# Table of Contents


Chapter 1 General Provisions ..... 3
Chapter 2 Objectives and Business Scope ..... 5
Chapter 3 Shares ..... 5
Section 1 Issuance of Shares ..... 5
Section 2 Increase or Reduction of Capital and Repurchase of Shares ..... ***7***
Section 3 Transfer of Shares ..... ***10***
Section 4 Financial Assistance for Acquisition of the Company's Shares ..... ***11***
Chapter 4 Share Certificates and Register of Shareholders ..... 12
Chapter 5 Shareholders and Shareholders' General Meeting ..... 16
Section 1 Shareholders ..... 16
Section 2 General Provisions for Shareholders' General Meeting ..... 19
Section 3 Convening of Shareholders' General Meeting ..... 21
Section 4 Proposal and Notice at Shareholders' General Meeting ..... 22
Section 5 Holding of Shareholders' General Meeting ..... 24
Section 6 Voting and Resolution at Shareholders' General Meeting ..... 28
Chapter 6 Voting Procedur e for Class Shareholders ..... 33
Chapter 7 Board of Directors ..... 35
Section 1 Directors ..... 35
Section 2 Board of Directors ..... 38
Chapter 8 Manager and Other Senior Executives ..... 41
Chapter 9 Board of Supervisors ..... 43
Section 1 Supervisors ..... 44
Section 2 Board of Supervisors ..... 44
Chapter 10 Obligations of Direct ors, Supervisors, Manager, and Other Senior Executives of the Company ..... 46
Chapter 11 Financial Accounting Bylaws , Dividend Distribution and Audit ..... 50
Section 1 Financial Accounting System ..... 50
Section 2 Internal Auditing ..... 53
Section 3 Appointment of Accounting Firm ..... 54
Chapter 12 Notice and Announcement ..... 56
Section 1 Notice ..... 56
Section 2 Announcement ..... 57

## *Chapter 1 General Provisions*

Article 1

Article 4 The registered name of the Company in Chinese: ٧ м `E„
The English name of the Company: Huaxin Cement Co., Ltd.

Article 5 The address of the Company is No. 600, East Daqi Avenue, Huangshi, Hubei Province, People's Republic of China
Zip Code: 435007
Telephone: 027-87773896
Fax: 027-87773992

Article 6 The registered capital of the Company is RMB 2,096,599,855.

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

Article 8 The manager is the legal representative of the Company.

Article 9 The Communist Party's organization within the Company shall conduct its activities in accordance with the constitutional documents of the PRC Communist Party.

Article 10 The Trade Union of the Company is incorporated in accordance with the Trade Union Law of the People's Republic of China. The Trade Union shall conduct its activities in accordance with the Trade Union Law and other applicable laws to protect the lawful rights and interests of the staff and workers of the Company. The Company shall provide necessary conditions for the activities of the Trade Union.

Article 11 There is no governing or subordinating relationship between the controlling shareholder and its functioning departments on the one hand and the Company and its functioning departments on the other hand.

Article 12 The entire capital of the Company is divided into shares of equal nominal value. The shareholders shall bear liabilities for the Company to the extent of their respective subscribed shares. The Company shall be liable for its debts to the extent of all its assets.

Article 13 From the effective date of the Articles of Association, the Articles of Association constitute a legally binding document regulating the constitution and activities of the Company, and the rights and obligations between the Company and its shareholders and the shareholders inter se, and are binding on the Company and its shareholders, directors, supervisors and other senior executives.

In accordance with the Articles of Association, a shareholder may bring a lawsuit against other shareholders; against directors, supervisors, the manager and other senior executives of the Company; and against the Company; the Company may bring a lawsuit against shareholders, directors, supervisors, the manager and other senior executives of the Company.

For the purposes of the preceding paragraph, such lawsuits include proceedings commenced in court and arbitration proceedings commenced in arbitration tribunals.

Article 14 The Company may invest in other limited liability companies and joint stock limited companies and shall be liable to the investee companies to the extent of its investment in such companies.

Article 15 The term "senior executives" in the Articles shall refer to the deputy manager, the board

secretary and the head of finance of the Company.

## Chapter 2 Objectives and Business Scope

Article 16 The business objective of the Company is to focus all its business activities on the purpose of increasing profits, to maximize the benefits to the Company and its shareholders. The Company shall comply with laws and regulations and shall conduct its business in a socially responsible manner.

Article 17 The business scope of the Company as approved by the registration authority is: production of cement, manufacturing of cement products, sale of cement products, manufacturing of non-metal mineral products, sale of non-metal mine and products, manufacturing of new building material (excluding hazardous chemical products), manufacturing of lightweight building material, sale of building material, research and development of new material, sale of coal and products, sale of packaging material and products, manufacturing of packaging equipment, sale of packaging equipment, technology service, technology development, technology consulting, technology exchange, technology transfer, technology promotion, design of construction engineering, construction of earthwork, construction activities, mechanic electrical equipment manufacturing, sale of mechanic electrical equipment, leasing of mechanic equipment, treatment of solid wastes, goods import and export, import and export of technology, agency of import and export, agency of domestic trade, agent of sales, foreign contracting, goods warehouse service (excluding projects of hazardous chemicals and other projects requiring approval), warehouse equipment leasing service ging eqnic ods(tranp
of mineralrmourcesconcoal
material, technologye,
excluding(chemicad productd )-5.8tr

For the same class of shares issued in the same tranche, each share shall be issued at the same price and subject to the same conditions. For the shares subscribed by any organization or individual, the price payable for each of such shares shall be the same.

Article 20 All the shares issued by the Company shall have a par value dominated in Renminbi which shall be RMB 1.00 for each share.

For the purposes of the preceding paragraph, the term “Renminbi” means the lawful currency of China.

Article 21 Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors.

The term “foreign investors” in the preceding paragraph shall refer to investors from foreign countries or from Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan that subscribe for shares issued by the Company, and the term “domestic investors” shall refer to investors within the People’s Republic of China, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

Shares issued by the Company to domestic investors for subscription in Renminbi are RMB-denominated ordinary shares and shall be referred to as domestic shares (A shares). Shares issued by the Company to foreign investors and domestic natural persons who meet certain conditions for subscription in foreign currency shall be referred to as foreign shares. Foreign shares that are listed in the PRC shall be referred to as RMB-denominated special shares or domestically listed foreign shares (B shares). Foreign shares which are listed outside the PRC shall be referred to as overseas listed foreign shares. Foreign shares issued by the Company and listed on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) shall be referred to as H shares.

Shareholders of domestic shares and shareholders of foreign shares are both ordinary shareholders and shall be entitled to the same rights and bear the same obligations.

The term “foreign currencies” referred to in the preceding paragraph means the legal currencies (other than Renminbi) of other countries or regions which are recognized by the State Administration of Foreign Exchange and which can be used for the payment of shares to the Company.

The shares of the Company shall be centralized and held in custody by the Shanghai Branch of the China Securities Depository & Clearing Corporation Limited. H shares of the Company shall either be held by the central depository of Hong Kong Securities Clearing Company Limited or held by the individual shareholders in their own names.

Article 22 The Company initially issued a total of 137,000,000 ordinary shares as approved. At the time of establishment, the founders held 92,272,400 shares, accounting for 67.35% of the total shares of the Company at that time.

Article 23 The share structure of the Company is composed of 2,096,599,855 ordinary shares, including 1,361,879,855 A shares, representing 64.96% of the total share capital, and 734,720,000 B

In the event that the Company issues convertible corporate bonds that are converted into shares and the registered capital of the Company increase

Unless otherwise stipulated in relevant laws, regulations or listing rules of the place where the shares of the Company are listed.

Article 32 The Company may, with the prior approval of a general meeting in accordance with the Articles, repurchase its own shares pursuant to an off-market agreement. Subject to the prior approval of a general meeting being given in the same manner, the Company may rescind or vary any contract so entered into by the Company or waive any of its rights thereunder.

The aforesaid agreement to repurchase shares includes (but is not limited to) an agreement to assume an obligation to repurchase shares or to acquire rights to repurchase shares of the Company.

The Company shall not assign an agreement for the repurchase of its shares or any of its rights under such agreement.

Article 33 Shares lawfully repurchased by the Company shall be cancelled within the time limit prescribed by laws, administrative regulations or listing rules of the place where the shares of the Company are listed and an application shall be made to the original company registration authority to change the registration particulars of its registered capital.

Article 34 The amount of the Company's registered capital shall be reduced by the aggregate nominal value of the shares cancelled. Unless the Company is in the course of liquidation, the Company shall comply with the following provisions when repurchasing its issued shares:

I. where the Company repurchases its shares at their nominal value, payment shall be made out of the credit balance of the distributable profits of the Company and the proceeds of a new issue of shares made for that purpose;
II. where the Company redeems or repurchases its shares at a premium, payment up to the nominal value of those shares shall be made out of the credit balance of the distributable profits of the Company and the proceeds of a new issue of shares made for that purpose; Payment of the portion in excess of the nominal value shall be made as follows:
1. if the shares being repurchased were issued at their nominal value, payment shall be made out of the credit balance of distributable profits of the Company;
2. if the shares being repurchased were issued at a premium, payment shall be made out of the credit balance of the distributable profits of the Company and the proceeds of a new issue of shares made for that purpose, provided that the amount to be paid out of the proceeds of the new issue of shares shall not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased nor shall it exceed the credit balance of the share premium account (or the capital reserve fund) of the Company (including the premiums of the new shares issued) at the time of the repurchase;
III. payment by the Company for the following purposes shall be made out of the Company's distributable profits:
1. the acquisition of rights to repurchase its own shares;
2. the variation of any agreement to repurchase its own shares;
3. the release of any of the Company’s obligations under any agreement to repurchase its shares.
IV. Following the reduction of the aggregate nominal value of the cancelled shares from the amount

Article 39 All transfers of overseas listed foreign s

by the shareholders, unless there is evidence to the contrary.

Article 46 The Company may, in accordance with any understanding or agreements reached between the securities regulatory authority of the State Council and the overseas securities supervisory authorities, maintain a register of holders of overseas listed foreign shares outside the PRC, and appoint an overseas agent to maintain that register. The original register of shareholders for H shares shall be maintained in Hong Kong.

A duplicate of the register of holders of overseas listed foreign shares shall be made and maintained at the Company's domicile. The appointed overseas agent shall ensure at all times that the original and the duplicate registers of holders of overseas listed foreign shares are consistent.

In the case of inconsistencies between any information recorded in the original register of holders of overseas listed foreign shares and that of the duplicate register, the original register shall prevail.

Article 47 The Company shall keep a complete register of shareholders.

The register of shareholders shall comprise the following parts:

I. a part maintained at the Company's domicile, which shall be the register of all shareholders other than such registered in accordance with paragraphs (2) and (3) of this Article;
II. a register of holders of overseas listed foreign shares maintained at the place of listing; and
III. such parts maintained in such other places as the board of directors may deem necessary for listing purposes.

Article 48 Different parts of the register of shareholders shall not overlap. No transfer of shares registered in one part of the register of shareholders shall, during the continuance of the registration of those shares, be registered in any other parts of the register of shareholders.

All fully paid-up H shares listed in Hong Kong are freely transferable in accordance with the Articles, but except where the following conditions are satisfied, the board of directors may refuse to recognize any instrument of transfer without providing any reason:

I. the instrument of transfer relates only to overseas listed foreign shares listed in Hong Kong;
II. stamp duty payable on the instrument of transfer is paid;
III. the relevant share certificate(s) and such other evidence as reasonably required by the board of directors to show the right of the transferor to make the transfer have been presented;
IV. the relevant shares of the Company are free from all liens. Alteration or rectification of each part of the register of shareholders shall be made in accordance with the law of the place where that part of the register of shareholders is kept.

Article 49 With respect to H shares, the Company shall at any time ensure all title documents of H shares include the statements stipulated below, and shall instruct and procure its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder submits to the share registrar a signed form with respect to such shares which bear statements to the following effect:

I. The acquirer of the shares agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with the Company Law and

other relevant laws, administrative regulations, the Special Regulations and the Articles of Association;

II. The acquirer of the shares agrees with the Company, each shareholder, director, supervisor and senior executive of the Company, and the Company acting for itself and for each director, supervisor and senior executive agrees with each shareholder to refer all disputes and claims arising from the Articles of Association or any rights or obligations conferred or imposed by Company Law or other relevant laws or administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any referral to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. The resolution of arbitration shall be final and conclusive;

III. The acquirer of shares agrees with the Company and each shareholder of the Company that shares in the Company are freely transferable by the holder thereof;

IV. The acquirer of shares authorizes the Company to enter into a contract on his/her behalf with each director and senior executive whereby such directors and senior executives undertake to observe and comply with their obligations to shareholders stipulated in the Articles of Association.

Article 50 The stipulated provisions under Chinese laws and the SEHK Listing Rules on suspension of registration of share transfers before the record date of a shareholders' general meeting or the Company's determination of dividend distribution shall be complied with.

Article 51 Any person who has any objection in relation to the register of shareholders and seeks to register his/her name (or title) on the register of shareholders or to delete his/her name (or title) from the register of shareholders may in each case apply to a court of competent jurisdiction to rectify the register of shareholders.

Article 52 Any shareholder who is registered on the register of shareholders or any person who requests his/her name to be entered in the register of shareholders may, if he/she has lost his/her share certificate (the "original certificate"), apply to the Company for a new certificate in respect of the shares (the "relevant shares") represented by the original certificate.

A holder of domestic shares who has lost his/her share certificate and applies for a replacement certificate to be issued shall comply with relevant provisions of the Company Law.

A holder of overseas listed foreign shares who has lost his/her share certificate and applies for a replacement certificate to be issued may do so in accordance with the laws, the rules of the stock exchange and other relevant requirements of the place where the original register of holders of overseas listed foreign shares is maintained.

The issue of replacement share certificates to the holder of H shares who has lost his/her share certificates and applied for replacement shall comply with the following requirements:

I. The applicant shall submit an application to the Company in prescribed form accompanied by a notarial certificate or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as declaring that no other person shall be entitled to request to be registered as the shareholder in respect of the

to the issue make a public announcement of such intention in such newspapers or periodicals as may be prescribed by the board of directors for this purpose. The period of public announcement

## Chapter 5 Shareholders and Shareholders' General Meeting

### Section 1 Shareholders

Article 55 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.
A shareholder shall enjoy the rights and assume the obligations attached to the class of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.

Article 56 When the Company convenes a general meeting, declare dividends, liquidate the Company or conduct such matters which require shareholders' identity to be ascertained, the board of directors or the convener of the meeting shall appoint a record date for such purpose, and shareholders whose names appear on the register of shareholders after the close of trading of the shares of the Company on such date shall be entitled to the rights and benefits in connection therewith.

Article 57 The shareholders of the Company shall have the following rights:
I. to receive dividends and other profit distribution in proportion to the number of shares held by them;
II. to propose, convene, preside over, attend in person or appoint a proxy to attend and vote on his/her behalf at shareholders' general meeting in accordance with laws;
III. to supervise and to put forward proposals and make enquires relating to the business operational activities of the Company;
IV. to transfer, donate or pledge their shares in accordance with relevant laws, administrative regulations and the Articles;
V. to receive relevant information in accordance with the Articles, including:
1. the right to a copy of the Articles of Association, upon payment of the cost thereof;
2. The right to inspect and receive copies of the following upon payment of a reasonable charge:
(1) all parts of the register of shareholders;
(2) the following personal particulars of each of the Company's directors, supervisors, managers and other senior executives:
A. his/her present and former name and alias;
B. his/her principal address (domicile);
C. nationality;
D. his/her primary occupation, all other concurrent occupations and posts; and
E. his/her identification document and its number.
(3) the state of the Company's share capital;
(4) a report showing the aggregate nominal value, the quantity, the maximum and minimum price paid by the Company in respect of each class of shares repurchased by the Company since last financial year, and the aggregate amount paid by the Company for this purpose;
(5) counterfoils of company debt securities, resolutions of the board of directors, resolutions of board of supervisors;
(6) financial reports shall be disclosed as regulated;

(7) the Company's any special resolution;
(8) a copy of the latest annual return submitted to State Administration for Industry and Commerce of PRC or other supervisory authority for record;
(9) Minutes of the shareholders' general meeting (only for shareholders' review)
VI. in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company according to the number of shares held by them;
VII. for shareholders who dissent to a resolution for the merger or demerger of the Company, to demand the Company to acquire their shares;
VIII. other rights conferred by laws, administrative regulations, departmental rules and the Articles of Association.

Article 58 When a shareholder demands for inspection of information mentioned in the preceding article or demand for any information, it shall provide written proof of the class and number of shares held by him/her, and such information shall be provided upon his/her shareholder capacity being verified.

Article 59 If a resolution passed at the Company's general meeting or board meeting violates the laws or administrative regulations, the shareholder the2.t0 TD .001e TD ;l ua to tv laws) Minutes oCourthe' gen7(h

the people’s court.

Article 62 The shareholders of the Company shall have the following obligations:
I. to abide by laws, administrative regulations and the Articles of Association;
II. to pay subscription monies according to the number of shares subscribed and the method of subscription’
III. not to surrender the shares unless required by the laws, regulations and the Articles of Association except as stipulated by laws and regulations, or the Articles of Association, no return of shares is allowed’
IV. not to misappropriate the rights of shareholders to

III. to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person) of the personal rights of other shareholders, including without limitation rights to distributions and voting rights, but not including a proposal for the restructuring of the Company submitted to and approved by shareholders in general meeting in accordance with the Articles.

## Section 2 General Provisions for Shareholders' General Meeting

Article 66 The shareholders' general meeting is the organ of authority of the Company and its functions and powers shall be exercised in accordance with law.

I. to determine the business policies and investment plans of the Company;
II. to elect and change the directors and supervisors assumed by non-representatives of the employees and determine the remuneration of the directors and supervisors;
III. to examine and approve report submitted by the board of directors;
IV. to examine and approve report submitted by the board of supervisors;
V. to examine and approve the annual financial budget and final accounts of the Company;
VI. to examine and approve the profit distribution plan and the plan for making up accrued losses of the Company;
VII. to resolve on the increase or reduction in the registered capital of the Company;
VIII. to approve the issue of bonds by the Company;
IX. to resolve on such matters as the merger, division, termination, liquidation and change of company form;
X. to amend the Articles of Association;
XI. to resolve on the Company's appointment, dismissals of accounting firms that undertake the audit work;
XII. to examine and approve guarantees under the Article 67;
XIII. to examine any acquisition or disposal of any material asset whose asset value exceeds 30% of the latest audited total assets of the Company for the most recent year;
XIV. to examine and approve any change in the use of proceeds from funds raised;
XV. to examine any share incentive schemes and employee stock ownership plan;
XVI. to examine and approve the purchase of Company's shares;
XVII. any other matters required by laws, administrative regulations, departmental rules or the Articles of Association to be dealt with in a general meeting.

Article 67 The provision of the following external guarantee by the Company is subject to the examination and approval of the shareholders' general meeting:

I. any guarantee provided to external entity by the Company and its subsidiaries whose principal amount covered, together with the total principal amounts covered by all subsisting guarantees, in aggregate exceed 50% or more of the net assets as shown in the latest audited financial statements;
II. any guarantee provided to external entity by the Company and its subsidiaries whose principal amount, in aggregate exceed 30% or more of the net assets as shown in the latest audited financial statements;
III. The amount guaranteed by the Company within one year exceeds 30% of the Company's latest

audited total assets;

IV. any guarantee provided for a borrower which has an asset to liability ratio of over 70%;
V. any single guarantee whose principal amount exceeds 10% of the latest audited net assets;
VI. any guarantee provided in favour of any shareholder, de facto controller and/or their affiliated parties;
VII. such other guarantees required by stock exchange where the Company's stocks are listed or the Articles of Association that need to be examined and approved by the shareholders' general meeting.

When the general meeting deliberates the proposal on providing guarantees for the shareholders, the de facto controller and its affiliated parties, the shareholders or shareholders controlled by the de facto controller shall abstain from voting. The proposal shall be passed by the holders of no less than one half of the total number of votes held by the other shareholder present in person at a general meeting.

Article 68 General meetings are divided into annual general meetings and extraordinary general meetings.

Annual general meetings shall be held once every year within six months after the end of each financial year.

Article 69 The Company shall hold an extraordinary general meeting within two (2) months of the occurrence of any of the following events:

I. when the number of directors is less than the number prescribed by the Company Law or fewer than two thirds of the number prescribed by the Articles of Association;
II. when the accumulated losses of the Company amount to one third of the total amount of its share capital:
III. shareholders individually or jointly holding no less than 10% of the Company's issued shares request to hold an extraordinary general meeting;
IV. When the board of directors consider it necessary to convene a general meeting;
V. When the board of supervisors proposes to convene a general meeting;
VI. such other circumstances as provided for by laws, administrative regulations or the Articles of Association.

Article 70 The Company shall hold the general meeting at the location of the Company's headquarters.

The general meeting shall have a venue and be held on-site.

The Company may provide the internet voting platform, for the purpose of providing convenience to shareholders attending the shareholders' general meeting. A shareholder who participates in a general meeting in the aforesaid manner shall be deemed to have been present at the meeting.

Article 71 The Company shall, for general meetings held, engage lawyers to provide legal opinions on the following issues and make related announcement:

I. whether or not the convening of the meeting and procedure are in compliance with the laws. administrative regulations and the Articles of Association;
II. whether or not persons attending the meeting and the convener of the meeting are qualified and lawful;
III. whether or not the procedure and results of voting are lawful and valid;

IV. any other issues to be addressed by legal opinions as required by the Company.

## Section 3 Convening of Shareholders' General Meeting

Article 72 Independent directors are entitled to propose to the board of directors for convening an extraordinary general meeting. In response to such proposal of the independent directors to convene an extraordinary general meeting, the board of directors shall, within ten days after receiving such proposal, provide a response in writing to indicate whether or not the board agrees to convene such extraordinary general meeting pursuant to the laws, administrative regulations and the Articles of Association.

Where the board agrees to convene such extraordinary general meeting, a notice to convene such general meeting shall be issued within five days after the passing of the relevant resolution by the board. Where the board disagrees to convene such extraordinary general meeting, the board shall give reasons for such decision, which shall also be announced.

Article 73 The board of supervisors has the right to propose the board to convene extraordinary general meetings and such proposal shall be made by way of written request(s). The board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

Where the board agrees to convene such extraordinary general meeting, a notice to convene such general meeting shall be issued within five days after the passing of the relevant resolution by the board, provided that any changes to the original proposal shall be subject to the consent being obtained from the board of supervisors.

Where the board disagrees to convene such extraordinary general meeting, or where the board fails to provide any response within ten days after receiving such proposal, it shall be deemed that the board has not been able to perform or it does not perform its duty to convene such general meeting, and the board of supervisors may by itself convene and preside over such meeting.

Article 74 Shareholders separately or aggregately holding no less than 10% of the Company's issued shares have the right to propose the board to convene an extraordinary general meeting by way of written request(s). The board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five days after the board resolved to do so. If the board makes alterations to the original proposal in the notice, consent has to be obtained from the related shareholders.

If the board of directors does not agree to convene the extraordinary general meeting or does not reply within ten days upon receiving the request, shareholders separately or aggregately holding no

less than 10% of the Company's issued shares have the right to propose the board of supervisors to convene an extraordinary general meeting by way of written request(s).

If the board of supervisors agrees to convene the extraordinary general meeting, notice convening the extraordinary general meeting shall be issued within five days upon receiving the request. Should there be alterations to the original requests in the notice, consent has to be obtained from the related shareholders.

If the board of supervisors does not issue notice of the extraordinary general meeting within the required period, it will be considered as not going to convene and preside over the extraordinary general meeting, and shareholders separately or aggregately holding no less than 10% of the shares of the Company for ninety or more consecutive days have the right to convene and preside over the meeting on their own.

Article 75 If the board of supervisors or shareholders decide to convene the extraordinary general meeting on their own initiative, they shall notify the board in writing and file the notice of meeting with the local office of the China Securities Regulatory Commission and the stock exchanges for records.

Prior to announcement of the extraordinary general meeting resolution, the shareholding proportion of the convening shareholders shall not be less than 10%.

The shareholders that convene the general meeting shall, upon issuance of the notice for extraordinary general meeting and announcement of the meeting resolution, submit relevant documentation to the local office of China Securities Regulatory Commission where the company is located and the stock exchange.

Article 76 With regard to the extraordinary general meeting convened by the board of supervisors or shareholders on their own initiative, the board of directors and the board secretary shall provide assistance. The board of directors shall provide the register of shareholders as at of the record date for the general meeting.

Article 77 The Company shall bear costs and expenses necessary for the extraordinary general meetings, which are convened by the board of supervisors or shareholders on their own initiative.

## Section 4 Proposal and Notice at Shareholders' General Meeting

Article 78 The contents of the motion shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions, in further compliance with the laws, administrative regulations and provisions of the Company's Articles of Association.

Article 79 When the Company convenes the shareholders' general meeting, the board of directors, the board of supervisors or shareholders, individually or in aggregate, holding no less than 3% of the total voting shares of the Company shall have the right to propose motions.

Shareholders separately or aggregately holding no less than 3% of the shares of the Company may propose extraordinary motions to the convener in writing ten days before the convening of such general meeting. The convener shall issue supplementary notice of the general meeting to announce the content of the extraordinary motions within two days after receiving the proposed motions.

Unless otherwise required by the preceding paragraph, the convener shall not amend the proposals listed in the aforesaid notice or add any new proposals subsequent to the dispatch of a notice of the general meeting.

The general meeting shall not vote and adopt a resolution on any proposal that is not listed in the notice of the shareholders' general meeting or that is inconsistent with Article 78 of the Articles of Association.

Article 80 The convener shall notify all shareholders in the form of announcement twenty days before the annual general meeting, fifteen days before the extraordinary general meeting.

Article 81 A notice of the general meeting shall meet the following requirements:

I. It shall be given in writing;
II. The date, place and period of the meeting;
III. The matters and motions to be considered at the meeting;
IV. Providing shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but is not limited to) where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital, or to reorganize the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal shall be properly explained;
V. Disclosing the nature and extent of the material interest of any director, supervisor, manager and other senior executives in the matters to be considered. In a case that the impact of the matters to be considered on sun TD .002(t tc .017erial)]TJ ,

meeting) by personal delivery service or postage-paid mail, to the address stated in the register of shareholders. For shareholders with domestically listed shares, notice of the shareholders' general meeting may also be made by means of public announcement.

The announcement referred to in the preceding paragraph shall be published on the stock exchange official website or in media that meet the conditions stipulated by the securities authority. Once the announcement is made, it shall be deemed that all holders of domestic shares have received the notice of the relevant general meeting. In the case of other provisions stipulated by laws, regulations, or other normative documents regarding the time of the announcement, such provisions shall prevail.

Article 83 Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 84 Where the elections of directors and supervisors are to be discussed, a notice of the general meeting shall fully disclose the particulars of the candidates for directors and supervisors and shall at least include the following contents:

I. Personal particulars such as educational background, working experience and part-time jobs;
II. Whether or not the candidate has any connected relationship with the Company or its controlling shareholders and de facto controllers;
III. The number of shares of the Company held by the candidate;
IV. Whether or not the candidate has been subject to penalties by the China Securities Regulatory Commission and other relevant authorities as well as sanctions by any stock exchange.

Except for the election of directors and supervisors by cumulative voting mechanism, the nomination proposal on each candidate for director or supervisor shall submit in the form of independent motion.

Article 85 After the issue of a notice of general meeting, the general meeting shall not, without any proper reason, be postponed or cancelled, and the motions set out in the notice of meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall, at least two business days before the date of the scheduled meeting, make an announcement and state the reason therein.

## Section 5 Holding of Shareholders' General Meeting

Article 86 The board of directors and other convener shall take necessary measures to ensure the good order of the shareholders' general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the lawful rights and interests of any shareholder, and shall report in a timely manner such act to the relevant department for investigation and punishment.

Article 87 All the shareholders or their proxies recorded in the register of shareholders on the record date are entitled to attend the shareholders' general meeting, and shall exercise their voting rights pursuant to the laws, regulations and the Articles of Association.

corporate representative(s) shall enjoy the same legitimate rights as other shareholders including the right to speak and vote; provided that if no less than one person is so authorized, the authorization letter or the proxy form signed by the Recognized Clearing House must specify the number and class of shares that each such person is so authorized. Such duly authorized persons may represent the Recognized Clearing House (or its nominee) to attend the meeting (without producing share certificates, notarized authorization and/or further evidence of duly authorization) to exercise the same powers as if he/she is an individual shareholder of the Company.

Article 91 Any form issued to shareholders by the board of directors to be used for appointing proxies shall entitle the shareholder, according to his/her intention, to instructing the proxy to separately vote in favor of or against each motion to be proposed at the meeting. Such proxy form shall contain a statement that in default of instructions, the proxy may vote as he/she thinks fit.

Article 92

meeting without the voting rights.

Article 97 The general meeting shall be chaired by the chairperson of the board. In the event the chairperson of the board is unable to perform his/her duties or fails to perform his/her duties, the general meeting shall be chaired by the vice chairperson. Where the vice chairperson is unable to perform his/her duties or fails to perform his/her duties, the general meeting shall be chaired by a director jointly nominated by no less than half of the directors.

A general meeting convened by the board of supervisors shall be chaired by the chairperson of the board of supervisors. In the event the chairperson of the board of supervisor is unable to perform his/her duties or he/she fails to perform his/her duties, a supervisor jointly elected by no less than half of the supervisors shall preside over the meeting.

A general meeting convened by shareholders shall be chaired by the representative nominated by the convener of such meeting.

In convening any general meeting, if the chairperson of the meeting has violated any rules of meeting such that the meeting may not proceed further, with the consent of shareholders representing no less than half of the voting rights present at such meeting, the meeting may elect a person to chair the meeting so that the meeting may proceed further.

Article 98 The Company shall formulate the procedural rules of the shareholders' general meeting which shall set out in detail the procedures of convention and voting in respect of the shareholders' general meeting (including notices, registration, consideration and approval for proposals, voting, vote counting, announcement on voting results, formation of the resolution of the meeting, meeting minutes and signing, announcements and other similar matters) and the principles of authorization granted to the Board of Directors at the shareholders' general meeting. The scope of authorization shall be specified in details. The procedural rules of the shareholders' general meeting shall be prepared by the board of directors, approved at the shareholders' general meeting and attached to the Company's Articles of Association as an appendix.

Article 99 In the annual general meeting, the board of directors and board of supervisors shall report to the shareholders on their respective work over the past year. Each independent director shall also report their duties accordingly.

Article 100 The directors, supervisors and senior executives shall make response to and give explanation of the inquiries and suggestions made by shareholders at a shareholders' general meeting.

Article 101 Prior to voting, the chairperson of the general meeting shall announce the number of shareholders and proxies present and the total number of voting shares held by them. The number of shareholders and proxies present and the total number of voting shares held by them shall be that as stated in the registration of the meeting.

Article 102 Minutes of shareholders' general meetings shall be recorded by the board secretary. The minutes shall contain the following items:

I. The date, place and agenda of the meeting, and the name of the convener;
II. The name of the chairperson of the meeting, and the names of directors, supervisors, senior executives of the Company present or in attendance at the meeting;
III. The number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company; including the number of voting shares held by A-share shareholders (including shareholder's proxy) and H-share shareholders (including shareholder's proxy), each class of shareholders accounting for the proportion of the total shares of the Company respectively;
IV. The proceeding of examination of each motion, summary of the points discussed, the process and results of voting;
V. Questions and proposals put forward by shareholders and the answers or explanation thereof;
VI. Names of lawyers and vote-counters and scrutineers;
VII. Such other matters as shall be recorded in the minutes of meetings pursuant to the Articles of Association.

Article 103 The convener shall ensure that the contents of the minutes of meetings are authentic, accurate and complete. Directors, supervisors, the board secretary, the convener or his/her representative and the chairperson of meeting present at the shareholders' general meeting shall sign on the minutes of the meeting. Minutes of meetings shall be kept together with the attendance list for shareholders and authorization letters given for proxies, and any other valid information concerning online exercise of voting rights or otherwise. The period of maintaining such records shall be ten years.

Article 104 The convener shall ensure that a general meeting is conducted continuously until resolutions are formed. Where the general meeting is adjourned or the relevant resolutions are not formed for special reasons such as force majeure, all necessary measures shall be taken to re-convene the general meeting as soon as practicable or, alternatively, the meeting shall be terminated, and the related announcement shall be made on a timely basis. Concurrently, the convener shall deliver a report to the branch office of the China Securities Regulatory Commission at the place of the Company and the relevant stock exchange.

## Section 6 Voting and Resolution at Shareholders' General Meeting

Article105 Resolutions of general meetings are divided into ordinary resolutions and special resolutions.
An ordinary resolution shall be passed by the holders of half or more of the total number of votes held by the shareholders present in person (or by proxy) at a general meeting.
A special resolution shall be passed by the holders of no less than two thirds of the total number of votes held by the shareholders present in person (or by proxy) at a general meeting.

Article 106 The following matters shall be approved by an ordinary resolution of a general meeting:
I. work reports of the board of directors and the board of supervisors;
II. proposals formulated by the board of directors for distribution of profits and for making up accrued losses;

III. appointment and removal of members of the board of directors and the board of supervisors, their remuneration and method of payment of their remuneration;
IV. annual budget and final accounts, balance sheet, profit and loss account and other financial reports of the Company; and
V. annual report of the Company;
VI. the procedural rules of the shareholders' general meeting, the procedural rules of the board of directors and the procedural rules of the board of supervisors;
VII. all matters required to be approved by a general meeting other than those required to be approved by way of special resolution under any law, administrative regulations or the Articles.

Article107 The following matters shall be approved by special resolution of a general meeting:
I. increase or reduction of capital of the Company and issue of any class of shares, warrants or other similar securities by the Company;
II. issue of bonds by the Company;
III. division, merger, dissolution and liquidation of the Company;
IV. any amendment of this Articles of Association;
V. acquisition or disposal of substantial assets or giving of guarantee in an amount exceeding 30% of the total assets of the Company as shown in its audited financial statements for the most recent period;
VI. share incentive scheme;
VII. repurchase of Company's own shares;
VIII. such other matter provided by the laws, administrative regulations, the Articles of Association or the SEHK Listing Rules, and matter which has been determined by way of any ordinary resolution by shareholders in a general meeting to have a material effect on the Company and shall be subject to the passing by way of a special resolution.

Article 108 Shareholders (including their proxies) may exercise their voting rights in respect of the number of shares held by them which carry the right to vote. Each share carries out one vote save for the elections of directors and supervisors by cumulative voting. On a poll taken at a meeting, a shareholder (including his/her proxy) entitled to two or more votes need not cast all his/her votes in the same way.

Provided that the passing of any resolution shall be subject to any special rights or restrictions as to voting rights for the time being attached to any class of shares and any provision of applicable laws, administrative regulations and this Articles of Association. Where any shareholder is, under the SEHK Listing Rules, required to abstain from voting on any particular resolution or restricted on voting, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Where material matters affecting the interests of small-to-medium sized investors are being considered at a shareholders' general meeting, each vote cast by the small-to-medium sized investors shall be counted separately. Results of votes counted separately shall be disclosed in a timely manner.

The shares held by the Company do not carry any voting rights, and such shares shall not be counted in the shares carrying voting rights of shareholders who are entitled to attend such meeting.

If a shareholder purchases the voting shares of the Company in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after the purchase and not included in the

total number of shares with voting rights attending the general meeting of shareholders.
The board of directors, independent directors and shareholders with no less than one percent of voting shares or investor protection institutions established by laws, administrative regulations or provisions of the China Securities Regulatory Commission may solicit proxies from the Company's shareholders. In soliciting voting rights of shareholders, information such as specific voting intention shall be sufficiently disclosed to the shareholders from whom voting rights are being solicited. Solicitation of voting rights at any consideration, whether in direct or indirect form, is prohibited. Unless under legal terms, the Company shall not propose any minimum shareholding restriction on the solicitation of voting rights.

Article 109 When the general meeting is considering matters regarding connected transactions, connected shareholders shall not participate in the voting, and the voting rights represented by their shares shall not be included in the total number of valid votes. Announcement of the resolutions of the shareholders shall fully disclose the voting of non-connected shareholders.

Article 110 Subject to the general meetings being held legally and validly, the Company shall use different means and measures to provide convenience for shareholders participating in general meetings, including but not limited to provision of online voting platform and other modern information technology.

Article111 The Company shall not, without the prior approval of a general meeting, enter into any contract with any person other than directors or senior executives of the Company whereby the responsibility for the management of the whole or a substantial part of the business of the Company is delegated to such person.

Article112 Lists of candidates for directors and supervisors shall be proposed to the shareholders' general meeting for voting.
Candidates for directors in each term shall be proposed by the previous board of directors. Shareholders individually or jointly holding 1% or more of the shares may propose the candidates for directors.
Candidates for supervisors in each term shall be proposed by the previous board of supervisors. Shareholders individually or jointly holding 1% or more of the shares may propose the candidates for supervisors.
While proposing the candidates for directors or supervisors, the board of directors or the board of supervisors shall consult with the shareholders with best efforts.
The board of directors shall announce the resumes and basic information of these candidates for directors or supervisors.
Each candidate for directors or supervisors shall make a written confirmation, expressing his/her

take part in counting and scrutinizing the voting.
There shall be lawyers, representatives of shareholders and reprehensive of supervisors to count and scrutinize the voting jointly when motions are voted on a general meeting. The results shall be declared at the meeting and recorded in the minutes of the meeting.
Shareholders or their proxies, who have cast their votes by internet or other methods, shall have the right to verify their voting results in the corresponding voting system.

Article 122 The conclusion of a general meeting onsite shall not be earlier than internet or other access to the meeting. The chairperson of the meeting shall announce the voting and the results of each motion and shall, on the basis of the voting result, announce whether the motion is approved or not.
The companies, counting officers, scrutinizers, major shareholders, internet service provider and all relevant parties in relation to voting on site, by internet and other voting methods, shall keep confidential of the voting results prior to the official announcement of voting results.

Article 123 A shareholder attending a general meeting shall vote either approval, objection or abstain from each motion in respect of which is to be taken.
Any written vote which is unfilled, wrongly filled, unrecognizable and uncast shall be deemed as a waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as “abstentions”.

Article 124 If the chairperson of the meeting has any doubt as to the results of a vote on a resolution, he/she may conduct a count of the votes cast. If the chairperson of the meeting fails to conduct a count of votes, any shareholder, whether present in person or by proxy, who objects to the resu6( )e3303 0t 4ohh0

Article 125 A shareholder may inspect copies of minutes of meeting(s) free of 20.rge during of hours of the Company. Upon the request of any shareholder for a copy of the relevant minute meeting, the Company shall send out the copy of the minutes within seven days after receipt of reall able payment therefor.

Article 126 The resolutions of the shareholders’ general m.2( sheting sha2( shlre24(l b)5.3(e)-.5(

Article 128 If the motion on election of new directors and supervisors, is passed at the general meeting, new directors and supervisors shall take the position on the date when the general meeting is concluded.

Article 129 Where a motion in relation to the payment of cash dividends, stock dividend or the conversion of capital common reserve to share capital has been passed at a general meeting, the Company shall implement the specific plans within two months after the conclusion of the general meeting.

## Chapter 6 Voting Procedure for Class Shareholders

Article130 A holder of different classes of shares is a class shareholder.
Class shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations and the Articles.

Article131 Any proposal by the Company to vary or abrogate the rights of any class shareholder must, prior to its implementation, be approved by a special resolution of a general meeting and by the affected holders of shares of that class at a separate meeting conducted in accordance with Articles 133 to137 hereof.

Article132 The following events shall be deemed to be a variation or abrogation of the rights of shareholders of a class of shares:

I. an increase or reduction in the number of shares of such class, or an increase or reduction in the number of shares of a class having the same or preferential voting or distribution rights or other privileges as or to the shares of such class;
II. a change of all or part of the shares of such class into shares of another class, or a conversion of all or part of the shares of another class into shares of such class or a grant of a right to such change;
III. a removal or reduction of the rights to accrued dividends or the rights to cumulative dividends attached to such class of shares;
IV. a reduction or removal of a preferential right to dividends or to a distribution of assets upon the liquidation of the Company attached to such class of shares;
V. an increase, removal or reduction of conversion privileges, options, voting rights, transfer rights, pre-emptive rights, rights issue or rights to acquire securities of the Company which are attached to such class of shares;
VI. a removal or reduction of rights attached to such class of shares to receive moneys payable by the Company in specific currencies;
VII. a creation of a new class of shares having the same or preferential voting or distribution rights or other privileges as or to the shares of such class;
VIII. an imposition of or an increase in restrictions on the transfer or ownership of the shares of such class;
IX. an issue of rights to subscribe for, or conv

;1( )]TJ 16704.9 -1.3649

XII. the variation or abrogation of the provisions of this Chapter.

Article133 Shareholders of an affected class, whether or not otherwise carrying the right to vote at a general meeting shall nevertheless be entitled to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) of Article 132, but interested shareholder(s) shall have no voting rights at class meetings.

The meaning of an “interested shareholder” is as follows:

I. in the case of a repurchase of shares by the Company by way of a general offer to shareholders in equal proportion or on a stock exchange through public trading in accordance with this Articles of Association, an "interested shareholder" means the controlling shareholder as defined in the Articles of Association;
II. in the case of a repurchase of shares by the Company by an off-market agreement outside a stock exchange in accordance with this Articles of Association, an "interested shareholder" means the shareholder to which the proposed agreement relates; and
III. in the case of a restructuring proposal of the Company, an "interested shareholder" means a shareholder whose obligations will become disproportionately less than the obligation of other shareholders of the same class or a shareholder who has an interest different from the interests of the other shareholders of that class.

Article134 Resolutions of a class meeting shall be passed by the holders of no less than two thirds of the total number of votes held by the shareholders of that class and who are permitted to vote at the class meeting under Article133.

Article 135 When the Company convenes a class meeting, it shall give written notice to all shareholders registered in the register of shareholders in accordance with Article 80 of this Articles of Association, which notice shall set forth the matters proposed to be considered at the meeting and the date and place of that meeting.

Article136 Notice of class meetings need only be served on shareholders entitled to vote thereat.

Class meetings shall be conducted in a manner as nearly as possible as that applicable to general meetings. The provisions of the Articles relating to the proceedings of general meetings shall apply to class meetings.

Article137 In addition to holders of other classes of shares, holders of domestic shares and holders of overseas listed foreign shares are deemed to be different classes of shareholders.

The special voting procedures for class shareholders shall not apply to the following: (1) where the Company issues domestic shares and overseas listed foreign shares separately or concurrently every 12 months following the approval by a special resolution of a general meeting and the number of domestic shares and the number of overseas listed foreign shares to be issued does not exceed 20 percent of the number of the outstanding shares of the respective classes; (2) the issue of domestic shares and overseas listed foreign shares pursuant to a plan adopted by the Company upon its establishment and which is completed within 15 months from the date of approval by the securities regulatory authority.

## Chapter 7 Board of Directors

### Section 1 Directors

Article 138 Directors shall be natural persons. A person shall be disqualified from being a director of the Company in each of the following circumstances:

I. a person who suffers from any incapacity or restricted capacity from undertaking civil liabilities;

II. a person who has been convicted of and sentenced for offences relating to corruption, bribery, trespass to assets, misappropriation of assets or causing social and economic disorder or who has been deprived of his/her political rights as a result of him/her having committed an offence and, in each case, a period of 5 years has not elapsed since the completion of the term of the sentence or deprivation;

still, according to provisions of relevant laws and regulations and the Articles of Association of the Company, exercise his/her responsibilities of being a director before the newly-elected director takes office.
Subject to compliance with laws and administrative regulations, the general meeting may remove any director by an ordinary resolution before the expiry of his/her term of office, provided that the removal may not impact the director's claim for indemnity according to any contract.
The manager or other senior executives may concurrently serve as directors, provided that the total number of directors who concurrently serve as the manager or other senior executives shall not exceed half of the total directors of the Company.

Article 140 The directors shall comply with the laws, administrative regulations, and the Articles of Association. They shall bear the obligations of fidelity to the Company:
I. not to exploit his/her official functions and powers to accept bribes or other unlawful income, and not to expropriate in any manner the Company's property;
II. not to misappropriate the Company's funds;
III. not to open in his/her own name or in another person's name any bank account for the purpose of depositing any of the Company's assets;
IV. not to advance the Company's funds to any other person or not to use the Company's assets to provide any security for any other individual in violation of the Articles or without the consent of the shareholders' general meeting or the board of directors;
V. not to enter into any contract or transaction with the Company in violation of the Articles or without the consent of the shareholders' general meeting;
VI. not to seek business opportunities accounted to the Company for himself/herself or any other persons by exploiting his/her official functions, or run the same businesses as those of the Company for himself/her or for others, without the consent of the shareholders' general meeting;
VII. not to accept commissions arising from transactions with the Company and appropriate to himself/herself;
VIII. No director may illegally disclose the Company's confidential information;
IX. No director may infringe upon the lawful rights of the Company by taking the advantage of their connected relationship with the Company;
X. Other obligation of fidelity provided by laws, administrative regulations and the Articles of Association.
The income incurred in violation of this Article shall be accounted to the Company; for any loss caused to the Company, he/she shall be liable for compensation.

Article 141 Directors shall abide by laws and regulations and the Articles of Association and perform the following duties of diligence:
I. to exercise the powers authorized by the Company in a prudent, careful and diligent way so as to ensure that the commercial activities of the Company are in compliance with PRC laws and regulations and published economic policies, and that the business activities do not exceed the business scope of the Company as registered in the business license;
II. to treat all shareholders equally;
III. to seek to know the operation of the business and administration of the Company in time;
IV. to issue in writing opinions of confirmation to the regular reports of the Company so as to ensure

to hinder the exercise of responsibilities by the board of supervisors or supervisors;

VI. other duties of diligence as prescribed by laws, administrative regulations, department rules and the Company's Articles of Association.

Article 142 A director shall be deemed to be unable to carry out his/her duties if he/she fails to attend two consecutive board meetings in person and fails to appoint an alternate director to attend board meetings on his/her behalf. The board of directors shall propose at the general meeting for the removal of such director. The board of directors shall propose at the general meeting for the removal of the independent director if he/she fails to attend three consecutive board meetings in person.

Article 143 A director may resign prior to the expiration of his/her term of office. If a director resigns from his/her office, he/she shall submit a written notice of his/her resignation to the board of directors. The board of directors shall make a disclosure related thereto within two days.

In the event that the number of board members of the Company falls below the statutory minimum requirement by reason of the resignation, before the newly appointed director serves the directorship, the original director shall continue to perform the director's duties in accordance with the laws, administrative regulations and the Articles of Association. The reelection shall take effective upon the vacancy filled by the newly appointed director. The remaining members of the board of directors shall convene an extraordinary general meeting as soon as possible in order to appoint a director to fill the vacancy caused by the resignation.

Except for those set forth in the preceding paragraphs, the resignation of a director shall become effective upon the resignation notice is served on the board of directors.

Article 144 A director shall, upon resignation or expiration of his/her term of office, complete all handover formalities with the board of directors and his/her duty of loyalty and honesty owed to the 7.5(om3rdiati6lyand177 oar)]TJ -m2tectC( aln nhe ne)3(c ne)3(ssaotsye )]TJ 2929663 0 TD .0012 Tc .1101 Tw er

## Section 2 Board of Directors

Article 148 The Company shall set up a board of directors, which shall be responsible to the shareholders' general meeting.

Article 149 The board of directors shall be composed of no less than nine directors including one chairperson and one vice chairperson. At least one third or more of the directors shall be independent directors and the number of independent directors shall be not less than three. At least one independent director shall have expertise in accountancy.

The board shall set up special committees such as the strategy committee, the audit committee, the nomination committee, the remuneration and assessment committee, the governance and compliance committee etc. Those special committees shall be responsible to the board, fulfill duties according to the Articles of Association and the authorization of the board of directors, and their proposals shall be submitted to the board of directors for deliberation. Members of special committees are all directors. In the audit committee, the nomination committee and the remuneration and assessment committee, independent directors shall take the majority and assume the role of convener. The convener of the audit committee shall be an accountant professional.

Article 150 The board of directors shall exercise the following functions and powers:

I. to convene shareholders' general meetings and to report on its work at the general meetings;
II. to implement resolutions of the shareholders' general meetings;
III. to decide on the business plans and investment proposals of the Company;
IV. to prepare the annual budget and final accounts of the Company;
V. to prepare proposals for profit distribution and for making up accrued losses of the Company;
VI. to prepare proposals for the increase or reduction of share capital, the issue of bonds or other securities and listing;
VII. to draft proposals for major acquisitions, purchase of the Company's shares, merger, demerger, dissolution, or change in the form of the Company;
VIII. within the scope of authorization by the shareholders' general meeting, to make decisions on external investments, assets purchases or sales, assets pledges, external guarantees, entrusted wealth management, related party transactions, external donations etc.;
IX. to decide on the establishment of internal management organization of the Company;
X. to appoint or dismiss the manager and the board secretary of the Company, and at the recommendation of the manager, to appoint or dismiss deputy managers, head of finance and other senior executives of the Company, and to determine matters relating to their remuneration, rewards and penalties;
XI. to formulate the basic management regulations of the Company;
XII. to prepare proposals for the amendment to the Articles of Association;
XIII. to manage disclosure of information concerning the Company;
XIV. to propose to the shareholders' general meeting for the engagement or change of auditors of the Company;
XV. to receive reports and examine the work of the manager of the Company;
XVI. such other duties and functions as authorized by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed, the shareholders' general meeting or the Articles of Association.

Resolutions of the board of directors on the matters set out in the preceding paragraph, save for items (6), (7) and (12) which shall require the consent of no less than two-thirds of the directors, shall be passed by no less than half of the directors.

Article 151 The board of directors shall not, without the prior approval of the shareholders' general meeting, dispose of or agree to dispose of any fixed assets of the Company if the aggregate of the expected value of the fixed assets to be disposed of and the consideration received by the Company on the disposal of fixed assets within the period of four months immediately preceding the proposed

I. the board of directors shall convene at least four meetings every year;
II. all the directors and supervisors shall be notified at least 10 days prior to the convening day of a board meeting.

Article 159 The board meetings shall be convened by the chairperson. Under any of the following circumstances, the chairperson shall convene and preside over an extraordinary board meeting within 10 days upon occurrence of the respective circumstance:
I. the chairperson deems the meeting necessary;
II. shareholders representing no less than 1/10 of all voting rights propose;
III. no less than 1/3 of all the directors propose;
IV. the board of supervisors proposes; or
V. the manager proposes.

Article 160 The notification for an extraordinary board meeting shall be delivered by email, by hand or by fax; the notice period is at least 7 days prior to the convening day of the meeting and shall start from the delivery day of the notice.

Article 161 The notification of a board meeting shall include following items:
I. the date and venue of the meeting;
II. the duration of the meeting;
III. the meeting agenda, the respective resolution proposals and supportive documentation;
IV. the date of delivery of the notification.

Article 162 Except for the share repurchase by the Company pursuant to the stipulated circumstances under items (3), (5) or (6) of Article 29, which shall be approved by the board meeting attended by no less than two thirds of directors, the board meeting shall not be held without presence of half or more of all the directors. The presence for the purpose of this Article means the presence at the commencement of the meeting coupled with the continuous presence during the meeting. One director present shall have one vote. The resolutions made at the board meetings shall be subject to approval of no less than half of all the directors, with the following exceptions:
I. Unless otherwise prescribed as the exceptions in the SEHK Listing Rules, a director shall not have any material interest, or be involved in any connected contract or arrangement or vote on any resolution of the board of directors through himself/herself or any of his/her associates (as defined under the SEHK Listing Rules), nor shall he/she be counted in the quorum present at the meeting. The quorum for such board meeting shall only be half or more of the directors who do not have any connected relationship, and any resolution to be passed by the board of directors shall be subject to affirmative votes of half or more of the directors who do not have any connected relationship. In the event that the directors present falls short of the above requirement, the chairperson may convene a new meeting by means of new invitation and notice two days after the meeting is cancelled. Where the number of directors who are not so connected and present at such board meeting is less than 3, such matter shall be submitted to the general meeting for consideration unless otherwise regulated by relevant laws, regulations or securities regulatory authority of the place where the shares of the Company are listed (including but not limited to spherical provisions of the Articles as approved by Hong Kong Stock Exchange).
II. According to the stipulations in the Articles of Association, the board of directors shall decide on the resolution of guarantee matters within its authority. Apart from the approval by half or more of all

directors, the resolution shall be approved by no less than two thirds of the directors present at the meeting.
Should there be a tie between negative and affirmative votes on a matter, the chairperson of the board of directors shall have the casting vote.

Article 163 The voting at the meetings of the board of directors shall be in written form.
Subject to guaranteed expression of opinions by directors, the board meetings may be held and the respective resolutions may be made by employing communications enabled by the modern information technology. Under this circumstance, each voter shall affix his/her signatures to the vote and fax it to the secretary of the board of directors. Within 7 days since the closure of the meetings of the board of directors, the original voting ticket shall be sent to the secretary of board of directors.

Article 164 Directors shall attend board meetings in person. A director who participates in the board meeting via modern communication technology as permitted by Article 163 shall be held as if attending the meeting personally. Any director who is unable to attend the meeting for any reason may appoint in writing another director to attend the meeting on his/her behalf. One director present at the meeting may represent one or several directors.
The proxy form shall include the proxy's name, matters under commission, scope of authorization and term of the commission. The signature or seal of the director concerned shall be affixed on the proxy form.
The appointed representative shall exercise the rights of a director within the scope of his/her authorisation. If a director fails to attend a board meeting and has not appointed a representative to attend on his/her behalf, he/she shall be deemed to have waived his/her right to vote at that meeting.

Article 165 The board of directors shall cause minutes to be kept of decisions made in relation to matters considered at their meetings, and the minutes shall be signed by the directors attending the meeting. Directors shall assume responsibility for resolutions of the board of directors. Directors who participated in any resolution of the board of directors which contravenes any law, administrative regulations or the Articles of Association and causes serious losses to the Company shall be liable to compensate the Company, but if it is proved that a director has stated his/her objection at the time the vote was taken and a record thereof has been made in the minutes of the meeting, that director shall be relieved of liability.
Minutes of board meetings shall be kept in the Company's files for a period of 10 years.

Article 166 The minutes of the board meeting shall include the following contents:
I. the date, venue and convener's name of the meeting;
II. names of directors present at the meeting and directors (alternates) present at such meeting on behalf of other directors;
III. agenda of the meeting;
IV. summary of points raised by directors;
V. manner and result of voting on each matter resolved (and the voting results shall set out the number of votes for, against or abstained a particular resolution).

## Chapter 8 Manager and Other Senior Executives

Article 167 The Company shall have one manager, who shall be appointed or dismissed by the board of directors.
The manager, deputy managers, board secretary and head of finance shall serve as senior executives of the Company.

Article 168 The circumstances of disqualification for directors prescribed in Article 138 of the Articles of Association shall be applicable to senior executives.
Provisions regarding the duty of loyalty of directors under Article 140 and of diligence of directors under items (IV), (V) and (VI) of Article 140 hereof shall be applicable to the senior executives.

Article 169 Senior executives shall serve full-time in the Company and receive remuneration.
Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company shall not serve as a senior executive of the Company.
The senior executives may serve as directors or senior executives at subsidiaries of the Company.
The senior executives only receive remuneration in the Company, not paid by the controlling shareholders on their behalf.

Article 170 The term of office of the manager shall be three years, renewable upon re-appointment.

Article 171 The manager shall be accountable to the board of directors and shall exercise the

Article 174 The manager may resign before expiry of his/her term of office. The specific procedures and methods for the resignation of the manager shall be specified in the employment contract concluded by the manager and the Company.

Article 175 The deputy managers and the head of finance of the Company shall be nominated by the manager, reviewed by the nomination committee, and reported to the board of directors for appointment. The deputy managers and head of finance shall assist the manager in his/her work.

Article 176 The Company shall have a board secretary of the Company. The board secretary shall be a natural person who has the requisite professional knowledge and experience and shall be commissioned by the board of directors. The primary responsibilities of the board secretary are:

I. to ensure that the documentation and records of the Company are complete;
II. to ensure that the Company prepares and submits to competent authorities all necessary reports and documents required by law;
III. to ensure that the Company's register of shareholders is properly established and shareholder information is properly managed and that the Company furnishes to persons entitled thereto all relevant records and documents of the Company in a timely manner;
IV. to organize and prepare board meetings and shareholders' general meetings;
V. to deal with information disclosure affairs, etc.;
VI. other functions and powers conferred by laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed, and the board of directors.

Article 177

## Section 1 Supervisors

Article 180 The circumstances of disqualification for directors prescribed in Article 138 of the Articles of Association shall be applicable to supervisors.

Article 181 The directors, manager and other senior executives of the Company shall not act concurrently as supervisors.

Article 182 The supervisors shall observe laws, administrative regulations and the Articles of Association. They shall shoulder the duties of loyalty and due diligence to the Company, and shall not accept any bribery or other illegal income by using his/her powers and position, or seize the assets of the Company in any manner.

Article 183 Each supervisor shall serve for a term of three years, which term is renewable upon reelection upon expiry.

Article 184 Where the tenure of supervisors expires and re-election has not yet been made, or where a supervisor resigns during his/her tenure resulting in the number of supervisors falls below the necessary quorum of meeting of the board of supervisors, the original supervisors shall (before the re- election of the new supervisors) continue to perform their duties as supervisors pursuant to the provisions of laws, administrative regulations and the Articles.

Article 185 A supervisor shall ensure that information disclosed by the Company is true, accurate and complete and he/she shall sign on the periodical report with written confirmation.

Article 186 Supervisors shall attend board meetings and may raise queries or proposals regarding matters resolved at such meetings.

Article 187 Supervisors shall not prejudice the interests of the Company by means of their connected relationship or they shall be liable for compensation for any loss caused to the Company.

Article 188 If supervisors have violated the provisions of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing their duties, which has caused losses to the Company, they shall be liable for compensation.

## Section 2 Board of Supervisors

Article 189 The Company shall set up a board of supervisors which shall be composed of five supervisors. One supervisor shall act as the chairperson.
The election of the chairperson of the board of supervisors shall be determined by two-thirds or more of the members of the board of supervisors. The meetings of the board of supervisors shall be presided over and chaired by the chairperson of the board of supervisors. If the chairperson of the

board of supervisors is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a supervisor nominated by half or more of the supervisors.

The board of supervisors shall comprise supervisors who represent the shareholders and a proper proportion of supervisors who represent the employees, and the proportion accounted for by the later shall be 1/3 or more. The supervisors who represent the employees shall be democratically elected by employees of the Company via the workers' conference, etc.

Article 190 The board of supervisors shall exercise the following functions and powers:

I. reviewing and expressing its review comments in writing on regular reports prepared by the board of directors;
II. examining the financial status of the Company;
III. monitoring the performance of duties of directors and senior executives, and proposing the dismissal of directors and senior executives who have violated the laws, administrative regulations and the Articles of Association or resolutions passed by the shareholders' general meeting;
IV. demanding for remedies of any damage to the legal right of the Company caused by directors and senior executives;
V. proposing the convening of extraordinary general meetings, and convening and chairing of general meetings in the event of the board of directors having failed to perform so pursuant to the Company Law;
VI. examining financial information such as the financial report, business reports and profit distribution plans to be submitted by the board of directors to the shareholders' general meetings and, in case of doubt, to engage certified public accountants and practicing auditors in the name of the Company to assist in the re-audit;
VII. proposing motions to the general meeting;
VIII. instituting legal proceedings against directors and senior executives in accordance with Article 152 of the Company Law;
IX. in case of any irregularity identified, making investigations and if necessary, engaging professional institutions (such as accounting or law firms) to assist in its work at the expense of the Company;
X. such other functions and powers as provided by the Articles of association.

g e n e r a l _ m e e t i n g _ r u l e s _ 2 0 2 4 0 1 2 6 . 4 ( h t t p : 9 ( s o

Article 191 V.eciencTJ -2y5(nioscientrt)6.3fTD .00150361by ic decrt profi5(couupervaknd chai9( d)-6.1(i)-3.3(705 -

Article 194 A notice of meeting of the board of supervisors shall include the following:

I. date and venue of meeting and duration of the meeting;
II. matters and agenda;
III. date of issue of the notice.

## Chapter 10 Obligations of Directors, Supervis ors, Manager, and Other Senior Executives of the Company

Article 195 The validity of an act of a director, supervisor, manager or other senior executives on behalf of the Company vis-a-vis a bona fide third party shall not be affected by any irregularity in his/her appointment, election or any defect in his/her qualification.

Article 196 In addition to obligations imposed by law, administrative regulations or by the rules of the stock exchange(s) on which shares of the Company are listed, each director, supervisor, manager and other senior executives when exercising the functions and powers conferred upon him/her by the Company owes to each of the shareholders the following obligations:

I. not to cause the Company to exceed the scope of operations stipulated in its business license;
II. to act honestly in the best interests of the Company;
III. not to take in any manner the Company's property in any way, including (without limitation) opportunities beneficial to the Company;
IV. not to expropriate the personal rights or interests of shareholders, including (without limitation) rights to distribution and voting rights, unless pursuant to a proposed restructuring of the Company submitted to and approved by the shareholders' general meeting in accordance with the Articles of Association.

Article 197 Each director, supervisor, manager and other senior executives is under the duty, in the exercise of his/her powers and the discharge of his/her obligations, to exercise such care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 198 Each director, supervisor, manager and other senior executives is under the duty, in the performance of his/her official functions, to observe his/her fiduciary duties and not to place himself/herself in a position where his/her own interests may be in conflict with any obligations assumed by him/her. This principle includes (but is not limited to) the discharge of the following obligations:

I. to act honestly in the best interests of the Company;
II. to exercise powers within the scope of his/her functions and powers and not to act beyond such scope;
III. to exercise personally the discretion vested in him/her and not to allow himself/herself to act under the direction of another person and, unless and to the extent permitted by law or administrative regulations or with the informed consent of the shareholders' general meeting, not to delegate the exercise of his/her discretion;
IV. to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
V. except otherwise provided for in the Articles of Association or with the informed consent of the

shareholders’ general meeting, not to enter into any contract, transaction or arrangement with the Company;

VI. without the informed consent of the shareholders’ general meeting, not to use in any manner the Company's property for his/her own benefit;

VII. not to exploit his/her official functions and powers to accept bribes or other unlawful income, and not to expropriate in any manner the Company's property including (without limitation) opportunities beneficial to the Company;

VIII. without the informed consent of shareholders’ general meeting, not to accept commissions in connection with the Company's transactions;

IX. to comply with the Articles of Association, to perform honestly his/her duties and protect the interests of the Company and not to exploit his/her position and official functions and powers to advance his/her own private interests;

X. without the informed consent of the shareholders’ general meeting, not to compete with the Company in any manner;

XI. not to misappropriate the Company’s funds or to advance such funds to any other person, not to open in his/her own name or in another pernd pr

Company do not necessarily cease upon the termination of his/her tenure of office. The duty of confidence in relation to trade secrets of the Company survives the termination of his/her term of office. Other duties may continue for such period as fairness may require depending on the time elapsed between the termination of his/her term of office and the occurrence of the relevant event and the circumstances and terms under which his/her relationship with the Company was terminated.

Article 201 Except in the circumstances set out in Article 65 of the Articles of Association, a director, supervisor, manager or other senior executive of the Company may be relieved of his/her liability for specific breaches of his/her duties by the informed consent of the shareholders' general meeting.

Article 202 If a director, supervisor, manager or other senior executive of the Company has, directly or indirectly, a material interest in a contract, transaction or arrangement entered into or proposed to be entered into with the Company (other than a contract of service between the Company and the director, supervisor, manager or other senior executive), he/she shall declare the nature and extent of his/her interest to the board of directors as soon as possible, whether or not the relevant matter is normally subject to the approval of the board of directors.

Unless the interested director, supervisor, manager or other senior executive has disclosed his/her interests to the board of directors in accordance with the foregoing paragraph of this Article and that

the Company or for the purposes of enabling him/her to perform his/her official duties;

III. where the ordinary course of business of the Company includes the lending of money or the giving of guarantees, the Company may make a loan to or provide a guarantee for a loan to the relevant director, supervisor, manager or other senior executive or the connected persons of the same provided that the terms of the loan or guarantee for a loan are normal commercial terms.

Article 206 A loan made by the Company in breach of the preceding Article shall be repayable forthwith by the recipient of the loan regardless of the terms of the loan.

Article 207 A guarantee provided by the Company in breach of the first paragraph of Article 204 shall not be enforceable against the Company, except in the following circumstances:

I. the lender was not aware of the circumstances at the time the loan was advanced to a connected person of a director, supervisor, manager or other senior executive of the Company or its parent company;

II. the security provided by the Company has been lawfully sold by the lender to a bona fide purchaser.

Article 208 For the purposes of the foregoing Articles of this Chapter, a “guarantee” includes the undertaking of obligations and the provision of security over property by the guarantor to secure the obligor’s performance of obligations.

Article 209 Apart from any rights and remedies provided by law and administrative regulations, where a director, supervisor, manager or other senior executive of the Company is in breach of his/her obligations to the Company, the Company has a right to take the following measures:

I. to claim damages from that director, supervisor, manager or other senior executive in compensation for losses sustained by the Company as a result of such breach;

II. to rescind any contract or transaction entered into by the Company with that director, supervisor, manager or other senior executive or by the Company with a third party (where such third party knew or should have known that such director, supervisor, manager or other senior executive representing the Company was in breach of his/her obligations towards the Company);

III. to require that director, supervisor, manager or other senior executive to account for the benefits obtained as a result of his/her breach of obligations;

IV. to recover any moneys received by that director, supervisor, manager or other senior executive which should have been received by the Company, including (without limitation) commissions; and

V. to demand payment from that director, supervisor, manager or other senior executive of the interest earned or which may have been earned on moneys that should have been paid to the Company.

Article 210 The Company shall, with the prior approval of the shareholders’ general meeting, enter into a contract in writing with each director or supervisor of the Company in respect of his/her remuneration. The aforesaid remuneration shall include:

I. remuneration in respectc isspe

III. remuneration in respect of other services provided in connection with the management of the affairs of the Company and its subsidiaries;
IV. moneys payable as severance pay or as consideration for retirement from office of that director or supervisor.

Except pursuant to a contract entered into in accordance with the foregoing provisions, a director or supervisor shall not institute proceedings against the Company for any benefit due to him/her in respect of the matters specified above.

Article 211 The contract entered into between the Company and its director or supervisor shall stipulate that when the Company is being taken over, that director and supervisor is entitled, subject to the informed consent of the shareholders' general meeting being obtained, to receive severance pay or other payment by reason of his/her loss of office or retirement. The foregoing reference to a takeover of the Company is to any of the following circumstances:

I. a general offer made by any person to all shareholders of the Company; or
II. a general offer made by any person, the purpose of which is for the offeror to become the controlling shareholder.

If the relevant director or supervisor does not comply with the provisions stipulated in this Article, then any moneys received by him/her shall belong to those persons who have sold their shares through an acceptance of that offer, and the expenses incurred in making a pro rata distribution of such moneys shall be borne by that director or supervisor and shall not be deducted from those moneys.

## Chapter 11 Financial Accounting Bylaws, Dividend Distribution and Audit

### Section 1 Financial Accounting System

Article 212 The Company shall formulate its financial and accounting regulations in accordance with relevant requirements of PRC laws, administrative regulations and rules issued by competent authorities.

Article 213 The Company shall prepare a financial report at the end of every financial year and shall cause it to be audited in accordance with law.

The Company shall publish two financial reports every financial year. The interim report shall be published within 60 days after the end of the first six months of the financial year, and the annual report shall be published within 120 days after the end of the financial year.

The Company shall submit annual financial report to the CSRC and the stock exchange within 4 months after the end of each financial year, submit interim financial reports to the branch office of CSRC and the stock exchange within 2 months after the end of the first 6 month of each financial year, and submit the quarterly financial reports to the branch office of CSRC and stock exchange within one month after the end of the first 3 months and the end of the first 9 months of each financial

Article 214 The board of directors shall place before the shareholders at every annual general meeting a financial report prepared by the Company as required by relevant law, administrative regulations or normative documents promulgated by the regional government and regulatory authorities.

Article 215 The financial report of the Company shall be made available at the domicile of the Company 20 days prior to the holding of the annual general meeting of the Company for inspection by shareholders. Every shareholder of the Company shall have the right to obtain the financial report referred to in this Chapter.

Unless otherwise stipulated in the relevant laws, regulations, the listing rules of stock exchange on which the Company's shares are listed and this Articles of Association, a printed copy of the aforesaid financial report or the report of the board of directors together with a balance sheet and profit and loss statement of the Company shall, not less than 21 days before the date of the annual general meeting, be sent by prepaid post by the Company to every holder of overseas listed foreign shares. The address of the recipient shall be the registered address entered in the register of shareholders.

Article 216 The financial statements of the Company shall be prepared in accordance with PRC accounting standards, laws and regulations and, in addition thereto shall also be in accordance with either the International Accounting Standards or the accounting standards of the overseas territory where the Company is listed. Where there are material differences between the financial statements prepared in accordance with the two accounting standards as aforesaid, then such differences shall be specified in the notes to those financial statements. For the purposes of distributing the profits after tax of the Company in respect of the relevant financial year, the lower amount of the profits after tax stated in the two sets of financial statements as aforesaid shall be taken to be the amount of the profits after tax.

Article 217 Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC accounting standards, laws and regulations and also in accordance with either International Accounting Standards or the accounting standards of the overseas territory where the Company is listed.

Article 218 The Company shall not keep separate books of accounts apart from its statutory books of account. The asset of the Company shall not be deposited in any account opened in the name of any individual.

Article 219 Where the Company distributes its after-tax profits of the current year, it shall allocate 10 percent of the profits after tax as the Company's statutory common reserve, provided that no allocation is required if the accumulated statutory common reserve represents no less than 50 percent of the registered capital of the Company.

Where the statutory common reserve fund of the Company is not sufficient to cover the Company's loss from the previous year, the current year profits shall be used to cover such loss before allocation is made to the statutory common reserve fund pursuant to the previous paragraph.

After allocation to the statutory common reserve fund has been made from the after-tax profits of the Company, the discretionary surplus reserve of any amount fund shall be allocated from the after-tax

profits upon approval by general meeting.
Any profit after taxation and after making up losses and making appropriation to the statutory surplus reserve shall be distributed by the Company to shareholders in proportion to their shareholdings
Where the general meeting is in breach of the provisions of the preceding paragraph by approving the distribution of profits to shareholders before the Company has made up its losses and made appropriation to the statutory surplus reserve, the shareholders shall return to the Company the profit distributed.
The Company shall not participate in profit distribution in respect of shares held under its name.

Article 220 The Company's common reserves shall be used for making up accrued losses, expanding the business operations or increasing the capital of the Company, but the capital common reserve shall not be used for making up the Company's losses.
When the statutory common reserve is converted into capital, the balance of such reserve shall not be less than 25 % of the registered capital prior to the conversion.
The capital common reserve shall comprise the following sums:

I. The amount of share premium arising from the issue of shares at a premium;
II. Other income required by the financial regulatory authority of the State Council to be appropriated to the capital common reserve.

Article 221 After the passing by the shareholders in any general meeting of a resolution on the proposal for profit distribution, the distribution of dividend (or shares) under such proposal shall be completed within two months after the date of the relevant general meeting.

Article 222 Profits Distribution

I. In order to reward the shareholders initiatively, promote the sustainable and healthy development of the Company, the Company attaches great importance to reasonable investment return to shareholders and investors. The Company shall maintain the continuity and stability, as well as enhance the transparency of the dividend distribution policy to shape a stable return expectation for shareholders and investors.
II. The Company adopts cash dividend distribution as its main profit distribution policy, a combination of cash dividend and share dividend can also be adopted. The Company in principle shall implement a cash dividend distribution once a year unless special circumstances arise.
III. The Company shall follow the procedures specified in this “Articles of Association”, take into consideration such factors as the profits of the year, assets/liabilities ratio, development stage and fund demand, combine with opinions from shareholders, especially small and medium-sized shareholders and independent directors when formulate the interim or annual dividend distribution plan. The plan shall be submitted to the shareholders’ general meeting for approval after reviewing by the board of directors:

1. If the Company profits during the annual reporting period and the accumulative undistributed profit is positive, the Company shall implement a certain ratio of cash dividend distribution. Unless there are special circumstances, the sum of the cash dividends (including the interim cash dividends) shall not be less than one third of the net profit attributable to shareholders of the parent company.
2. In particular cases, if a cash dividend distribution proposal is not so made by the Company, the reason and the use of the undistributed funds retained in the Company shall be disclosed in its

regular reports, and the independent directors of the Company shall issue an independent opinion on this matter.

IV. Independent directors may solicit the opinions from small and medium-sized shareholders and make a dividend distribution proposal to be submitted directly to the board of directors for reviewing.

V. Prior to the reviewing of the dividend distribution plan and/or the conversion of capital reserve into shares capital plan (if any) by the shareholders' general meeting,

Article 233 The appointment, removal, and non-re-appointment of an accounting firm by the Company shall be decided by the shareholders' general meeting and reported to the securities regulatory authority at the place of the Company for record.

Where a resolution is proposed to be passed at a general meeting to appoint an accounting firm not currently in office to fill a casual vacancy in the office of accountants, or to re-appoint a retiring an accounting firm which was appointed by the board of directors to fill a casual vacancy, or to remove an accounting firm before the expiration of its term of office, the following provisions shall apply:

I. The proposed resolution for appointment or removal shall be sent, before the issue of the notice of general meeting, to the accounting firm proposed to be appointed or which proposes to leave office or which has left office in the relevant financial year.

Leaving office includes a removal, resignation and retirement.

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

1. state in the notice given in connection with the resolution the fact that representations have been made by the accounting firm leaving office:
2. send to every shareholder in the manner prescribed by the Articles a copy of the representations as an enclosure to the notice of general meetings.

III. If the representations of the relevant accounting firm are not dispatched by the Company in accordance with item (2) above, that accounting firm may request such representations be read at the general meeting and may make further submissions.

IV. An accounting firm leaving office shall be entitled to attend:

1. the general meeting at which its term of office would otherwise expire;
2. the general meeting at which it is proposed to fill the vacancy arising from its removal;
3. any general meeting convened as a result of its resignation.

An accounting firm leaving office shall be entitled to receive all notices of, and other information relating to, the meetings referred to above, and to speak at any such meeting on any matter which concerns it as the former accounting firm of the Company.

Article 234 If the Company removes or does not re-appoint an accounting firm, it shall notify the accounting firm sixty (60) days in advance. The accounting firm shall be allowed to state its opinion at the time when the shareholders' general meeting is voting for removal of the accounting firm.

An accounting firm tendering resignation shall inform the shareholders' general meeting as to whether there is any irregularity on the part of the Company.

An accounting firm may resign from its office by a notice in writing deposited at the Company's domicile. Any such notice shall be effective on the date on which it is deposited at the domicile of the Company or on such later date as may be specified therein. Such notice shall contain either of the following statements:

1. A statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of shareholders or creditors of the Company; or
2. a statement of any circumstances of which an account ought properly to be given.

The Company shall within 14 days after its receipt of the notice referred to in the preceding paragraph above send a copy of the notice to its supervisory authority. If the notice contains a statement referred to in item (2) of the preceding paragraph, a copy of that statement shall be deposited at the Company for inspection by the shareholders. The Company shall also send a copy of such statement to every holder of overseas listed foreign shares by prepaid post to their

addresses recorded in the register of shareholders. The aforesaid copy of the statement may also be posted on the website of Stock Exchange of Hong Kong in accordance with the SEHK Listing Rules and following the relevant procedures.

Where the notice of resignation of the accounting firm contains a statement of circumstances of which an account ought properly to be given, the accounting firm may require the board of directors to convene an extraordinary general meeting to receive an explanation of the circumstances connected with its resignation

## Chapter 12 Notice and Announcement

### Section 1 Notice

Article 235 Unless otherwise provided in this Articles of Association, the notice of the Company shall be issued in the following form:

I. Public announcement
II. Personal delivery service
III. Facsimile
IV. E-mail
V. Advertisement in newspapers and other media
VI. Subject to laws and regulations and the rules governing securities in the place of listing of the Company's shares, by publishing them on the website designated by the securities regulatory authority and the stock exchange of the company and the place of listing of the company's shares'
VII. Other forms approved by securities regulatory authority and stock exchanges in the place of listing of the company's shares.

Notwithstanding the provisions of the Articles, subject to the relevant provisions of the securities regulatory authority at the place of listing of the Company, the Company has the right to publish the corporate communication in the form of notice provided for in paragraph 1 (6) of this Article in lieu of sending paper documents to each H-share shareholder either by personal delivery service or postage-paid mail. Such corporate communications shall mean any document issued or to be issued by the Company for the reference or action of shareholders, including but not limited to annual reports (including annual financial reports), interim reports (includi

Article 238 Notice of board meeting of the Company shall be sent by e-mail, personal delivery service or facsimile.

Article 239 Notice of the meeting of the board of super

for the shareholders' reference.
The aforementioned documents shall also be delivered by mail to the overseas listed foreign shareholders of the listed companies in Hong Kong.

Article 244 In the case of merger, the Company may take the form of merger by absorption or merger by new establishment.
In the case of mergers by absorption, a company absorbs other companies and the absorbed company is dissolved. In the case of mergers by new establishment, two or more companies combine together for the establishment of a new one, and the pre-merger companies are dissolved.

Article 245 To carry out a corporate merger, each party to the merger shall conclude an agreement with each other and formulate balance sheets and checklists of properties. The companies involved shall, within ten days after making the decision of merger, notify the creditors, and shall make a public announcement on a newspaper no less than 3 times within 30 days.
The creditors may, within 30 days after receiving the notice or within 45 days after the issuance of the public announcement if it fails to receive a notice, demand the Company to clear off its debts or to provide corresponding guaranties.

Article 246 To carry out a merger, the credits and debts of the companies involved shall be succeeded or assumed by the company that survives the merger or by the newly established company.

Article 247 To split the Company, the properties thereof shall be divided accordingly.
To split the Company, each party to the split-up shall conclude an agreement with each other and balance sheets and checklists of properties shall be worked out. The Company shall, within 10 days after the decision of split-up is made, inform the creditors and make a public announcement on a newspaper no less than 3 times within 30 days.

Article 248 The post-split companies shall bear several and joint liabilities for the debts of the Company before its split unless it is otherwise prescribed in a written agreement reached by the Company and the creditors before the split-up regarding the debt pay-off.

Article 249 Where the Company finds it necessary to reduce its registered capital, it must work out balance sheets and checklists of properties.
The Company shall, within ten days after the decision of reducing registered capital, notify the creditors and make a public announcement on a newspaper within 30 days. The creditors shall, within 30 days after receiving the notice or within 45 days after the issuance of the public announcement if it fails to receive the notice, be entitled to demand the Company to pay off the debts or to provide respective guaranties.
After reduction of the capital, the amount of the Company's registered capital shall not be less than the statutory minimum.

Article 250 Where, in the process of merger or split-up of the Company, any of the registered items is changed, the Company shall go through modification registration with the company registration authority. Where the Company is dissolved, it shall be deregistered according to law. If a new company is established, it shall go through the procedures for company establishment abiding by

law.
In the case of increasing or reducing its registered capital, the Company shall go through modification registration with the company registration authority abiding by law.

## Section 2 Dissolution and Liquidation

Article 251 The Company may be dissolved under one of the following circumstances:

I. the term of business operation as prescribed by the Articles expires or any of the situations for dissolution prescribed in the Articles occurs;
II. the shareholders' general meeting has adopted a resolution for dissolution;
III. it is necessary to be dissolved due to merger or split-up of the Company;
IV. the Company is announced bankruptcy in accordance with the law for failing to pay off its debts;
V. the business license is canceled, or it is ordered to close down or to be dissolved according to laws;
VI. the Company meets any serious difficulty in its operations or management so that the interests of the shareholders will face heavy loss if the Company continues to exist and the difficulty cannot be solved by any other means, the shareholders who hold ten percent or more of the voting rights of all the shareholders of the Company may plead the people's court to dissolve the Company.

Article 252 Where any of the circumstances as prescribed in Article 250 (1) of the Articles occurs, the Company may continue to exist by amending the Articles.
To amend the Articles according to the provisio

report to the shareholders' general meeting at least once a year on the income and expenses of the liquidation group, the Company's business and the progress of liquidation, and make a final report to the shareholders' general meeting at the end of the liquidation.

Article 255 The liquidation group may exercise the following functions during the process of liquidation:

I. liquidating the properties of the Company, preparing balance sheets and asset checklists;
II. notifying creditors by mail or public announcement;
III. handling and liquidating the unfinished business of the Company;
IV. paying off the outstanding taxes and the taxes incurred in the process of liquidation;
V. claiming credits and paying off debts;
VI. disposing the remaining properties after all the debts being paid off; and
VII. representing the Company in any civil proceedings.

Article 256 The liquidation group shall, notify the creditors within ten days after its formation and make a public announcement on newspapers no less than 3 times within 60 days after its formation. The creditors shall, within thirty days after receiving the notice or within 45 days after the issuance of the public announcement in the case of failing to receiving a notice, declare their credits before the liquidation group.

To declare credits, a creditor shall describe the relevant matters and provide relevant evidential materials. The liquidation group shall record the declared credits.

The liquidation group may not pay off any debts to any creditors during the period of credit declaration.

Article 257 The liquidation group shall, after liquidating the properties of the Company and preparing balance sheets and checklists of properties, make a plan of liquidation and submit the plan to the shareholders' general meeting or the people's court for confirmation.

After paying off the liquidation expenses, wages of employees, social insurance premiums and legal indemnities, the outstanding taxes and the debts of the Company, the remaining properties may be distributed according to the proportion of stocks held by the shareholders.

During the liquidation, the Company continues to exist but may not carry out any business operation that has nothing to do with liquidation. None of the properties of the Company may be distributed to any shareholder before they are used for debts payoff as described in the preceding paragraph.

Article 258 If the liquidation group finds that the properties of the Company is not sufficient for paying off the debts after liquidating the properties and preparing balance sheets and checklists of properties, it shall file an application to the people's court for bankruptcy.

Once the people's court makes a ruling declaring the Company bankrupt, the liquidation group shall hand over the liquidation matters to the people's court.

Article 259 After the liquidation of the Company is completed, the liquidation group shall make a liquidation report as well as income and expenditure statements and financial accounts during the liquidation with verification by the registered Chinese accountant and submit the report, statements and accounts to the shareholders' general meeting or the people's court for confirmation.

The liquidation group shall, within 30 days from the date of confirmation by the shareholders' general meeting or the people's court, submit the documents described in the preceding paragraph to the

company registration authority, apply for deregistration of the Company and make public announcement regarding the cease of the Company.

Article 260 The members of the liquidation group shall devote themselves to their duties and perform their obligations of liquidation according to law.
None of the members of the liquidation group may take advantage of his/her position to take any bribe or any other illegal proceeds, nor may he/she misappropriate any of the properties of the Company.
Where any of the members of the liquidation group causes any loss to the Company or any creditor by intention or due to gross negligence, he/she shall make respective compensations.

Article 261 Where the Company is declared bankrupt according to law, it shall carry out a bankruptcy liquidation according to the legal provisions concerning bankruptcy liquidation.

## Chapter 14 Amendments to Articles

Article 262 The Company shall make amendments to the Articles under one of the following circumstances:

I. due to the amendments of the Company Law or relevant laws and administrative regulations, the matters stipulated in the Articles of Association conflict with the provisions of the amended laws and related administrative regulations;
II. where a change happens in the Company's situation leads to inconsistence with the matters stated in the Articles;
III. the shareholders' general meeting decides to amend the Articles of Association.

Article 263 Amendments to the matters of the Articles of Association adopted by a resolution of the shareholders' general meeting which are subject to approvals from relevant competent authority shall be submitted to the competent approval authority for approval; if there is any change relating to on leadsubprovaltters ticles ent authoril aut apply ns; iinistr-1.3649 TD 8.4675 769.87873.4 T9.87873Tc .41.70.6

between a holder of overseas listed foreign shares and the directors, supervisors, manager or other senior executives of the Company, or between a holder of overseas listed foreign shares and a holder of domestic shares, the parties colrorned shall refer that dispute or claim to arbitration.

When a dispute or claim of rights referred to in the preceding paragraph is submitted for arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is the Company, the Company's shareholders, directors, supervisors, or other senior executives of the Company, comply with the arbitration.

Disputes relating to whether or not a person is a shareholder and disputes relating to the register of shareholders need not be resolved by arbitration.

II. An applicant for arbitration may refer the matter to the China International Economic and Trade Arbitration Commission for arbitration in accordalro with its arbitrat ion rules or, alternatively, to the Hong Kong International Arbitration Centre for arbitration in accordalro with its securities arbitration rules. Once the applicalt refers a disput e or claim to arbitration, the other party must submit to the arbitral body selected by the applicalt.

If the party applying for arbitration selects for arbitration by the Hong Kong International Arbitration Centre, then either party shall be entitled to request, in accordanro with the requirements of the securities arbitration rules of the Hong Kong International Arbitration Centre, that the arbitration be conducted in Shenzhen.

III. If arbitration is sought to resolve a dispute or claim referred to in paragraph (1) of this Article, PRC laws shall be applicable, save as otherwise prescribed by laws or administrative regulations.

IV. An award made by the arbitral body shall be final and conclusive and shall be binding on all parties.

## Chapter 16 Supplementary Provisions

Article 267 Definitions

I. A "controlling shareholder" refers to the controlling shareholder defined in accordanro with the securities supervision and administration regulations of the plaro where the Company's shares are listed. The obligations and regulatory requirements of the "controlling shareholder" in the Articles of Association shall be implemented in accordanro with the securities supervision and administration regulations of the place where the Company's shares are listed.

II. A "de facto controller" refers to anyone who is not a shareholder but is able to hold actual control of the acts of the Company by means of investment relations, agreements or any other arrangements.

III. "Connected relationship" refers to the relationship between the controlling shareholders, de facto controllers, directors, supervisors, or senior executives of the Company and the enterprise directly or indirectly controlled thereby and any other relationship that may lead to the transfer of any interest of the Company. However, the enterprises controlled by the state do not incur a connected relationship simply because their shares are controlled by the state.

IV. "Manager" refers to the president in the senior executives of the Company; "Vice manager" refers to the vice president in the senior executives of the Company.

Article 268 The board of directors may formulate detailed rules for the Articles of Association in accordance with the provisions hereof, but the detailed rules for the Articles of Association shall not conflict with the provisions hereof.

Article 269 The Articles of Association are written in Chinese. In case of any discrepancy between the Articles of Association in any other language or in different versions, the Chinese version of the Articles of Association after the latest filing and registration in Hubei Market Regulation Administration shall prevail.

Article 270 In the Articles of Association, the terms "no less than", "or more", "within", "no more than", and "or more" include the given figure; the term "less than", "more than", "below" and "beyond" do not include the given figure.
The terms "accounting firm", "affiliate" and "affiliated party" in the Articles shall have the same meanings as "auditor", "relate" and "related person" in the SEHK Listing Rules respectively.

Article 271 The board of directors shall be responsible for the interpretation of the Articles of Association.

Article 272 The appendix to the Articles of Association includes the rules on procedure of shareholders' general meeting, the rules on procedure of the board of directors and the rules on procedure of the board meaniGane of