Kong Exchanges and Clearing; such transfer instrument can be signed by hand or in a printed form. Transfer instruments all shall be maintained in the legal address of the Company or such other place that the board of directors may designate from time to time.

All overseas-listed foreign-invested shares listed in Hong Kong which have been fully paid up may be freely transferred in accordance with the Company's Articles of Association. However, unless such transfer complies with the following requirements, the board of directors may refuse to recognize any instrument of transfer and need not provide any reason therefore:

- (1) a fee of HK\$2.50 per instrument of transfer or a higher amount agreed by Hong Kong Exchanges and Clearing for registration of the instrument of transfer and other documents which are related to or will affect the rights of ownership of the shares;
- (2) the instrument of transfer only relates to overseas-listed foreign-invested shares listed in Hong Kong;
- (3) the stamp duty on the instrument of transfer has already been paid;
- (4) the relevant share certificates or any other evidence which the board of directors may reasonably require to show that the transferor has the right to transfer the shares have been provided;
- (5) if it is intended that the shares be transferred to joint owners, the maximum number of joint owners shall not be more than four;
- (6) the Company does not have any lien on the relevant shares.

Any change or correction to various parts of the register of shareholders shall be carried out in accordance with the law of the place where such parts of the register of shareholders are maintained.

Article 35 If there are provisions in relation to book closure period prior to the general meeting or before the record date for the Company's dividend distribution in the relevant laws and regulations and the listing rules of Hong Kong Exchanges and Clearing, those provisions shall apply.

Article 36 When the company needs to convene a general meeting, distribute dividends, liquidate the Company or for any other purpose that requires the confirmation of the identity of the shareholder, the board of directors or the convenor of the general meeting shall determine the record date, and the shareholders whose names appear in the register of shareholders after the close of business on the record date shall be the shareholders entitled to the relevant interests.

Article 37 Any person objecting or claiming to be entitled to have his name (title) entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 38 Any person who is a registered shareholder or claims to be entitled to have his name (title) entered in the register of shareholders, if his share certificate (the “**original certificate**”) was lost, may apply to the Company for a replacement of share certificate in respect of such shares (the “**relevant shares**”).

The application for a replacement of share certificate by a holder of domestic-invested shares, who has lost his share certificate, shall be dealt with in accordance with the Company Law.

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

The issue of a replacement of share certificate to a holder of overseas-listed foreign-invested shares listed in Hong Kong, who has lost his share certificate, shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration, stating the grounds upon which the application is made, the circumstances and evidence of the loss, and declaring that no other person is entitled to have his name entered in the register of shareholders in respect of the relevant shares.
- (2) The Company has not received any declaration made by any person other than the applicant declaring that his name shall be entered into the register of shareholders in respect of such shares before it decides to issue a replacement of share certificate to the applicant.

The Company shall, if it intends to issue a replacement share certificate, publish a notice of its intention to do so at least once every thirty days within a period of ninety consecutive days.

- (3) The Company shall, prior publishing its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed, a copy of the notice to be published, and may publish the notice upon receiving the confirmation from such stock exchange that the notice has been exhibited in the premises of the stock exchange. Such notice shall be exhibited in the premises of the stock exchange for a period of ninety days.

- (4) In case of an application which is made without the consent of the registered holder of the relevant shares, the Company shall send by mail to such registered shareholder a copy of the notice to be published.
- (5) Upon the expiration of the 90-day period referred to in (3) and (4) of this Article, if the Company has not received any challenge from any person in respect of the issue of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his application.
- (6) Where the Company issues a replacement share certificate pursuant to this Article, it shall forthwith cancel the original share certificate and record such cancellation and issuance in the register of shareholders accordingly.
- (7) All expenses related to cancelling the original share certificate and issuing a replacement one shall be borne by the applicant, and the Company shall have the right to refuse to take any action until reasonable security is provided by the applicant therefore.

CHAPTER 6: SHARE TRANSFER

Article 39 Shares of the Company shall be transferred in accordance with the law.

Article 40 The Company does not accept shares as the subject of pledge.

Article 41 The shares which were issued before the public offer shall not be transferred within 1 year since the shares of the Company were listed on the stock exchange(s). Where the transfer of the Company's shares held by the shareholders or its de facto controllers is otherwise stipulated by laws, administrative regulations, the CSRC, or the stock exchange where the Company's shares are listed, such provisions shall prevail.

During their tenure determined at the time of taking office, directors and the senior management officers of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer more than 25% per year of the total number of shares held by them; the shares held by them shall not be transferred within 1 year from the date when the shares of the Company were listed and traded on the stock exchange. The aforesaid persons shall not transfer their shares within 6 months from the date on which their resignation comes into effect.

Where the shares are pledged within the time limit for transfer prescribed by laws or administrative regulations, the pledgee may not exercise the pledge right within the time limit for transfer.

Article 42 Any gains from any sales of shares or other securities of equity nature of the Company by any shareholders holding 5% or more of the shares, directors, or senior management officers within 6 months after their purchase of the same, or any gains from any purchase of shares or other securities of equity nature of the Company, by any of the aforesaid parties within 6 months after sale of the same shall be disgorged and paid to the Company. The board of directors of the Company shall recover such gains from the above mentioned parties, except any holding 5% or more of the shares of the Company by any securities company as a result of its purchase of remaining shares sold under an underwriting obligation and other circumstances stipulated by the CSRC.

The shares or other securities of equity nature held by the directors, senior management officers and individual shareholders referred to in the preceding paragraph include the shares or other securities of equity nature held by their spouses, parents and children or others on behalf of them.

If the board of directors of the Company fails to comply with the requirements in accordance with the first paragraph, a shareholder shall have the right to request the board of directors to carry out within 30 days. If the board of directors fails to do so within the said time limit, a shareholder shall have the right to initiate proceedings in the People's court directly in his own name for the interests of the Company.

If the board of directors of the Company fails to comply with the requirements in accordance with the first paragraph, the responsible director(s) shall assume joint and several liabilities under the law.

CHAPTER 7: SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Article 43 A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders.

A shareholder shall enjoy rights and assume obligations according to the class of shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations.

Article 44 Ordinary shareholders of the Company shall enjoy the following rights

- (1) to receive dividends and other distributions in proportion to the number of shares held;
- (2) to request to hold, convene, preside at, attend or appoint a proxy in accordance with the laws to attend the general meeting of the shareholders and to exercise corresponding voting rights thereat thereat;
- (3) to supervise the Company's business operations and to present proposals or to raise queries;
- (4) to transfer, gift, or pledge its shares in accordance with laws, administrative regulations and the Company's Articles of Association;

- (5) to inspect or make copies of these Articles of Association, the register of members, minutes of shareholders' general meetings, resolutions of the board of directors and financial and accounting reports (and, for shareholders who meet the relevant requirements, books of account and accounting documents of the Company);
- (6) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;
- (7) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
- (8) other rights stipulated by laws, administrative regulations, department regulations, rules of stock exchange or these Articles of Association.

Shareholders who demand to inspect or make copies of the relevant documents shall do so in accordance with the Company Law, the Securities Law and other laws and administrative regulations.

Article 45 If a resolution of the Company's general meeting or board meeting violates the laws or administrative regulations, the shareholders shall have the right to submit a petition to the People's Court to invalidate the same. If the procedures for convening, or the method of voting at, a general meeting or board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violates the Articles of Association, shareholders may request the People's Court to revoke the resolution within sixty days from the date of adoption of the resolution. However, this excludes situations where there is only a minor defect in the procedures for the convening of a general meeting or the board meeting or in the manner of voting thereat, which does not have material impact on the resolution.

Where the board of directors, shareholders and other relevant parties dispute the validity of a resolution of the general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgment or ruling to revoke the resolution, the relevant parties shall execute the resolution of the general meeting. The Company, its directors and senior officers shall fulfill their duties in good faith to ensure the normal operation of the Company.

When the People's Court has made a judgment or ruling on the relevant matter, the Company shall fulfill its information disclosure obligations in accordance with the law, administrative regulations and the requirements of the CSRC and stock exchanges, fully explain the impacts and actively facilitate the execution after such judgment or ruling has taken effect. Where matters in connection with prior periods need to be rectified, the rectification shall be done in a timely manner, and the Company shall fulfill its information disclosure obligations accordingly.

Article 46 A resolution of the general meeting or board meeting of the Company shall not be valid under any of the following circumstances:

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

Article 47 When directors or senior officers other than members of the audit committee violate laws, administrative regulations or the Articles of Association in the course of performing their duties and cause damages to the Company, shareholders either individually or collectively holding 1% or more of the Company's shares for more than 180 consecutive days may ask the audit committee in writing to bring an action to the people's court; when a member of the audit committee violates laws, administrative regulations or the Articles of Association in the course of performing its duties and causes damages to the Company, shareholders may ask the board of directors in writing to bring an action to the people's court.

When the audit committee or board of directors refuses to bring such an action upon receiving the aforesaid written request from the shareholders, or fails to bring such an action within 30 days upon receiving such a request, or in case of any emergency, the Company's interests will be damaged beyond recovery if no immediate action is brought, shareholders in the preceding paragraph, for the interest of the Company, shall have the right to directly bring an action to the people's court in their own name.

When any other person infringes upon the Company's lawful rights and interests and causes damages to the Company, shareholders referred to in the first paragraph of this Article shall have the right to bring an action to the people's court in accordance with the first two paragraphs.

When the directors, supervisors and senior officers of a wholly-owned subsidiary of the Company violate laws, administrative regulations or these Articles of Association in the course of performing their duties and cause losses to the Company, or when any other person infringes upon the lawful rights and interests of a wholly-owned subsidiary of the Company and causes losses to it, shareholders either individually or collectively holding 1% or more of the Company's shares for more than 180 consecutive days may submit a written request to the supervisory committee or the board of directors of the wholly-owned subsidiary for bringing an action to the People's Court, or directly bring an action to the People's Court in their own name in accordance with the first three paragraphs of Article 189 of the Company Law.

Article 48 When directors or senior officers violate laws, administrative regulations or the Articles of Association and damage shareholders' interests, shareholders may bring an action to the people's court.

Article 49 Shareholders of the Company shall have the following obligations:

- (1) to comply with laws, administrative regulations and these Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw the share capital other than is provided by the laws or regulations;
- (4) not to abuse the shareholders' rights to prejudice the interests of the Company or other shareholders; not to abuse the independence of the Company as a legal person and the limited liabilities of shareholders to prejudice the interests of creditors of the Company;
- (5) other obligations imposed by laws, administrative regulations and these Articles of Association.

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 indemnity 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, thereby materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company.

Article 50 The controlling shareholders and beneficial owners of the Company shall exercise their rights and fulfil their obligations in accordance with the law, administrative regulations, the requirements of the CSRC and stock exchanges to safeguard the interests of the listed company.

Article 51 Where a controlling shareholder or beneficial owner pledges the shares of the Company that he/she/it holds or effectively controls, he/she/it shall maintain the stability of the Company's control and its production and operation.

Article 52 A controlling shareholder refers to a shareholder whose shares occupy more than fifty percent of the Company's total share capital or a shareholder who holds less than fifty percent of the shares but the voting powers attached to the shares held by him is enough to impose significant impact on the resolution of the general meeting of shareholders. A actual controller refers to a natural person, legal person or other organization who is able to actually govern the behavior of the Company through investment relationships, agreements or other arrangements.

Article 53 Controlling shareholders and beneficial owners 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 without permission;
- (3) to fulfil their information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are intended to occur;
- (4) not to appropriate the Company's funds in any way;
- (5) not to order, instruct, or demand 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 by any other means;
- (8) to ensure the integrity of the Company's assets and the independence of its personnel, finance, organization and business, and not to affect the independence of the Company in any way;
- (9) to comply with laws, administrative regulations, requirements of the CSRC, business rules of stock exchanges and other requirements of these Articles of Association.

A controlling shareholder or beneficial owner of the Company who does not serve as a director of the Company but executes its corporate affairs shall be subject to the provisions of these Articles of Association regarding directors' obligations of loyalty and diligence.

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

Article 54 A controlling shareholder shall nominate director candidates for the listed company in strict accordance with conditions and procedures set out in laws, regulations and the Company's Articles of Association. A director candidate thus nominated shall have relevant specific knowledge and the capacity for decision making and supervision. No controlling shareholders shall have the right to approve appointment resolutions by the general meeting of the shareholders or recruitment resolutions by the board of directors, and shall not go beyond the general meeting of the shareholders or the board of directors to appoint or remove the senior officers for the listed company.

Article 55 Important decisions of the listed company shall be made by the general meeting of the shareholders and the board of directors in accordance with law. A controlling shareholder shall not, directly or indirectly, intervene in the Company's decision making and lawful production and operation activities, and damage the rights and interests of the Company and other shareholders.

Article 56 Persons of the listed company shall be independent from the controlling shareholders. Managers, financial and marketing officers and the secretary of the board of directors in the listed company shall act for nothing but the director and the supervisor of the units of the controlling shareholders. When a senior officer of a controlling shareholder acts concurrently as the director of the listed company, he shall ensure that he shall have sufficient time and energy to assume duties in the listed company.

Article 57 The listed company shall establish a sound financial and accounting management system and carry out the independent accounting in accordance with laws and regulations. Controlling shareholders shall respect the Company's financial independence and not intervene in the financial and accounting activities of the Company.

Article 58 The listed company's board of directors and other internal departments shall be independent from each other. A controlling shareholder and his functional departments and the listed company and its functional departments are not subordinate or superior to each other. A controlling shareholder and departments below him shall not issue any operation plan or instruction to the listed company or departments under it, nor shall affect their operation and management independence in any other way.

Article 59 The business of the listed company shall be wholly independent from its controlling shareholders. A controlling shareholder and other units under him shall not engage in businesses the same or similar with those of the listed company. Controlling shareholders shall take effective measures to avoid horizontal competition.

Article 60 Where a controlling shareholder or beneficial owner 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 as set out in laws, administrative regulations, the regulations of the CSRC and stock exchanges as well as his/her/its undertakings in respect of restrictions on the transfer of shares.

CHAPTER 8: GENERAL MEETINGS OF THE SHAREHOLDERS

Article 61 The general meeting of the Company is composed of all shareholders. The general meeting of the shareholders is the organ of authority for the Company, and shall exercise its functions and powers in accordance with law.

Article 62 The general meeting shall exercise the following powers:

- (1) to elect and remove directors and to determine matters related to directors' remuneration;
- (2) to consider and approve the report of the board of directors;
- (3) to consider and approve the Company's profit distribution and loss recovery plan;
- (4) to resolve the increase or decrease in registered capital of the Company;
- (5) to resolve the issue of corporate bonds;
- (6) to resolve the merger, division, dissolution, liquidation of the Company or change of the Company's form;
- (7) to amend the Articles of Association;
- (8) to resolve the appointment and dismissal of accountancy firms that undertake the Company's audit work;
- (9) to consider and approve the guarantees provided in Article 63 of these Articles of Association;
- (10) to consider the purchases or sales of any material asset of the Company, the amount of which exceeds 30% of its latest audited total assets;
- (11) to consider and approve the change in use of proceeds from fund raising;
- (12) to consider the share incentive plan and employees share ownership plans;
- (13) to consider any other matters that are subject to determination of the general meeting as specified in laws, administrative regulations, department rules or the Articles of Association.

The general meeting may authorize the board of directors to make a resolution on the issue of corporate bonds.

Article 63 Guarantees required to be approved at the general meeting shall not be submitted to the general meeting for consideration and approval until after being considered and passed by the board of directors, and guarantees subject to the approval at the general meeting shall include, but not limited to, the following:

1. any guarantee as provided after the total amount of guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the latest audited net assets;
2. any guarantee as provided after the total amount of guarantee provided by the Company exceeds 30% of the latest audited total assets;
3. the guarantees provided after the amount of guarantee provided by the Company to others within one year exceeds 30% of its latest audited total assets;
4. a guarantee provided to a party whose asset-liability ratio is higher than 70%;
5. a guarantee, the amount of which exceeds 10% of the latest audited net assets;
6. a guarantee provided to the shareholder, beneficial controller or their respective related parties.

When the general meeting considers a guarantee proposed for a shareholder, beneficial owner or his related party, this shareholder or other shareholders controlled by this beneficial owner shall not vote for the proposal, which shall have the affirmative votes by more than half of votes held by other shareholders attending the general meeting.

A guarantee subject to the approval of the board of directors must be agreed by at least two thirds of directors attending the board meeting with a resolution being adopted.

When an external guarantee is provided by the Company, the recipient must provide a counter-guarantee, and the party providing the counter-guarantee shall be able to undertake relevant liabilities.

If a director or senior management officer violates a provision on the approval authority or consideration procedure for the provision of external guarantees as specified in laws, administrative regulations or the Articles of Association, thereby causing the Company to sustain a loss, he shall be liable for damages and the Company may institute a legal action against him in accordance with the law.

Article 64 General meetings of the shareholders are divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within six months from the end of the preceding financial year.

The Company shall convene an extraordinary general meeting within two months of the occurrence of any of the following events:

- (1) where the number of directors is less than that stipulated in the Company Law or two thirds of the number specified in the Company's Articles of Association;
- (2) where the unrecovered losses of the Company amount to one third of the total share capital;
- (3) at the request of shareholders, individually or collectively, holding 10% or more of the Company's shares;
- (4) whenever the board of directors deems necessary;
- (5) when the audit committee so proposes;
- (6) other circumstances required by the laws, administrative regulations, departmental rules or the Articles of Association.

Article 65 The place for holding general meetings is: the premises of the Company or other location announced by the Company.

After the notice of the general meeting is issued, the place for holding the general meeting shall not be changed without valid reasons. Where a change is needed, the convener shall publish an announcement at least 2 working days before the date of convening the on-site meeting and state the reasons.

The general meeting shall have a meeting place for convening the onsite meetings. The Company will also provide online voting to offer shareholders convenience. Identification of shareholders participating in the general shareholders' meetings by network access means shall be confirmed by brokerage firms who has obtained qualification for securities account opening agency business from China Securities Depository and Clearing Corporation Limited, or by other institutions recognized by China Securities Depository and Clearing Corporation Limited for identification confirmation.

The shareholders present at a general meeting shall express one of the following opinions on the proposed resolutions that are put to a vote: consent, opposition or abstention, except that securities registration and settlement institutions, being the nominal holders of shares subject to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, may express opinions according to the intentions of actual holders.

Article 66 The Company shall engage lawyers to attend the general meeting and advise on the following issues with announcements made thereon:

- (1) whether or not the convening of the general meeting and its procedures are in compliance with the requirements of laws, administrative regulations and the Articles of Association;
- (2) verification of the validity of the eligibility of attendees and the convener;
- (3) whether or not the voting or voting results of the meeting are lawful and valid;
- (4) legal opinions on other matters at the request of the Company.

Article 67 The convenor shall notify the shareholders of the annual general meeting twenty-one days prior to the meeting by way of an announcement or the notification method stipulated in the Articles of Association or other methods permitted by the stock exchange where the Company's shares are listed, and the extraordinary general meeting will be notified to the shareholders fifteen days prior to the meeting by way of an announcement or the notification method stipulated in the Articles of Association or other methods permitted by the stock exchange where the Company's shares are listed.

Where laws, administrative regulations, other regulatory documents and the securities regulatory authorities of the place where the Company's shares are listed provide otherwise, such provisions shall apply.

Article 68 When the Company convenes a general meeting, the board of directors, audit committee and shareholders either individually or collectively holding 1% or more of the Company's shares may propose motions.

Shareholders either individually or collectively holding 1% or more of the Company's shares may submit their provisional motions in writing to the convener 10 days before the meeting date.

The provisional proposals should have clear topics and specific resolutions. The convener shall issue a supplementary notice of the general meeting within 2 days after the motions have been received to announce the contents of the motions and submit such motions to the general meeting for consideration. However, this excludes such interim proposals that are in violation of the requirements under the laws, administrative regulations or the Articles of Association, or do not fall within the scope of duties of the general meeting.

Other than the circumstances referred to in the preceding paragraph, after the issuance of announcement by the convener, no changes shall be made to the stated motions in the notice of the meeting or the newly added motions.

The general meeting shall not vote on or resolve the motions that not stated in the notice of the general meeting or that not meet the requirements in the following article of this Articles of Association.

Article 69 Content of the motions at the general meeting shall be matters falling within the functions and powers of general meeting. It shall have definite topics to discuss and specific matters to resolve and comply with the laws, administrative regulations and the relevant requirements in the Articles of Association.

Article 70 When the board of directors decides not to include a motion on the agenda, it shall give an explanation and account at this general meeting, and shall publish this motion and the board explanation together with the resolutions of the general meeting after the end of the general meeting.

Article 71 A shareholder may request convening an extraordinary general meeting in accordance with the Articles of Association when he has any objection to the decision by the board of directors of not including his motion on the agenda of the general meeting.

Article 72 The notice of the general meeting shall set forth the following particulars:

- (1) time, place, convenor and duration of the meeting;
- (2) matters and proposals submitted to the meeting for consideration;
- (3) a conspicuous statement that all ordinary shareholders (including preference shareholders with restored voting rights), shareholders holding special voting rights and other shareholders are entitled to attend at the general meeting, and a shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and such proxy is not necessarily a shareholder of the Company;
- (4) record date for shareholders who are entitled to attend the meeting;
- (5) name and telephone number of the contact person;
- (6) voting time and the voting procedures for online or other forms of meeting.

The notice and supplementary notice of general meeting shall sufficiently and fully disclose the entire content of all proposed resolutions. Independent non-executive directors shall express opinions on the matters proposed for discussion and such opinions from independent non-executive directors shall be disclosed on the notice and supplementary notice of general meeting. Among the motions to be voted on at the general meeting, if a motion taking effect is conditional upon other motions becoming effective, the convener shall explicitly disclose the relevant preconditions in the notice of the general meeting and shall give special reminders that the approval of such motion is the precondition to the voting results of subsequent motions taking effect. The notice of general meeting shall clearly state the time and procedure of online voting or any other method of voting. Online voting or any other method of voting shall not start earlier than 3:00 p.m. one day before the date of the general meeting and later than 9:30 a.m. of the date of general meeting. Also, online voting or any other method of voting shall not end earlier than 3:00 p.m. of the date of conclusion of the general meeting. The time interval between share record date and the date of general meeting shall not exceed 7 working days and share record date, once confirmed, shall not be changed.

Article 73 Notice of general meeting shall be served on the shareholders (whether or not such shareholder is entitled to vote at the general meeting), by announcement or by the methods otherwise stipulated in the Article of Association. Where a notice is given by way of announcement, all relevant persons shall be deemed as being served when the announcement is made.

Article 74 The board of directors and other convener will take such necessary measures to ensure the normal order of the shareholders' general meeting. For any disturbance to the order of the meeting and acts infringing on the lawful interests of the shareholders, measures will be taken to prevent them, and the relevant authority will be reported to pursue the matter.

Article 75 All the shareholders (including preference shareholders with restored voting rights), shareholders holding special voting rights and other shareholders in the register of shareholders and their proxies on the record date are entitled to attend the general meeting, and shall exercise their voting rights pursuant to the laws, regulations and the Articles of Association. Shareholders may attend the general meeting in person, or may appoint proxies (proxy may not be a shareholder) to attend the meeting and vote on their behalf. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:

- (1) the shareholder's right to speak at the general meeting;
- (2) the right to demand or join in demanding a poll;
- (3) the right to vote on a poll.

If the shareholder is the recognized clearing house or its attorney as defined under the securities and futures regulations (Hong Kong laws Chapter 571), such shareholder is entitled to appoint one or more persons as his proxies to attend on his behalf at a general meeting or at any class meeting, but, if one or more persons have such authority, the letter of authorization shall contain the number and class of the shares in connection with such authorization. Such person can exercise the right on behalf of the recognized clearing house (or its attorney) as if he were the individual shareholder of the Company.

Article 76 When an individual shareholder attends the meeting on his own, he shall show his identification card or any other valid identification or certification which can prove his identity, and when an attorney attends the meeting, he shall provide his valid identification card and the power of attorney.

When a shareholder is a legal entity, its legal representative or an attorney authorized by its legal representative shall attend the meeting. If its legal representative attends the meeting, he shall present his identification card, a valid document certifying his position as the legal representative; if an attorney attends the meeting, he shall present his identification card and a written power of attorney duly issued by the legal representative of the shareholder.

Article 77 The power of attorney provided by a shareholder to authorize another person to attend the general meeting on his behalf shall contain the following particulars:

- (1) the name of the appointer and the class and number of shares of the Company held by the appointer;
- (2) the attorney's name;
- (3) specific instructions from the shareholder including an indication to vote for or against or abstain from voting on each matter on the agenda of the general meeting;
- (4) the date and effective period for the power of attorney;
- (5) the attorney's signature (or seal), when the appointor is a legal entity, the official seal shall be affixed.

Article 78 Where the proxy form in respect of voting authorization is signed by a person authorized by the appointer, the power of attorney or other authorization instruments shall be notarized. The notarized power of attorney and other authorization instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice to the meeting.

Article 79 The Company shall prepare a meeting register for attendee, which shall contain each attendee's name (company name), ID number, the number of shares held or with voting rights, and the name or (company name) of the appointor, etc.

Article 80 When a notice of the general meeting is sent out, without a proper reason, the general meeting shall not be postponed or cancelled, and motions stated in the notice of the meeting shall not be cancelled. In case of any postponement or cancellation, the convener shall publish an announcement and provide an explanation at least 2 working days before the original date of the meeting.

Article 81 The convener and the legal advisers retained by the Company shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing authority and shall register the name of the shareholders together with the numbers of shares with voting rights in their possession. Before the chairman of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights in their possession, on-site registration for the meeting shall be ended.

Article 82 If a general meeting requires the attendance of directors or senior officers, the directors or senior officers shall do so and answer shareholders' inquiries.

Article 83 The Company shall formulate the rules of procedures for general meeting, specifying in details the convening, holding and voting procedures for general meeting, including notice, registration, consideration of motions submitted, voting, ballot counting, announcement of the voting result, formation of a resolution, minutes and their signing, announcement, and the principles of authorization by the general meeting to the board of directors, and the contents of authorization shall be clear and specific.

Article 84 At the annual general meeting, the board of directors reports its work over the previous year, and each of the independent non-executive directors has to report their work also.

Article 85 Directors and the senior management officers should respond and explain to the questioning of and recommendations made by shareholders at the general meeting.

Article 86 Chairman of the meeting should announce the number of shareholders and proxies present at the venue of the meeting and the total shares held by them with voting rights, and the number of shareholders and proxies present at the venue of meeting and the shares held by them with voting rights shall be the number recorded by the meeting.

Article 87 The general meeting shall maintain minutes of the meeting, and the secretary of the board of directors shall be responsible for the minutes, which shall record the following:

- (1) time, place, agenda of the meeting and the name or title of the convener;
- (2) names of the chairman of the meeting and the directors and other senior officers present at the meeting;
- (3) the number of shareholders and proxies attending the meeting and the total number of voting shares held by them and the percentage of these shares to the total number of shares of the Company;
- (4) process of consideration for each motion, important points of the speaking and voting results;
- (5) reply or explanation to shareholders' questions or recommendations;
- (6) names of the lawyer and the scrutinizer;
- (7) such other matters as required by the Articles of Association to be included.

Article 88 The convener should ensure the truthfulness, accuracy and completeness of the minutes of the meeting. Directors attending or present at the meeting, the secretary to the board of directors, the convener or his representative and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of the meeting should be maintained with the register for signing of attending shareholders and the letters of authorization of their proxies, and voting information otherwise derived for a period not less than 10 years.

Article 89 The convener should ensure that the meeting is proceeding continuously until resolutions have been resulted. When special reasons such as force majeure have led to the interruption or termination of the meeting, measures should be taken to resume the meeting, or to end the meeting directly with a timely announcement. The convener should also report to the local office of China Securities Regulatory Commission and the stock exchange(s).

Article 90 Resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution must be passed by over half of the voting rights represented by the shareholders present at the meeting.

A special resolution must be passed by more than two thirds of the voting rights represented by the shareholders present at the meeting.

Article 91 Shareholders other than holders of class shares shall exercise their voting rights in proportion to their shareholdings with voting rights, and each share entitles the shareholder one voting right.

The same voting right shall only select any one of the voting methods, namely voting on-site, online voting or other voting methods. Only the first voting result is viewed as valid for any multiple votings of the same voting right.

Voting at the general meeting shall be taken by way of registered poll.

Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.

The shares held by the Company have no voting rights, and that part of shares is not counted as the total number of shares with voting rights held by shareholders attending the meeting.

If a shareholder purchases voting shares 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 for a period of thirty-six months after the purchase and shall not be counted as part of the total number of shares with voting rights held by shareholders attending the meeting.

The board of directors, independent non-executive directors, shareholders holding more than 1% of the shares carrying voting rights or investor protection agencies established in accordance with the laws, administrative regulations or requirements of the CSRC may publicly solicit votes of the Company's shareholders at general meetings, provided that sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any limitation related to minimum shareholdings on the solicitation of voting rights except for statutory conditions. Public solicitation of votes shall be made in accordance with regulations of relevant regulatory authorities and the stock exchange on which the shares of the Company are listed. The board of directors, independent non-executive directors and shareholders who meet relevant conditions may gather shareholders' voting rights. Voting rights shall be gathered without paying any consideration, and sufficient information disclosure shall be made to the shareholders from whom voting rights are gathered.

Article 92 The following matters shall be resolved by an ordinary resolution at a general meeting:

- (1) work reports of the board of directors;
- (2) profit distribution plans and loss recovery plans formulated by the board of directors;
- (3) election or removal of members of the board of directors, their remuneration and manner of payment;
- (4) engagement, termination or non-renewal of the accounting firm and audit fees (irrespective of the terms of the contract entered into between the accounting firm and the Company);
- (5) matters other than those required by laws and administrative regulations or the Company's Articles of Association to be adopted by a special resolution.

Article 93 The following matters shall be resolved by a special resolution at a general meeting:

- (1) increase or reduction of the share capital and issue of shares of any class, stock warrants or other similar securities;
- (2) division, spin-off, merger, dissolution and liquidation of the Company;
- (3) amendments to the Articles of Association of the Company;
- (4) purchase or disposal of material assets or any guarantee provided to others within one year, the amount of which exceeds 30% of the latest audited total assets of the Company;
- (5) share incentive scheme;

(6) other matters stipulated by the law, administrative regulations or the Articles of Association and which may have a significant impact on the Company if passed by ordinary resolutions, which need to be passed by special resolutions.

Article 94 Subject to the legitimacy and validity of the general meeting, the Company shall, through various means and channels, including modern IT means such as online voting platform, expand the involvement of public shareholders in the general meeting.

Article 95 Unless a prior approval in the form of special resolution is obtained at a general meeting, the Company shall not enter into any contract with any party other than the directors and senior management officers pursuant to which such party shall be responsible for management of the whole or any substantial part of the Company's business, save when the Company is in a crisis.

Article 96 The list of candidate for directors shall be submitted to the general meeting by way of a proposal.

When the general meeting votes on the election of directors, the accumulative voting system may be implemented in accordance with the provisions of the Articles of Association or the resolution of the general meeting.

Cumulative voting shall be adopted for the election of two or more independent non-executive directors at a general meeting.

Article 97 For a matter relating to the election of directors is proposed to be discussed at the general meeting, the notice of the meeting shall fully disclose the detailed information of the candidates for directors, which should at least include the following:

- (1) personal information such as educational background, working experience, and any part-time job;
- (2) whether there is any connected relationship between them and the Company or its controlling shareholder(s) or beneficial owner(s);
- (3) their shareholdings in the Company;
- (4) whether or not they have been subject to any punishment by China Securities Regulatory Commission or other related authorities or stock exchanges.

In addition to adopting the accumulative voting system to elect directors, each of the candidates for directors shall be proposed in a separate motion.

Under the aforesaid accumulative voting system, each share carrying voting right is entitled to such number of votes equivalent to the number of director candidates which may be pooled in the course of the election of directors at the shareholders' general meeting. The board of directors shall make a public announcement to the shareholders concerning the biographies and general information of the candidates for directors.

Article 98 In addition to the cumulative voting system, voting for all motions shall be conducted on an item-by-item basis. For the different motions on the same matter, voting related thereto shall be conducted based on the chronological order of proposing the motions. Unless a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no motion shall be set aside or rejected for voting at the general meeting.

Article 99 When considering a motion at the general meeting, no change will be made thereto; whenever change is made thereto, the relevant change shall be treated as a new motion which cannot proceed for voting at this general meeting.

Article 100 Before a resolution is voted on at a general meeting, two shareholders representatives shall be elected as vote counters and scrutinizers. Any shareholder who is related to the matter under consideration and proxies of such shareholder shall not participate in vote counting or scrutinizing.

When the shareholders are voting on the proposed resolutions, lawyers, shareholder representatives, auditors and/or the share registrar shall count and scrutinize the votes jointly, and the voting result will be announced forthwith. Voting on the resolutions will be recorded in the minutes of meeting.

Shareholders of the Company or their proxies who cast votes via network or other means shall be entitled to review their own voting result through the relevant voting system.

The on-site voting shall not end earlier than the network voting or any other method of voting at the shareholders' general meeting. The chairperson of the meeting shall announce details of voting in connection with each proposed resolution, the voting result and whether the proposed resolution is passed in accordance with the voting result.

Before the formal announcement of the voting result, the related parties including companies, vote counters, scrutineers, shareholders and network service providers at the meeting or participating in on-site voting, network voting or other methods of voting, shall bear the duty of confidentiality of the voting.

Article 101 Shareholders attending the general meeting shall submit their voting in the following ways: "for", "against" or "abstain", except for the declaration by securities depository and clearing institution as the nominee holder of shares under the Mainland-Hong Kong Stock Connect, based on the actual holders' intentions.

Ballot papers that are left blank, unduly completed or illegible or that have not been used, are regarded as the voter having waived his voting rights, and the voting results corresponding to the shares in their possession shall be treated as "abstain from voting".

Article 102 Resolutions of a general meeting shall be announced timely, and the announcement shall contain the number of shareholders and proxies present, the total number of voting rights and the percentage of their voting rights to the total of voting shares of the Company, means of voting, the voting result for each motion and the details of each resolutions.

Article 103 If a motion is not passed, or if a previous resolution is changed by the present general meeting, special highlight in connection therewith should be made in the announcement of the resolutions of the general meeting.

Article 104 In event that a motion in relation to election of directors is passed at a general meeting, the term of office for the newly elected directors shall be announced in the announcement of resolutions passed at the general meeting.

Article 105 When the general meeting has passed motions regarding cash distribution, bonus issue or conversion of statutory surplus reserve into capital, the specific proposals shall be implemented within 2 months after the close of this general meeting.

Article 106 Shareholders who request for the convening of an extraordinary general meeting or a class shareholder meeting shall comply with the following procedures:

Any shareholders individually or aggregately holding more than 10% of the shares of the Company are entitled to request, in writing, to the board of directors to convene an extraordinary general meeting or class meeting. The board of directors shall reply, in writing, within ten (10) days of receiving such request, whether it consents to such request in accordance with the provisions of the laws, administrative regulations and the Articles of Association.

If the board of directors agrees to convene an extraordinary general meeting or a class meeting, the board of directors shall give the notice convening an extraordinary general meeting or class meeting within five (5) days after it has passed the relevant resolution. Any change to the original request is subject to the consent of the relevant shareholders.

If the board of directors rejects to convene such a general meeting or class meeting or fails to reply within ten (10) day of receiving such request, such shareholders individually or aggregately holding more than 10% of the shares of the Company are entitled to request, in writing, to the audit committee to convene such an extraordinary general meeting or a class meeting.

If the audit committee agrees to convene an extraordinary general meeting or a class meeting, the audit committee shall give the notice convening an extraordinary general meeting or a class meeting within five (5) days of receiving such request. Any change to the original request is subject to the consent of the relevant shareholders.

If the audit committee fails to give a notice convening such a general meeting or class meeting within the prescribed time, it shall be deemed as having failed to convene and preside at such a general meeting or class meeting, in which circumstance, shareholders individually or aggregately holding more than 10% of the shares of the Company are entitled to convene and preside at the meeting after ninety (90) consecutive days.

Article 107 The board of directors shall timely convene the general meeting within a prescribed time frame.

With the approval by a majority of all independent non-executive directors, independent non-executive directors are entitled to propose to the board of directors to convene an extraordinary general meeting. The board of directors shall, in accordance with the laws, administrative regulations and these Articles of Association, furnish a written reply agree or disagree to the convening of an extraordinary general meeting within 10 days after receiving such proposal from the independent non-executive directors.

In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within 5 days after the passing of the relevant board resolution. In the event that the board of directors does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given by way of announcement.

Article 108 The audit committee is entitled to propose the convening of an extraordinary general meeting to the board of directors, provided that such proposal shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within 10 days after receiving such proposal.

In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within 5 days after the passing of the relevant resolution of the board of directors. Any change to the original proposal made in the notice requires prior approval of the audit committee.

In the event that the board of directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such proposal, the board of directors shall be deemed as incapable of performing or failing to perform the duty of convening a general meeting, in which case the audit committee may convene and preside over such meeting on an unilateral basis.

Article 109 If the audit committee or shareholders determine to convene a general meeting on their own, they shall give a written notice to the board of directors and file the same with the stock exchange(s) for records.

The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting.

The audit committee or the convening shareholder shall submit relevant evidence to the stock exchange(s) upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.

Article 110 The board of directors and the secretary to the board of directors shall cooperate with respect to matters relating to a general meeting convened by the audit committee or shareholders at their own discretion. The board of directors will provide the register of shareholders as of the date of record date.

Article 111 Expenses arising from convening of a general meeting by the audit committee or shareholders shall be borne by the Company.

Article 112 The general meetings shall be presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable or fails to perform his duty, the general meetings shall be presided over by a director jointly elected by no less than one half of the directors.

A general meeting convened by the audit committee shall be presided over by the convener of the audit committee. If the convener of the audit committee is unable to perform his duties or has failed to perform his duties, a member of the audit committee elected by a majority of the members of the audit committee shall preside over the meeting.

Shareholders may convene the general meeting themselves and the convener or a representative nominated by the convener shall preside over the meeting.

In the event that when convening the general meeting, the person presiding over the general meeting violates the rules of procedures so that the meeting could not proceed, another person may be nominated to preside over the meeting, subject to the approval of shareholders attending the meeting entitled to more than half of the voting rights.

Article 113 If the presiding person of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders' meeting, he may organise vote counting. If the presiding person of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the presiding person of the meeting may, immediately after the declaration of the voting result, demand that the votes be counted and the presiding person of the meeting shall organise vote counting immediately.

Article 114 When the general meeting is considering matters in relation to connected transactions, the connected shareholders shall not vote and the voting shares they held shall not be counted towards the total valid votes. The announcement of the resolution of the general meeting should fully disclose the votes of non-connected shareholders.

Subject to the knowledge of the Company, when a shareholder, pursuant to securities listing rules of Hong Kong Exchanges and Clearing, gives up his voting right or only can vote in favor of or against a matter, votes by shareholders themselves or their proxies violating relevant provisions or restrictions shall not be included in the voting result.

Article 115 Matters with respect to the number of attendees, number of shares held by attending shareholders, power of attorney, voting result for each matter, the minutes and procedures of the meeting may be notarized.

Article 116 Copies of the minutes of proceedings of any shareholders' meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder requests for a copy of such minutes from the Company, the Company shall send a copy of such minutes to him within seven days after receipt of reasonable fees.

CHAPTER 9: SPECIAL PROCEDURES FOR VOTING BY A CLASS OF SHAREHOLDERS

Article 117 Those shareholders who hold different classes of shares are class shareholders.

Class shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations and the Company's Articles of Association.

Article 118 Rights conferred on any class of shareholders may not be varied or abrogated save with the approval of a special resolution at a general meeting and by holders of shares of that class at a separate meeting convened in accordance with Article 137 to Article 140.

Article 119 The following circumstances shall be deemed to be variation or abrogation of the rights attaching to a particular class of shares:

- (1) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having voting or distribution rights or privileges equal or superior to those of shares of that class;
- (2) to exchange all or part of the shares of that class for shares of another class or to exchange or to create a right to exchange all or part of the shares of another class for shares of that class;
- (3) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of that class;
- (4) to reduce or remove preferential rights attached to shares of that class to receive dividends or to the distribution of assets in the event that the Company is liquidated;
- (5) to add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to shares of that class;
- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of that class;
- (7) to create a new class of shares having voting or distribution rights or privileges equal or superior to those of the shares of that class;
- (8) to restrict the transfer or ownership of shares of that class or to increase the types of restrictions attaching thereto;

- (9) to allot and issue rights to subscribe for, or to convert the existing shares into, shares in the Company of that class or another class;
- (10) to increase the rights or privileges of shares of another class;
- (11) to restructure the Company in such a way so as to result in the disproportionate distribution of obligations between the various classes of shareholders;
- (12) to vary or abrogate the provisions of this Chapter.

Article 120 Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' general meetings, have the right to vote at class meetings in respect of matters concerning sub-paragraphs (2) to (8), (11) and (12) of Article 135, but interested shareholder(s) shall not be entitled to vote at such class meetings.

“(An) interested shareholder(s)”, as such term is used in the preceding paragraph, means:

- (1) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company or by way of public dealing on a stock exchange pursuant to Article 30, a “controlling shareholder” within the meaning of Article 60.
- (2) in the case of a repurchase of shares by an off-market agreement pursuant to Article 30, a holder of the shares to which the proposed agreement relates.
- (3) in the case of a restructuring of the Company, a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class under the proposed restructuring or who has an interest in the proposed restructuring different from the general interests of the shareholders of that class.

Article 121 Resolutions of a class of shareholders shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting who, according to Article 136, are entitled to vote thereat.

Article 122 When the Company convenes a class meeting, it shall give notice in accordance with Article 74 herein in relation to the requirement of notice period for convening extraordinary general meetings. Such notice shall give such shareholders who are registered as holders of that class in the register of shareholders notice of the matters to be considered at such meeting, the date and the place of the class meeting.

Article 123 Notice of class meetings need only be served on shareholders entitled to vote thereat. Class meetings shall be conducted in a manner which is as similar as possible to that of shareholders' general meetings. The provisions of the Company's Articles of Association related to the procedures of general meetings are also applicable to class meetings.

Article 124 Apart from the holders of other classes of shares, the holders of the domestic-invested shares and holders of overseas-listed foreign-invested shares shall be deemed to be holders of different classes of shares.

The special procedures for approval by a class of shareholders shall not apply in the following circumstances:

- (1) where the Company issues, upon the approval by special resolution of its shareholders at a general meeting, either separately or concurrently once every twelve months, not more than 20% of each of its existing issued domestic-invested shares and overseas-listed foreign-invested shares;
- (2) where the Company's plan to issue domestic-invested shares and overseas-listed foreign-invested Shares at the time of its establishment is carried out within fifteen months from the date of approval of the securities authority of the State Council.

CHAPTER 10: PARTY COMMITTEE

Article 125 According to requirements of the Constitution, the Company shall establish an organization under the Communist Party of China. The Party organization will play a core leadership and core political role, managing the general situation and ensuring the implementation. The Company shall establish the related working organs of the Party which shall be equipped with sufficient staff to provide the necessary conditions for the activities carried out by the Party Organization.

The Company established the Committee of the Communist Party of the PRC of Beijing Jingcheng Machinery Electric Company Limited (hereinafter referred to as the "**Party Committee of the Company**") and the Discipline Inspection Commission of the Communist Party of the PRC of Beijing Jingcheng Machinery Electric Company Limited Disciplinary Inspection Committee (hereinafter referred to as the "**Discipline Inspection Commission of the Company**"). According to the laws and regulations of the PRC, the laws of the venues of listing or the relevant provisions of the stock exchanges, eligible members of the Party Committee of the Company may take seats in the board of directors and the senior management through statutory procedures, while eligible members of the board of directors and the senior management may take seats in the Party Committee of the Company in accordance with relevant rules and procedures.

Article 126 The Party Committee of the Company shall perform the following duties in accordance with the internal regulations included in the Constitution.

- (1) Guarantee and supervise the implementation of policies and guidelines of the Party and the State and key strategic deployment of higher-level Party organizations in the Company.
- (2) Insist on the integration of the principle that the Party manages the officials with the function of the Board in the lawful selection of the management and with the lawful exercise of authority of appointment, promotion and demotion of personnel by the management to support the lawful exercise of powers by the general meeting, the board of directors and the general manager. During the election or appointment of senior management of the Company, the members of the Party Committee of the Company shall carefully consider, conduct investigations on the candidates to be appointed and collective research to raise opinions and suggestions.
- (3) Study and discuss reform, development and stability of the Company, material operation and management issues and material issues concerning employees' immediate interests, and propose opinions and suggestions thereon.
- (4) Assume the primary responsibility to run the Party comprehensively with strict disciplines, lead the Company's ideological and political work, the United Front work, the cultural and ethical progress, corporate culture cultivation as well as the work of groups such as the Labor Union of the Company and the Communist Youth League, lead the construction of the Party's working style and its clean and honest administration, and support the Discipline Inspection Commission in earnestly performing its supervisory responsibilities.

CHAPTER 11: BOARD OF DIRECTORS

Article 127 The board of directors is established to consist of 11 directors, 4 of which are independent non-executive directors. The board shall have 1 chairman.

Article 128 Directors shall be elected at general meetings, with a term of office of 3 years. At the expiry of a director's term of office, the term is renewable upon re-election.

The board of directors and shareholder(s) individually or jointly holding more than 1% of the Company's shares may nominate candidate(s) for non-independent directors, and the board of directors and the shareholder(s) individually or jointly holding more than 1% of the Company's shares in issue may nominate candidate(s) for independent directors. An investor protection agency established by law may publicly request shareholders to entrust it with the right to nominate independent non-executive directors on their behalf.

A written notice stating the intention to nominate a candidate for the position of director and the willingness of this person to accept the nomination shall be sent to the Company after the dispatch of the notice of the meeting and no later than seven days prior to the date of such meeting.

The chairman shall be elected by more than one half of all the members of the board of directors. The term of office for the chairman is three years, which is renewable upon re-election.

Subject to compliance with all relevant laws and administrative regulations, the general meeting of the shareholders may, by ordinary resolution, which shall come into effect from the date on which such resolution is made, remove any director before the expiry of his term. Where a director is removed from office prior to expiration of his/her term of office without reasonable cause, the director may demand compensation from the Company.

A director needs not hold the shares of the Company.

A senior officer may hold a concurrent post as a director. However, the total number of directors who are serving concurrently as senior officers and directors from employees' representatives cannot exceed half of the total number of the Company's directors.

Article 129 The board of directors may retain honorary adviser(s) as is necessary.

Article 130 The board of directors exercises the following powers:

1. to convene the general meetings and report its work to the general meetings;
2. to implement the resolutions passed at the general meetings;
3. to decide on the Company's business plans and investment schemes;
4. to formulate the Company's profit distribution plan and loss recovery plan;
5. to formulate proposals for increase or reduction of the Company's registered capital and the issue of corporate debentures;
6. to draw up proposals for important acquisition, purchase of the Company's share, or combination, division, dissolution and change in the form of the Company;
7. to decide within the authorization of the general meeting on investment, purchase, sale or mortgage of assets, guarantee, wealth management, related transaction, external donation and the like;
8. to determine the establishment of the Company's internal management structure;
9. to decide on the appointment or dismissal of the Company's manager, secretary of the board of directors and other senior officers and to determine matters in relation to their remuneration, rewards and penalties, to appoint or dismiss as nominated by the manager deputy managers, financial officers, chief engineers, general counsel and other senior officers of the Company, and to determine matters in relation to their remuneration, rewards and penalties;

10. to formulate basic management policy for the Company;
11. to formulate proposed amendments to the Articles of Association;
12. to manage the Company's information disclosure;
13. to determine the Company's interim dividend distribution plan;
14. to propose to the general meeting to appoint or dismiss an accountancy firm as the internal control auditor;
15. to listen to the work report by the manager of the Company and inspect their work;
16. to exercise other powers conferred by laws, administrative regulations, departmental rules or the Articles of Association;
17. to exercise any other powers conferred by the shareholders at the general meetings.

Except for the resolutions of the board of directors in respect of the matters specified in items 5, 6 and 11 which shall be passed by two-thirds or more of the directors, the resolutions of the board of directors in respect of any other aforesaid matters may be passed by more than half of the directors.

Article 131 The board of directors shall not, without the prior approval of a general meeting, dispose or agree to dispose of any fixed assets of the Company, where the aggregate of the amount or value of the proposed disposition and any such disposition of any fixed assets of the Company that has been completed in the period of four months immediately preceding the proposed disposition, exceeds 33% of the Company's fixed assets as shown in the latest balance sheet considered at the general meeting.

For the purposes of this Article, "disposition" includes an act involving the transfer of an interest in assets, but does not include the usage of fixed assets for the provision of security.

The validity of a disposition by the Company shall not be affected by any breach of the first paragraph of this Article.

Article 132 The board of directors shall account for the non-standard auditing opinions provided by the certified public accounts with respect to the Company's financial reports.

Article 133 The board directors shall formulate rules of procedures for board meeting so as to ensure the implementation of resolutions adopted at the general meeting, better work efficiency and scientific decision making.

Rules of procedures for board meeting, as an appendix to the Articles of Association, shall be prepared by the board of directors and approved by the general meeting of the shareholders.

Article 134 The Chairman is entitled to exercise the following powers:

- (1) to preside over general meetings, to convene and preside over board meetings and to lead the daily work of the board of directors;
- (2) to supervise and monitor the implementation of resolutions of the board of directors;
- (3) to exercise certain powers of the board of directors in accordance with authorization of the board during intermissions of the meetings of the board of directors;
- (4) to sign shares, corporate debentures and other securities of the Company;
- (5) to nominate candidates for managers, secretary of the board and financial officers;
- (6) to sign documents for appointment or dismissal of the Company's managers, deputy managers, secretary of the board of directors, financial officers or other senior officers in accordance with decision of the board of directors;
- (7) to sign important documents of the board of directors and other documents that should be signed by the legal representative of the Company;
- (8) to exercise the powers of the legal representative;
- (9) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which comply with legal provisions and are in the interests of the Company on matters of the Company and provide post-event reports to the board and the general meeting;
- (10) to exercise any other powers conferred by the board of directors.

In event that the chairman is unable to or does not perform his powers, a director named by more than half of the directors may perform such powers.

Article 135 There shall be at least 4 regular meetings of the board of directors in a year, approximately 1 meeting for every quarter, which shall be convened by the chairman of the board. A notice shall be sent to each director by means of EMS, registered mail, email or special personal delivery fourteen days before the meeting.

The notice of the board meeting shall include the following:

- (1) Date and place of the meeting;
- (2) Duration of the meeting;

(3) Reasons and subject matters;

(4) Date of issuing the notice.

Shareholders representing one tenth or more of voting rights, one third or more of directors or the audit committee may propose to convene an extraordinary board meeting. The chairman of the board shall convene and preside over a board meeting within ten days upon receiving such proposal.

An extraordinary board meeting shall be notified in the same means for a regular board meeting. However, the notice shall be dispatched at least eight hours in advance and no later than ten days before the meeting.

Article 136 The agenda and other documents related to a regular board meeting shall be timely sent to all directors at least three days before the proposed date of meeting for the board of directors or a committee under it.

Notice of a meeting shall be deemed to have been given to any director who attends the meeting or a person who is present at the meeting without protesting against, before or at its commencement, any lack of notice.

Article 137 A board meeting shall only be convened if over half of the directors are present.

Each director has one vote. Any resolution requires the affirmative votes of more than half of all directors in order to be passed.

Article 138 The board of directors may use a written resolution in lieu of a board meeting provided that a draft of such written resolution shall be delivered to each director in person, or by mail or fax. If the board of directors has delivered such proposed written resolution to all the directors and the directors who signed and approved such resolution have reached the required quorum, and the same has been delivered to the secretary of the board of directors, such resolution shall become a board resolution and there is no need to hold a board meeting.

Article 139 Any regular or extraordinary board meeting may be held by way of teleconference or similar communication equipment so long as all directors participating in the meeting can clearly hear and communicate with each other. All such directors shall be deemed to be present in person at the meeting.

Article 140 A director shall attend the board meeting in person, or appoint in writing other director to attend the meeting on his behalf if he fails to attend due to certain reasons. The power of attorney shall set out the scope of the authorization.

The director attending the meeting on behalf of the entrusting director shall only exercise the rights within the scope of authorities. If a director fails to attend a board meeting or fails to appoint another director to attend on his behalf, the said director shall be deemed to have waived his voting rights at the said meeting.

Article 141 If a director or his/her associate (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) has a connected relationship with a company or individual involved in a matter to be resolved at a board meeting, the director shall promptly report such relationship to the board of directors in writing. Unless exempted by the relevant listing rules, laws or regulations in the PRC or Hong Kong, connected directors shall not exercise their voting rights on the resolution nor act as proxies for other directors to exercise their voting rights. A majority of non-connected directors shall form a quorum of the board meeting, with the resolution required to be approved by a majority of non-connected directors. If the number of non-connected directors attending the board meeting is less than three, the matter shall be submitted to the general meeting for consideration.

Article 142 Minutes shall be prepared for the resolutions of the matters put to the meeting of the board of directors for consideration, which shall be signed by the directors and the recorder present at the meeting and be maintained for a period of ten years. Directors shall be responsible to resolutions of the Board. If a resolution of the Board constitute violation of the laws, regulations, the Articles of Associations or resolution of general meetings, which causes material loss to the Company, the directors who have participated in passing the resolution shall be liable for compensation to the Company. But if it is proven and recorded in the minutes that the director has expressly objected to the resolution, such director may be exempted from such liabilities.

Article 143 The following information shall be stated in minutes of board meetings:

- (1) the date and venue of the meeting and name of the convener;
- (2) the names of the directors present at the meeting and the names of directors (proxies) entrusted to attend the meeting;
- (3) agenda of the meeting;
- (4) important points of a director's speech;
- (5) voting manner and result of each voted manner (the voting result shall state the number of consenting, dissenting and abstention votes).

Article 144 The board of directors of the Company shall establish an audit committee to exercise the powers of the supervisory committee as set out in the Company Law.

Article 145 The audit committee shall consist of three members, elected by the board of directors of the Company, who shall be directors not serving as senior officers of the Company. A majority of the members shall be independent non-executive directors, with an independent non-executive director with a professional accounting background serving as the convener.

Article 146 The audit committee shall be responsible for reviewing the financial information of the Company and the disclosure thereof, as well as supervising and assessing internal and external audits and internal control. The following matters shall be submitted to the board of directors for consideration after being approved by a majority of all members of the audit committee:

- (1) disclosure of the financial information in financial and accounting reports and regular reports, and the internal control assessment report;
- (2) appointment or dismissal of accountancy firms which undertake the audit work of the Company;
- (3) appointment or dismissal of the financial officers of the Company;
- (4) changes in accounting policies or accounting estimates or corrections of significant accounting errors for reasons other than changes in accounting standards;
- (5) other matters as required by laws, administrative regulations, the CSRC, the rules of procedure of the audit committee of the board of directors and these Articles of Association.

Article 147 The audit committee shall convene at least one meeting during each quarter. An extraordinary meeting may be convened when two or more members of the committee propose, or the convener deems necessary. The quorum of a meeting of the audit committee shall be more than two thirds of the members.

Any resolution of the audit committee shall be passed by a majority of its members.

When voting on a resolution of the audit committee, each director shall have one vote.

Resolutions of the audit committee shall be recorded in accordance with relevant regulations, and the members of the audit committee attending the meeting shall sign the meeting minutes.

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

Article 148 The board of directors of the Company shall set up other specialised committees including the strategy committee, the nomination committee and the remuneration and monitoring committee. These committees shall be authorized by these Articles of Association and the board of directors to perform their duties, and proposals of these specialised committees shall be submitted to the board of directors for consideration and approval. The rules of procedure of these specialised committees shall be formulated by the board of directors. Members of the special committees are all directors. Among which, a majority of members of the nomination committee and remuneration and monitoring committee shall be independent non-executive directors who shall also be the conveners.

Independent non-executive directors shall perform their duties in the special committees of the board of directors of the Company in accordance with the laws, administrative regulations, the provisions of the CSRC, the rules of the stock exchange and the Articles of Association of the Company. Independent non-executive directors shall attend the meetings of the special committees in person, and if they are unable to attend the meetings in person for any reason, they shall review the materials of the meetings in advance, form a definite opinion and entrust other independent non-executive directors in writing to attend the meetings on their behalf. When the independent non-executive directors are concerned about major matters of the Company within the scope of work of a special committee in the performance of their duties, they may, in accordance with the procedures, submit them to the special committee for discussion and deliberation in a timely manner.

Article 149 The nomination committee of the board of directors is responsible for formulating the criteria and procedures for selection of the directors and senior management, selection and examination of the candidates for directors and senior management and their qualifications, and providing recommendations to the board of directors on the following matters:

- (1) nomination, appointment or dismissal of the directors;
- (2) appointment or dismissal of senior management;
- (3) other matters stipulated by the laws, administrative regulations, the regulations of the CSRC, the Articles of Association, and the terms of reference of the nomination committee of the board of directors.

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

Article 150 The remuneration and monitoring committee is responsible for setting appraisal standards for directors and senior management and evaluating thereof, formulating and reviewing the remuneration policies and proposals for directors and senior management such as the mechanism for determining remuneration, decision-making procedures and recourse arrangements for payment and stop-payment, and making recommendations to the board of directors on the following matters:

- (I) The remuneration of directors and senior management;
- (II) Formulating or revising equity incentive schemes and employee stock ownership plans, and conditions for the grant of interests to incentive participants and the exercise of interests;
- (III) The arrangement of stock ownership plans for subsidiaries to be spun off by directors and senior management;
- (IV) Other matters as required by laws, administrative regulations, the regulations of the CSRC, the Articles of Association, and the terms of reference of the remuneration and monitoring committee of the board of directors.

In the event that the board of directors has not adopted or fully adopted the recommendations of the remuneration and monitoring committee, it shall state the opinions of the remuneration and monitoring committee and the specific reasons for not adopting in the resolutions of the board of directors, and disclose such matter.

The remuneration appraisal mechanism of directors and senior management of the Company shall be implemented with reference to the remuneration management system and other relevant internal management systems of the Company.

Article 151 The primary duties and functions of the strategy committee shall include conducting research and making recommendations on the long-term development strategies and major investment decisions of the Company.

Article 152 The board of directors may set aside a special fund as per 3% of annual sales income, for paying independent non-executive directors' remunerations and allowances, exchange and training expenses of relevant persons and other items approved by the chairman of the board.

CHAPTER 12: INDEPENDENT NON-EXECUTIVE DIRECTORS

Article 153 An independent non-executive director shall comply with laws and administrative regulations as well as the requirements of the CSRC, the Shanghai Stock Exchange, the Hong Kong Stock Exchange and these Articles of Association, perform their duties in good faith and play a role in decision-making, overseeing check-and-balance and providing professional advice as a member of the board of directors, thus safeguarding the overall interests of the Company and protecting the legitimate interests of minority shareholders.

Article 154 An independent non-executive director shall remain independent. The following persons shall not act as independent non-executive directors:

- (1) persons employed by the Company or its subsidiaries and their spouses, parents, children and major social relations;
- (2) natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or who are among the top ten shareholders of the Company, as well as their spouses, parents and children;
- (3) persons employed by shareholders of the Company which directly or indirectly hold more than 5% of the issued shares of the Company or which are among the top five shareholders of the Company, as well as their spouses, parents and children;
- (4) persons employed by the subsidiaries of the Company's controlling shareholders or beneficial owners and their spouses, parents and children;
- (5) persons who have major business dealings with the Company and its controlling shareholders or beneficial owners or their respective subsidiaries, or persons employed by units which have major business dealings with the above entities and the controlling shareholders or beneficial owners of such units;

- (6) persons who provide financial, legal, consulting and sponsorship services to the Company and its controlling shareholders or beneficial owners or their respective subsidiaries, including but not limited to all project team members, reviewers at all levels, persons who sign off reports, partners, directors, senior management officers and principal persons in charge of intermediary agencies providing such services;
- (7) persons who, in the past twelve months, belonged to any group of persons as described in items (1) to (6) above;
- (8) other persons who do not meet the independence requirements under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
- (9) other persons who do not possess independence in accordance with laws, administrative regulations, the provisions of the CSRC, the business rules of stock exchanges and these Articles of Association.

The subsidiaries of the Company's controlling shareholders or beneficial owners as referred to in items (4) to (6) above do not include companies which are controlled by the same state-owned asset administration institution as the Company and which do not have a connected relationship with the Company in accordance with relevant regulations.

Independent non-executive directors shall conduct a self-assessment of their independence on an annual basis and submit the self-assessment results to the board of directors. The board of directors shall assess the independence of incumbent independent non-executive directors on an annual basis and issue a special opinion in relation thereto, which shall be disclosed at the same time as the annual report.

Article 155 Independent non-executive directors shall meet the following conditions:

- (1) being qualified to assume the office of a director in a listed company in accordance with laws, administrative regulations and other relevant provisions;
- (2) being independent as provided in these Articles of Association;
- (3) having the basic knowledge about the operation of a listed company and being familiar with relevant laws, regulations and rules;
- (4) having no less than five years of working experience in the legal, accounting or economic profession required for performing the duty of an independent director;
- (5) having good personal character without major breach of trust or other adverse records;
- (6) other conditions specified by laws, administrative regulations, the provisions of the CSRC, business rules of Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and these Articles of Association.

Article 156 As a member of the board of directors, an independent non-executive director has obligations of loyalty and diligence to the Company and all its shareholders, and shall prudently perform the following duties:

- (1) Participating in the decision-making of the board of directors and expressing explicit opinions on the matters considered;
- (2) Overseeing potential material conflicts of interest between the Company and its controlling shareholders, beneficial owners, directors and senior management, and protecting the legitimate interests of minority shareholders;
- (3) Providing professional and objective advice on the operation and development of the Company and promoting the improvement of the decision-making level of the board of directors;
- (4) Other duties prescribed by laws, administrative regulations, CSRC regulations and these Articles of Association.

Article 157 The independent non-executive directors may exercise the following special duties and functions:

- (1) independently engaging an intermediary organisation to audit, consult or verify specific matters of the Company;
- (2) proposing to the board of directors the holding of extraordinary general meetings;
- (3) proposing the holding of board meetings;
- (4) publicly soliciting shareholders' rights from shareholders according to law;
- (5) expressing independent opinions on matters that may be detrimental to the rights and interests of the Company or minority shareholders;
- (6) other matters stipulated by laws, administrative regulations, CSRC regulations and these Articles of Association.

In exercising the duties and functions set out in items 1 to 3 of the paragraph above, the consents of more than one-half of all independent non-executive directors shall be obtained.

Where an independent non-executive director exercises his/her duties and functions under item 1, the Company shall make timely disclosure. Where the above duties and functions cannot be exercised normally, the Company will disclose the specific circumstances and reasons.

Article 158 The following matters shall be submitted to the board of directors for consideration after approval by the majority of all independent non-executive directors of the Company:

- (1) Connected transaction which shall be disclosed;
- (2) Plans involving change or waiver of undertaking by the Company and relevant parties;
- (3) Decisions and measures adopted by the board of directors of an acquiree listed company in respect of the acquisition;
- (4) Other matters stipulated under provisions of the laws, administrative regulations and CSRC and these Articles of Association.

Article 159 The Company shall establish a mechanism in relation to special meetings, which shall consist entirely of independent non-executive directors. Matters such as connected transactions to be considered by the board of directors shall obtain prior approval at a special meeting of independent directors.

The Company shall regularly or irregularly convene special meetings of independent directors. Matters described in items (1) to (3) of the first paragraph of Article 157 and Article 158 of these Articles of Association shall be considered at a special meeting of independent directors.

When necessary, other matters of the Company may also be deliberated on and discussed at a special meeting of independent directors.

A special meeting of independent directors shall be convened and chaired by an independent non-executive director jointly elected by a majority of the independent non-executive directors. Where the convener fails to perform his/her duties or is unable to perform his/her duties, two or more independent non-executive directors may convene the meeting and elect a representative to preside over the meeting.

Minutes of special meetings of independent directors shall be taken in accordance with relevant regulations, with the opinions of independent non-executive directors recorded therein. Independent non-executive directors shall sign the minutes as confirmation.

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

CHAPTER 13: SECRETARY OF THE BOARD OF DIRECTORS

Article 160 The board of director shall have the secretary, who is a senior officer of the Company.

Article 161 The secretary of the board of directors of the Company shall possess professional knowledge in finance, management and law necessary for the performance of his/her duties, as well as good professional ethics and personal qualities.

The secretary of the board of directors shall be responsible for the preparation of the general meeting and board of directors' meetings of the Company, the custody of documents as well as the management of the Company's shareholders' information, and the handling of information disclosure affairs. The secretary of the board of directors shall comply with the laws, administrative regulations, departmental rules and relevant provisions of the Articles of Association.

Article 162 The Company shall establish and improve its investor relationship management policy, and through various means, actively strengthen the communication and exchange with shareholders and public shareholders in particular. The secretary of the board is responsible for the Company's investor relationship management.

Article 163 A director or other senior officer of the Company may also act as the secretary of the board of directors. The certified public accountancy firm which has been appointed by the Company to act as its auditors shall not act as the secretary of the board.

Where the office of secretary is held concurrently by a director, and an act is required to be performed by a director and a secretary separately, the person who holds the office of director and secretary may not perform the act in a dual capacity.

CHAPTER 14: COMPANY MANAGER

Article 164 The Company shall have 1 manager, whose appointment and removal shall be decided by the board of directors.

Article 165 The manager shall be accountable to the board of directors, and shall exercise the following powers:

- (1) to take charge of the Company's production, operation and management, to organize the implementation of the board resolutions, and to report to the board of directors;
- (2) to organize the implementation of the Company's annual business plan and investment scheme;
- (3) to draw up plans for the establishment of the Company's internal management structure;
- (4) to draw the Company's basic management system;
- (5) to formulate basic rules and regulations for the Company;
- (6) to propose the appoint or removal of deputy managers and financial officers of the Company;
- (7) to appoint or dismiss the management personnel other than those required to be appointed or dismissed by the board of directors;
- (8) other powers conferred by the Articles of Association or the board of directors.

Article 166 The manager shall be present at the board meeting, and the manager who is not a director does not have any voting rights at board meetings.

Article 167 The manager, deputy managers, financial officers, secretary of the board, chief engineers and general counsel are senior officers of the Company.

A person holding a non-director position or a non-supervisor administrative position in a controlling shareholder of the Company shall not be a senior officer of the Company.

Senior officers of the Company shall receive remuneration only from the Company, and such shall not be paid by the controlling shareholder on behalf of the Company.

Article 168 The manager shall formulate detailed working rules and implement such rules upon the approval by the board of directors.

Article 169 Working rules for the manager shall include the following information:

- (1) Conditions, procedures and attendees for the manager meeting;
- (2) respective powers and duties for the manager and other senior officers;
- (3) authority of using the Company's funds and assets and signing important contracts, and the reporting system to the board of directors;
- (4) other matters deemed necessary by the board of directors.

Article 170 The manager may resign his position before the expiry of his term. Specific procedures and methods related to the manager's resignation shall be specified in the labor contract between the manager and the Company.

Article 171 Where a senior officer causes damage to others while performing his/her duties, the Company shall bear the liability for compensation. If the senior officer at fault does so with intent or gross negligence, he/she shall also be liable for compensation.

A senior officer shall be liable for compensation if he has violated laws, administrative regulations, departmental rules and the Articles of Association in the course of performing his duties and caused damages to the Company.

Senior officers of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Senior officers of the Company shall be liable for compensation in accordance with the relevant laws if they fail to faithfully perform their duties or breach their fiduciary duty and cause damage to the interests of the Company and its public shareholders.

Article 172 The manager shall faithfully and diligently perform his duties in accordance with laws, administrative regulations and the Articles of Association.

CHAPTER 15: QUALIFICATIONS AND DUTIES OF THE COMPANY'S DIRECTORS AND SENIOR OFFICERS

Article 173 A person may not serve as a director or senior officer of the Company if any of the following circumstances apply:

- (1) a person having no or limited capacity for civil conduct;
- (2) a person who is imposed any criminal penalty due to corruption, bribery, embezzlement, appropriation of property or jeopardizing the socialist market economic order, or if the person is deprived of the political rights due to committing crime, and the expiry of execution of such deprival is less than five years, or if the person has been granted a suspended sentence of which the expiry of the probation period of the suspended sentence is less than two years;
- (3) a person who is a former director or manager of a company or an enterprise which has been dissolved or put into liquidation as a result of mismanagement, and is personally liable for the winding up of such company or enterprise, with completion of the bankruptcy liquidation being less than three years ago;
- (4) a person who is a former legal representative of a company or an enterprise the business license of which was revoked or ordered to close down due to violation of law and is personally liable therefor, with revocation of the business license being less than three years ago;
- (5) a person who is listed as a dishonest party by the People's Court because the person has a relatively large amount of debts which have become overdue;
- (6) a person who is currently under investigation by judicial organs for violation of criminal law;
- (7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;
- (8) a person other than a natural person;
- (9) a person who has been convicted by the competent authority for violation of relevant securities regulations and fraudulent or dishonest actions, with the conviction being made less than five years ago;
- (10) a person who has been prohibited from entering the securities market by the CSRC for a period which has not expired yet;
- (11) a person who has been publicly recognised by a stock exchange to be unsuitable for serving as a director and senior officer of a listed company for a period which has not expired yet;

(12) a person who is involved in any other circumstance specified by laws, administrative regulations or departmental rules. If the election or appointment of directors violates this Article, such election, appointment or employment shall be invalid. If any of the circumstances described in this Article occurs during the term of office of a director, the Company shall remove the director from the position and suspend the director from performing his/her duties.

Article 174 If a director fails to attend the board meeting in person twice consecutively or by proxy, such director shall be deemed as failing to perform his duties, and the board of directors shall propose the general meeting to dismiss him. Independent non-executive directors shall be handled in accordance with relevant provisions of the Articles of Association.

Article 175 A director may resign his position before the expiry of the term by submitting a written resignation to the board of directors. The resignation shall take effect on the date the Company receives the resignation report, and the Company shall disclose such information within two trading days.

Article 176 Where the resignation of a director results in the number of members of the Company's board of directors falling below the statutory minimum, the original director shall continue to perform the duties of a director in accordance with laws, administrative regulations, departmental rules and these Articles of Association until the newly elected director assumes office.

Article 177 The Company shall formulate management systems for the resignation of directors, which specify the protective measures for holding directors accountable and seeking compensation for unfulfilled public commitments and other outstanding matters. Upon the effective resignation of a director or the expiration of his/her term of office, the director shall complete all handover procedures with the board of directors. The obligations of loyalty owed by a director to the Company and its shareholders shall not automatically terminate upon the expiration of his/her term of office. The liability that shall be borne by a director arising from the performance of his/her duties during his/her term of office shall not be exempted or terminated upon his/her resignation.

Article 178 Without a lawful authorization specified in the Articles of Association or from the board of directors, no director shall act for the Company or the board of directors in his own name. When a director acts in his own name and a third party has a reason to think this director is acting on behalf of the Company or the board of directors, such a director shall declare his position and capacity in advance.

Article 179 A director shall comply with laws, administrative regulations and these Articles of Association and shall owe obligations of loyalty to the Company. He/she shall take measures to avoid conflicts of interest with the Company and shall not use his/her functions and powers to obtain improper benefits.

The obligations of loyalty owed by a director to the Company are as follows:

- (1) not to expropriate the Company's property or misappropriate the Company's funds;
- (2) not to deposit the Company's funds into accounts opened in his/her own name or in another person's name;
- (3) not to use his/her authorities and powers as a means to accept bribes or other unlawful incomes;
- (4) without reporting to the board of directors or the general meeting and obtaining approval through a resolution of the board of directors or the general meeting in accordance with these Articles of Association, not to directly or indirectly enter into a contract or conduct a transaction with the Company;
- (5) not to use his/her position, authorities and powers to seek business opportunities which would otherwise belong to the Company for himself/herself or others, except where the matter has been reported to the board of directors or the general meeting and approved by a resolution of the general meeting, or where the Company is unable to utilize the business opportunity in accordance with laws, administrative regulations or these Articles of Association;
- (6) without reporting to the board of directors or the general meeting and obtaining approval through a resolution of the general meeting, not to operate any business which is of the same kind as the business of the Company on his/her own or for others;
- (7) not to accept commissions in connection with the Company's transactions;
- (8) not to disclose any secret of the Company without authorization;
- (9) not to cause harm to the interest of the Company by taking advantage of his/her connected relationship;
- (10) other obligations of loyalty as required by laws, administrative regulations, departmental rules and these Articles of Association.

Any income obtained by directors in violation of any provisions of this Article shall belong to the Company. The director shall indemnify the Company against any loss thus incurred.

Close relatives of a director or senior officer, companies directly or indirectly controlled by a director or senior officer or their respective close relatives, and connected persons of other connected relationships with a director or senior officer shall be subject to item (4) of the second paragraph of this Article when entering into contracts or conducting transactions with the Company.

Article 180 The directors shall comply with the laws, administrative regulations and the Articles of Association and shall owe the obligations of diligence to the Company and exercise the reasonable care that may normally be expected of a manager in performing his/her duties in the best interests of the Company.

The obligations of diligence owed by a director to the Company are as follows:

- (1) to exercise the rights conferred by the Company in a prudent, conscientious and diligent manner so as to ensure that the business activities of the Company are in compliance with the requirements of the laws, administrative regulations and various economic policies of the state and do not fall outside the business scope of the business licence;
- (2) to treat all the shareholders equally;
- (3) to understand the business operation and management of the Company in a timely manner;
- (4) to sign a written confirmation in respect of periodic reports of the Company, and to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
- (5) to update the audit committee with relevant development and information according to facts, and not to hinder the audit committee to exercise its functions and powers;
- (6) other obligations to act diligently as required by laws, administrative regulations, departmental rules and the Articles of Association.

Article 181 Where a director causes damage to others while performing his/her duties, the Company shall bear the liability for compensation. If the director at fault does so with intent or gross negligence, he/she shall also be liable for compensation.

Where a director violates laws, administrative regulations, departmental rules and these Articles of Association and causes damage to the Company while performing his/her duties, he/she shall be liable for compensation.

Article 182 Provisions of these Articles of Association on the circumstances under which a person shall not be a director and management systems for the removal of a director shall also apply to the senior management.

Provisions of these Articles of Association on obligations of loyalty and obligations of diligence shall also apply to the senior management.

Article 183 The fiduciary duties of the directors and senior officers of the Company do not necessarily cease with the termination of their tenure. The duty of confidentiality in respect of trade secrets of the Company shall survive the termination of their tenure. Other duties may continue for such a period as the principle of fairness may require, depending on the length of time which has lapsed between the termination and the act concerned and the circumstances and the terms under which the relationship between the relevant director, supervisor, manager and other senior officer on the one hand and the Company on the other hand was terminated.

CHAPTER 16: FINANCIAL AND ACCOUNTING SYSTEMS AND PROFIT DISTRIBUTION AND AUDITING

Article 184 The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and PRC accounting standards formulated by the financial regulatory department of the State Council.

Article 185 When the board of directors of the Company considers matters in relation to connected transaction, the connected director shall abstain from voting and not exercise any voting rights on behalf of other directors. Such meeting of the board of directors may be convened so long as a majority of non-connected directors is present, and any resolution made at the meeting of the board of directors shall be passed by a majority of the non-connected directors. Where the number of non-connected directors present at the meeting of the board of directors is less than three, the Company shall submit the transaction to the general meeting for consideration. Connected directors as referred to in the preceding paragraph include the following directors or directors in one of the following circumstances:

- (1) The counterparty of a transaction;
- (2) The direct or indirect controller of the counterparty;
- (3) A director holding a position at the counterparty, or holding a position in the legal person or other organization that directly or indirectly controls the counterparty or that is directly or indirectly controlled by the counterparty;
- (4) A close family member of the counterparty or a close family member of the direct or indirect controller of the counterparty;
- (5) A close family member of the directors, supervisors or senior management of the counterparty or its direct or indirect controller;
- (6) Directors whose independent business judgment may be affected as determined by the CSRC, the stock exchange or the Company based on the principle of substance over form.

Article 186 The Company shall submit and disclose its annual reports to the dispatch office of China Securities Regulatory Commission and the stock exchange(s) within 4 months from the ending date of each financial year, and disclose its interim reports to the local office of China Securities Regulatory Commission and the stock exchange(s) within 2 months from the ending date of the first 6 months of each financial year. The aforementioned annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and the provisions of the China Securities Regulatory Commission and the stock exchange(s).

Article 187 The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations and directives promulgated by competent regional and central governmental authorities require the Company to prepare.

Article 188 The Company's financial reports shall be made available for shareholders' inspection at the Company at least 20 days before the date of every annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

The Company shall deliver or send to each holder of overseas-listed foreign-invested shares by prepaid mail at the address registered in the register of shareholders the said reports no later than 21 days before the date of every annual general meeting.

Article 189 The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards, or that of the place outside the PRC where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such a difference shall be stated in the financial statements. In distributing its after-tax profits, the lower of the two amounts shown in the financial statements shall be adopted.

Article 190 Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed.

Article 191 The Company shall publish its financial reports four times every fiscal year, among which, the annual report shall be published four months after the end of each fiscal year, the interim financial report shall be published within two months after the end of the first half a year of each fiscal year; and the quarterly report shall be completed and disclosed within one month after the end of the first three months and nine months of each fiscal year. The publication of the first quarterly report shall not be earlier than that of the annual report for the previous year.

Article 192 The Company shall not keep accounts other than those required by law. The Company's funds shall not be deposited into any account opened in the name of any individual.

Article 193 In distributing the current year's profit after taxation, 10% of the profit shall be allocated into the Company's statutory reserve fund. When the aggregate amount of the statutory surplus reserve has reached 50% of the Company's registered capital, further appropriations is not required.

When the statutory surplus reserve of the Company is not sufficient to cover its losses incurred in the previous years, the profit of the current year shall be used to make up for such losses before allocations are made to the statutory surplus reserve in accordance with the preceding paragraph.

After the Company has allocated statutory surplus reserve from its profit after taxation, it may also appropriate discretionary reserve fund from the profit after taxation upon approval of a general meeting.

The remaining profit after taxation after recovery of losses and appropriation of reserve fund shall be distributed to shareholders in proportion of their shareholdings unless it is stipulated in the Articles of Association that no profit distribution shall be made in accordance with shareholdings.

If the general meeting has, in violation of the Company Law, distributed profits to shareholders, the shareholders shall return to the Company such profits distributed in violation of regulations. If such distribution causes losses to the Company, the shareholders and responsible directors or senior officers shall be liable for compensation.

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

Article 194 The reserve fund of the Company is used for recovery of losses and expansion of operations or is transferred to registered capital. The discretionary reserve and the statutory reserve shall first be used in making up the losses of the Company, and for any losses left to be set off, the capital reserve may be utilized in accordance with the provisions.

For transfer of statutory surplus reserve into additional registered capital, the retained statutory surplus reserve shall not be less than 25% of the Company's registered capital before its increment through the transfer.

Article 195 After the profit distribution plan has been resolved at the general meeting, or after the board of directors of the Company has formulated a specific plan according to the interim dividend conditions and caps for the next year as considered and approved at the annual general meeting, the board of directors shall complete the dividend (or share) distribution within 2 months after the holding of the general meeting.

Article 196 The capital surplus fund includes the following items:

- (1) Premium on shares issued at a premium price;
- (2) Any other income designated for the capital surplus fund by the regulations of the finance regulatory department of the State Council.

Article 197 The profit distribution policy of the Company is as follow:

The basic principles of the profit distribution policy of the Company

The Company shall take full account of return to investors and distribute dividend to its shareholders each year in proportion to the distributable profit realized in the year concerned (the consolidated financial statements).

The profit distribution policy of the Company maintains continuity and stability, and operates for the long-term interest of the Company, the entire interest of all its shareholders and the sustainable development of the Company.

The Company shall give priority to dividend distribution in cash.

The specific profit distribution policy of the Company

1. The manner of profit distribution: The Company may distribute dividends in cash, in shares, in a combination of both cash and shares. Of these, the cash dividend policy targets residual dividends. Subject to conditions, the Company may propose interim profit distribution.
2. Specific conditions and proportions of cash dividend of the Company:

Upon satisfying all below conditions regarding cash dividend, the profits distributed by the Company in cash each year shall be no less than 5% of the annual distributable profits (the consolidated statements) realized in the year. The accumulated dividend distributed by the Company in cash in the past three years shall be no less than 30% of the average annual distributable profits (the consolidated statements) realized in the past three years:

- (1) if the distributable net profit realized by the Company in the year concerned (i.e. net profit of the Company net of loss recovery and allocation of its profits to the statutory reserve) are positive with adequate liquidity, the Company may distribute dividend in cash provided that it shall not undermine the subsequent ongoing operation of the Company;
- (2) if the accumulated distributable profits made by the parent company are positive;
- (3) auditors had issued a standard unqualified audit report for the financial statements of the Company for that year;
- (4) no special circumstances have occurred in the Company (excluding projects funded by raised proceeds);

The aforementioned “special circumstances” refer to material investment plans or significant capital expenditures (excluding projects funded by raised proceeds) with accumulated expenditure made by the Company within the following 12 months amounting to or exceeding 25% of the latest audited net assets of the Company; “material investment plans” or “significant capital expenditures” include external investment, external repayment of debts or material asset acquisitions.

(5) there is no situation in which the principal and interest of the bond cannot be repaid on time or the principal and interest of the matured bond cannot be repaid on time.

3. Conditions for distributing dividends in shares by the Company

Where the Company’s business is in a sound condition, and the Company’s share price valuation is within a reasonable range, under the condition that the minimum cash dividend ratio and the reasonability of the Company’s share capital could be ensured, dividends in shares can be used for profit distribution according to the status of the provident fund and cash flow.

4. The Board shall take various factors into consideration, including its industry features, development stages, business model and profitability level as well as whether it has any significant capital expenditure arrangements, to propose a differentiated policy at different stages for cash dividend distribution.

- (1) Where the Company is in a developed stage with no significant capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution;
- (2) Where the Company is in a developed stage with significant capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution;
- (3) Where the Company is in a developing stage with significant capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution;

In the case that it is difficult to distinguish the Company’s stage of development but the Company has significant capital expenditure arrangements, such matter may be dealt with pursuant to item (3) of the preceding provisions.

The proportion of cash dividends in the profit distribution shall be cash dividends divided by the sum of cash dividends and share dividends.

5. The Company may not make profit distribution when any of the following circumstances exists:

- (1) The audit report of the most recent year is modified or unmodified with a paragraph on material uncertainty related to going concern;
- (2) The year-end gearing ratio for the most recent accounting year is higher than 70%;
- (3) Negative operating cash flow in the most recent accounting year;
- (4) Any other circumstances that the Company deems inappropriate for profit distribution.

Article 198 Procedures for considering the profit distribution plan of the Company:

The profit distribution plan of the Company shall be formulated by the board of directors. The board of directors shall thoroughly discuss the rationality of the profit distribution plan and form a specific resolution which shall be approved and considered by the board of directors before submitting to the general meeting for consideration.

Where the Company has no cash dividends in particular cases as provided for in the foregoing Article 201, the board of directors shall explain the specific reasons for not distributing cash dividends, the exact purpose for the retained profit and the estimated investment return, and submit such to the general meeting for consideration after independent directors express their opinions thereon. If independent directors believe that the specific cash dividend plan may harm the rights and interests of the listed company or minority shareholders, they have the right to express independent opinions. If the board of directors does not adopt or does not fully adopt the opinions of the independent directors, the opinions of the independent directors and the specific reasons for the non-adoption shall be recorded in the board resolution and be disclosed.

In considering the profit distribution plan at the general meeting, the Company shall communicate and exchange information with the shareholders, especially the small and medium shareholders, through hotlines and other related channels, take into full account their opinions and requests, and answer questions concerned by the small and medium shareholders in a timely manner. The Company shall make network voting method accessible to shareholders. The votes of the small and medium shareholders should be counted separately, and the poll results should be disclosed in the designated media of the Company.

Alteration of the Company's profit distribution policy:

In case of war, natural disasters and other force majeure, or changes to the Company's external operational environment resulting in material impact on its production and operation, or relatively significant changes to the Company's operational position, the Company may adjust its profit distribution policy.

The board of directors shall conduct specific discussion over adjustment to the Company's profit distribution policy, provide detailed reasons for such adjustment, provide a written report to be considered by independent directors, and then submit to the general meeting for approval by way of a special resolution. In considering alterations to the profit distribution policy, the Company shall make network voting method accessible to shareholders to provide convenience for the small and medium shareholders for attending the shareholders' meeting and the votes of the small and medium shareholders should be counted separately.

Article 199 The Company shall appoint receiving agents for holders of overseas-listed foreign-invested shares. Such receiving agents shall receive dividends which have been declared by the Company and all other amounts which the Company should pay to holders of overseas-listed foreign-invested shares on such shareholders' behalf.

The receiving agents appointed by the Company shall meet the relevant requirements of the laws of the place at which the stock exchange on which the Company's shares are listed or the relevant regulations of such a stock exchange. The receiving agents appointed for holders of overseas-listed foreign-invested shares listed in Hong Kong shall each be a company registered as a trust company under the *Trustee Ordinance of Hong Kong*.

Article 200 The Company shall establish an internal audit system, which specifies the leadership framework, duties and authorities, staffing, funding security, use of audit results and accountability regarding internal audit work.

The internal audit system of the Company shall be implemented upon approval by the board of directors and disclosed to the public.

Article 201 The internal audit agency of the Company shall supervise and inspect the business activities, risk management, internal control, financial information and other matters of the Company.

Article 202 The internal audit agency is accountable to the board of directors.

The internal audit agency shall be subject to the supervision and guidance of the audit committee in the course of its supervising and inspecting the Company's business activities, risk management, internal control and financial information. The internal audit agency shall immediately report to the audit committee directly upon discovering any relevant major issues or leads.

Article 203 The internal audit agency shall be responsible for the specific organization and implementation of the Company's internal control assessment. The Company shall issue an internal control assessment report on an annual basis based on the assessment report and related information issued by the internal audit agency and reviewed by the audit committee.

Article 204 When the audit committee communicates with external audit units including accounting firms and national audit agencies, the internal audit agency shall proactively cooperate with them and provide necessary support and collaboration.

Article 205 The audit committee will participate in the appraisal of the person in charge of internal audit.

CHAPTER 17: APPOINTMENT OF ACCOUNTANCY FIRM

Article 206 The Company shall engage accounting firms that complies with the requirements of the Securities Law and the listing rules of the jurisdictions where the shares of the Company are listed, to perform the tasks of auditing accounting statements, verifying the net assets and other relevant consulting services. The engagement shall be one year and may be renewed.

Article 207 The audit fee of an accountancy firm shall be determined by a general meeting.

Article 208 The Company shall guarantee that the accounting evidence, accounting books, financial reports and other accounting information provided to the accounting firm it engages are true and complete and it shall not refuse or withhold any such information nor shall it provide any false information.

Article 209 The Company's appointment, removal or non-reappointment of an accountancy firm shall be resolved by a general meeting. The board of directors shall not appoint an accounting firm prior to the decision of the general meeting.

Article 210 Advance prior notice of five days should be given to the accountancy firm if the Company decides to remove such accountancy firm or not to renew the appointment thereof. Such accountancy firm shall be entitled to make representations at the general meeting. Where the accountancy firm resigns from its position, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

CHAPTER 18: LABOR MANAGEMENT

Article 211 The Company shall formulate and implement policies with respect to labor management, personnel management, wage, welfare and social insurance in accordance with the Labor Law of the People's Republic of China and other relevant laws, regulations and administrative provisions.

CHAPTER 19: LABOR UNION

Article 212 Employees of the Company shall have the right to participate in the labor union, and to carry out activities in an independent and voluntary manner.

The Company shall provide the labor union with necessary conditions.

Article 213 The Company shall provide funds on a monthly basis to be used by its trade union in accordance with relevant provisions promulgated by All-China Federation of Trade Unions.

CHAPTER 20: MERGER, DIVISION, CAPITAL INCREASE AND CAPITAL REDUCTION OF THE COMPANY

Article 214 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Merger by absorption means a company absorbs another company and the absorbed company will be dissolved. Merger by the establishment of a new company means two or more companies combine together for the establishment of a new company, and the original companies will be dissolved.

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

Article 215 Where the consideration paid by the Company for a merger is no more than 10% of the Company's net assets, the merger may be made without a resolution of the general meeting, except as otherwise stipulated in these Articles of Association.

Where the Company undergoes a merger without a resolution of the general meeting in accordance with the preceding paragraph, a resolution of the board of directors shall be required.

Article 216 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 days of the date of the Company's merger resolution and shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within thirty days of the date of the Company's merger resolution.

Creditors have the right, within thirty days upon receipt of the notice, or for those who have not received the notice, within forty-five days from the date of the announcement, to demand the Company to repay its debts or provide a corresponding guarantee for such debt.

Article 217 Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, it shall prepare a balance sheet and a list of its property. The Company shall notify the creditors within ten days from the date of the resolution on the division and announce it in a newspaper or the National Enterprise Credit Information Publicity System within thirty days.

The liabilities of the Company prior to the division shall be jointly or severally undertaken by the companies after division, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before division.

Article 218 When the Company reduces its registered capital, it will prepare a balance sheet and an inventory of its assets.

The Company shall, within 10 days of the date the general meeting resolves to reduce the registered capital, notify its creditors of such reduction and shall, within 30 days of the said date, publish a public announcement in newspapers or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days after receiving the notice or within 45 days of the date of the public announcement for those who have not received the notice, be entitled to require the Company to pay its debts in full or to provide a corresponding guarantee for repayment.

When the Company reduces its registered capital, it shall accordingly reduce the amount of capital contributions or the number of shares in proportion to shareholders' shareholdings, unless otherwise stipulated in laws or these Articles of Association.

Article 219 Where the Company still incurs losses after covering its losses in accordance with Article 194 of these Articles of Association, it may reduce its registered capital to cover the losses. Where its registered capital is reduced to cover losses, the Company shall not make distribution to its shareholders, nor exempt the shareholders from their obligation to make capital contributions or to meet calls on share.

The second paragraph of Article 218 of these Articles of Association shall not apply to any reduction in registered capital in accordance with the preceding paragraph. However, the Company shall publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days of the date the general meeting resolves to reduce the registered capital.

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

Article 220 Where any reduction in registered capital is in violation of the Company Law and other relevant provisions, shareholders shall return the funds they have received, and the reduced capital contributions of shareholders shall be restored to their original amounts. Where such reduction causes losses to the Company, the shareholders and the responsible directors and senior officers shall be liable for compensation.

Article 221 When the Company issues new shares for the purpose of increasing its registered capital, shareholders shall not be entitled to pre-emptive rights, unless otherwise provided in these Articles of Association, or unless a resolution of the general meeting determines that shareholders shall be entitled to pre-emptive rights.

Article 222 The Company shall, in accordance with law, apply for change in its registration with the company registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

Where the Company increases or reduces its registered capital, it shall apply for change in its registration with the company registration authority in accordance with laws.

CHAPTER 21: DISSOLUTION AND LIQUIDATION

Article 223 The Company shall be dissolved if:

- (1) business term specified in the Articles of Association expires or other dis-solution reasons as stipulated in the Articles of Association occur;
- (2) a resolution on dissolution is passed by the general meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the business licence is revoked or it is ordered to close down or it is cancelled according to law;
- (5) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of its shareholders, and no solution can be found through any other channel, shareholders representing 10% or more of the voting rights of the Company may request the People's Court to dissolve the Company.

On the occurrence of the events of dissolution set out in the preceding Article, the Company shall make an announcement on the National Enterprise Credit Information Publicity System within ten days.

For the circumstance in item (I) and (II) above, and no property has been distributed to shareholders, the Company may continue to subsist by amending the Articles of Association or by 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 voting rights held by the shareholders attending the general meeting.

Where the Company is dissolved under subparagraphs (1), (2), (4) and (5) above, it shall be liquidated. The Directors, being the liquidation obligors of the Company shall form a liquidation committee for liquidation within fifteen days from the date of occurrence of the cause for dissolution.

Members of liquidation committee shall be determined by directors or shareholders at a general meeting, unless otherwise provided in these Articles of Association, or unless the general meeting resolves to elect other persons.

Where the liquidation obligor fails to timely perform his/her duty of liquidation and causes losses to the Company or its creditors, he/she shall be liable for compensation.

Article 224 The liquidation committee shall, within ten days of its establishment, send notices to creditors and shall, within sixty days of its establishment, publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System. Creditors shall, within thirty days upon receipt of the notice, or for those who have not received the notice, within forty-five days from the date of the announcement, declare their claims to the liquidation committee.

When declaring claims, creditors shall state relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.

The liquidation committee shall not make repayment to creditors during the claims declaration period.

Article 225 During the liquidation, the liquidation committee shall exercise the following functions and powers:

- (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify the creditors or to publish public announcements;
- (3) to dispose of and liquidate any unfinished businesses of the Company;
- (4) to pay all outstanding taxes;
- (5) to settle claims and debts;
- (6) to distribute the surplus assets remaining after the Company's debts have been repaid;
- (7) to represent the Company in any civil proceedings.

Article 226 After it has sorted out the Company's assets and after it has prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a general meeting or to the people's court for confirmation.

The remaining property of the Company's assets after paying liquidation expenses, employees' salaries, social insurance costs and statutory compensation, paying outstanding taxes and settling the Company's debts, respectively, shall be distributed by the Company in proportion to the shares held by its shareholders.

During the liquidation period, the Company survives, but cannot carry out business activities unrelated to the liquidation.

The Company's property will not be distributed to shareholders until it has been liquidated in accordance with the preceding paragraph.

Article 227 If, after putting the Company's assets in order and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the people's court for insolvency liquidation.

After the people's court accepts the application for bankruptcy, the liquidation committee shall transfer all matters arising from the liquidation to the bankruptcy administrator designated by the people's court.

Article 228 Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, which shall be reported to the general meeting or the People's Court for confirmation, and shall be submitted to the Company's registration authority and apply for cancellation of registration of the Company.

Article 229 If a Company is declared bankrupt by law, it shall implement bankruptcy liquidation in accordance with the laws on enterprise bankruptcy.

Article 230 Members of the liquidation committee shall perform their liquidation obligation and bear duties of loyalty and diligence.

Members of the liquidation committee shall bear the liability for damages suffered by the Company due to their negligence in performing the obligations of liquidation; a member of the liquidation committee who causes losses to its creditors due to intentional misconduct or gross negligence shall be liable for compensation.

CHAPTER 22: PROCEDURES FOR AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION

Article 231 The Company may amend the Articles of Association in accordance with laws, administrative regulations and the Company's Articles of Association.

In any of the following circumstances, the Company will amend the Articles of Association:

- (1) when any provisions of the Articles of Association contradict with the revised Company Law or other relevant laws and administrative regulations;
- (2) when the Company's situation changes and is inconsistent with the statement in the Articles of Association;

(3) when the general meeting decides to amend the Articles of Association.

Article 232 If the amendment to the Articles of Association adopted by resolution of the general meeting shall be approved by the competent authorities, it shall be submitted to the competent authorities for approval; if it involves company registration matters, the change shall be registered in accordance with the law.

Article 233 The board of directors shall amend the Articles of Association in accordance with the amendment resolution adopted by the general meeting and approval of the competent authorities.

Article 234 Amendments to the Articles of Association are subject to compulsory disclosure under the laws and regulations, and shall be announced in accordance with the requirements.

CHAPTER 23: NOTICES AND ANNOUNCEMENTS

Article 235 The Company's notices may be delivered by the following means:

- (1) by designated person;
- (2) by mail;
- (3) by e-mail or other electronic communication;
- (4) by way of public announcement;
- (5) by other means as recognised by the securities regulatory authority and stock exchange in the jurisdictions where the shares of the Company are listed or by other means as provided in Articles of Association.

Article 236 The Company is required to issue announcements or notices on material matters in accordance with the provisions of the Company Law, the Articles of Association or other laws and administrative regulations. Where this is done by way of an announcement, the Company designates the media that meets the conditions set out by the CSRC and the website of the stock exchange for the publication of the Company's announcements and other information required to be disclosed, and once an announcement has been made, all relevant persons shall be deemed to have received the notice.

In respect of the manner in which the Company provides and/or distributes corporate communication to the overseas listed foreign shareholders in accordance with the requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, subject to the compliance with the relevant provisions of the laws, regulations, regulatory documents and the rules of securities regulation of the place of the Company's listing, the Company may provide and/or send corporate communication to the overseas listed foreign shareholders through electronic means and/or by making the corporate communication available on the Company's website and the website of the Hong Kong Stock Exchange.

The corporate communication referred to in the preceding paragraph means any document issued or to be issued by the Company for the information or action of the overseas listed foreign shareholders or other persons as required under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, including but not limited to: (1) the report of the board of directors, the Company's annual accounts together with the accountant's report; (2) the interim report; (3) the notice of meeting; (4) the listing document; (5) the circular; and (6) the proxy form. Overseas listed foreign shareholders of the Company may also elect in writing to receive printed copies of the above corporate communications by post.

Article 237 When a notice is sent by personal delivery, the receiver shall sign (or affix the seal to) the acknowledgement of receipt, and the date of his signature will be the date of delivery; when a notice is dispatched by mail, it will be deemed to be having delivered upon giving it to the postal office; when a notice is made by a public announcement, it will be deemed to be having delivered on the date of the publication of the first announcement. If a notice is sent by e-mail or other electronic communication, the date of sending shall be the date of service.

Article 238 The accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted thereat.

Article 239 The Company discloses information on press designated by the China Securities Regulatory Commission, and <http://www.sse.com.cn> and <http://www.hkexnews.hk> as the websites for information disclosure. If it is required to make announcements to the holders of overseas-listed foreign shares pursuant to the Articles of Association, such announcements shall also be published in such manner as required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

CHAPTER 24: SUPPLEMENTARY

Article 240 These Articles of Association are written in Chinese and then translated into English, and in case of any discrepancy, the Chinese version shall prevail.

Chinese shall be taken as a working language for all general meetings and board meetings.

Article 241 Rules of procedures for the general meeting and board meeting of the Company shall constitute appendixes of the Articles of Association.

Article 242 In these Articles of Association, the following expressions shall have the following meanings unless the context otherwise requires:

“the Articles of Association”, “the the articles of association of the Company
Company’s Articles of Association”

“Board” the board of directors of the Company

“Chairman of the board”, “chairman Chairman of the board of director of the Company
of the board of the Company”

“Director(s)” Director(s) of the Company

“Ordinary shares” Any domestic-invested shares or overseas-listed foreign-
invested shares listed in Hong Kong

“Residence or legal address of the Rm 901, Jingcheng Holding Mansion, No. 59 Dongsanhuan
Company” Road Central, Chaoyang District, Beijing, the PRC

“Renminbi” Legal currency of the PRC

“Secretary of the board” the secretary appointed by board of directors of the Company

“PRC” or “the State” People’s Republic of China

In these Articles of Association, accountancy firm shall have the same meaning as “auditor”.

Article 243 For the purposes of the Articles of Association, the terms “at least”/“or more”/ “not less than” and “within” shall include the given figure; “over”, “beyond”, “below”, “more than” shall not include the given figure.

Article 244 The board of directors of the Company is responsible for the interpretation of the Articles of Association.