

TIANJIN JINRAN PUBLIC UTILITIES COMPANY LIMITED

ARTICLES OF ASSOCIATION

(Amended at the shareholders' general meeting held on 28 December 2023)

Chapter 1 General Provisions

- Article 1 In order to protect the legitimate rights and interests of the shareholders and creditors of the Company and regulate the organization and conduct of the Company, the Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange Listing Rules") and other relevant regulations.
- Tianjin Jinran Public Utilities Company Limited (the "Company") is a joint stock limited company established in accordance with the Company Law and other relevant regulations. On 26 December 2001, the original Tianjin Tianlian Natural Gas Company Limited was changed in its entirety to become Tianjin Tianlian Public Utilities Company Limited as approved by "Entire Change of Tianjin Tianlian Natural Gas Company Limited to Tianjin Tianlian Public Utilities Company Limited" issued by the Tianjin Municipal Government (Jin Gu Pi [2001] No.22). On 29 December 2001, the Company registered at the Administration Bureau for Industry and Commerce of Tianjin Municipal and acquired the business licence with the number 120112000002102.
- The promoters of the Company and the proportion of their equity interests are: Tianjin Municipal Liansheng Investment Group Company Limited, representing 57% of the equity interests of the Company; Tianjin Jinlian Investment and Trading Company Limited, representing 20.19% of the equity interests of the Company; Tianjin Gas Group Company Limited, representing 14.81% of the equity interests of the Company; Ms. Tang Jie, representing 6% of the equity interests of the Company and Ms. Liang Jingqi, representing 2% of the equity interests of the Company.
- Article 2 Registered name of the Company:
(Chinese) 天津津燃公用事業股份有限公司
(English) Tianjin Jinran Public Utilities Company Limited
- Article 3 Address of the Company: Weishan Road, Chang Qing Science, Industry and Trade Park, Jinnan District, Tianjin
Postal code: 300050
Telephone No.: 022-23123359
Facsimile: 022-23123375
- Article 4 The chairman of the board of directors of the Company shall be the legal representative of the Company.
- Article 5 The Company is a perpetually existing joint stock limited company.
- Article 6 The Articles of Association of the Company shall be adopted by a special resolution of the general meeting of the Company and shall supersede the Articles of Association of the Company originally registered with the Administration for Industry and Commerce.

Since the effective day, the Articles of Association of the Company shall be a legally binding document which regulates the organization and conduct of the Company, the rights and obligations between the Company and shareholders and among the shareholders.

Shareholders may initiate legal proceedings against the Company, other shareholders, directors, supervisors, managers and other senior management officers of the Company; the Company may initiate legal proceedings against shareholders, directors, supervisors, managers and other senior management officers of the Company according to the Articles of Association.

Other senior management officers referred to in the Articles of Association shall include assistant managers, financial officers and secretaries of the Board of Directors of the Company.

Article 7 The Articles of Association shall be binding on the Company, shareholders, directors, supervisors, manager and other senior management officers. All aforesaid persons may claim rights relating to the affairs of the Company in accordance with the Articles of Association.

Article 8 In accordance with the relevant regulations of the Constitution of the Communist Party of China (《中國共產黨章程》) and the Company Law of China, the Company shall establish the committee of the Communist Party of China (the “Party Committee”). The Party Committee shall take a leading role of guiding the direction, managing the overall situation, and procuring implementation. The Party Committee will set up an institution of the Party with corresponding party working staff, and ensure operating funds are provided to the Party Committee.

Chapter 2 Business Objects and Business Scope

Article 9 The business objectives of the Company are: to continuously improve the ancillary services of the municipal and the quality of life of the citizens by construction of public utilities; to serve the socialist market economy.

Article 10 The business scope of the Company shall be the items as approved by the registration authority of the Company.

The business scope of the Company includes:

Permitted items: operation of gas; installation and repair of gas-fired appliance; construction design; inspection and testing of special equipment; installation, upgrading and repair of special equipment; design of special equipment; interior decoration of residential properties; gas vehicles refueling business; road transport of dangerous goods; concurrent-business insurance agent services; project construction (except for construction and operation of nuclear power plants and construction of civil airports). (For items that are subject to approval in accordance with the laws, business activities can only be conducted after obtaining approval(s) from the relevant departments, and the actual business projects as approved under the approval documents or license documents granted by the relevant departments shall prevail)

General items: fire-fighting technical services; food sales (sales of prepackaged food only); production of gas appliances; sales of instruments and meters; repair of instruments and meters; engineering management services; lease of special equipment; sales of special equipment; repair of general equipment; repair of special equipment; maintenance of electronic and mechanical equipment (excluding special equipment); sales of non-electric household appliances; sales of gas, liquid separation and purification equipment; sales of household appliances; installation service of household appliances; sales of spare parts for household appliances; sales of fire-fighting equipment; retail of kitchenware and sanitary ware and daily grocery; retail of hardware products; sales of metal products; sales of valves and cocks; sales of pipeline transportation equipment; sales of vending machines; internet sales (except for sales of licensed goods); advertising release; advertising design and agency; heat production and supply; research and development of emerging energy technologies; contractual energy management; cooling services; operational efficiency evaluation services; research and development of waste heat, pressure and gas utilization technology; energy-saving management services; centralized fast-charging stations; lease of batteries; sales of charging motor vehicles; sales of charging piles; operation of electric vehicle charging infrastructure; sales of hydrogen refueling and hydrogen storage facilities; sales of photovoltaic equipment and components; lease of photovoltaic power generation equipment; sales of solar thermal utilization products; sales of solar thermal utilization equipment; solar power generation technical services; sales of solar thermal power generation products; sales of solar thermal power generation equipment; retail of computer hardware and software and ancillary equipment; sales of network equipment; sales of internet equipment; sales of information security equipment; sales of intelligent unmanned aerial vehicles; sales of intelligent robots; research and development of IoT technology; technical services of cloud computing equipment; IoT application services; information technology consulting services; technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; lease of non-residential real estate; housing lease; pipeline transportation over land. (Except for the items subject to approval by laws, business activities can be carried out independently with the business license in accordance with the laws).

Chapter 3 Shares, Transfer of Shares and Registered Capital

- Article 11 The Company shall provide for ordinary shares at all times; pursuant to its requirements and obtaining the approvals required under the relevant laws and rules of the State and the place where the securities of the Company are listed (where applicable), the Company may create other classes of shares.
- Article 12 The shares issued by the Company shall have a par value of RMB (Renminbi) 0.1 per share.
- Article 13 The Company may issue shares to domestic investors and overseas investors. The issuance of shares by the Company shall be conducted in accordance with the procedures stipulated in and provisions of the relevant laws and rules of the State and the place where the securities of the Company are listed.
- Overseas investors referred to in the preceding paragraph shall mean investors in foreign countries and Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; domestic investors shall mean investors within the People’s Republic of China other than Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company.
- Article 14 The shares issued by the Company to domestic investors and subscribed for in Renminbi shall be called domestic shares. The shares issued by the Company to overseas investors and subscribed for in foreign currencies shall be called foreign shares. Those foreign shares which are listed on The Stock Exchange of

Hong Kong Limited (the “Hong Kong Stock Exchange”) shall be called H shares. Domestic shares and H shares are of the same class of ordinary shares.

Article 15 Upon the approval granted by the examining and approving authorities of the Company authorized by the State Council, the Company may issue 695,000,000 ordinary shares at its establishment. The number of ordinary shares issued by the Company at its establishment to the promoters was 695,000,000, representing 100% of the total number of the ordinary shares that the Company may issue.

Article 16 The registered capital of the Company is RMB183,930,780 comprising 1,839,307,800 ordinary shares with a nominal value of RMB10 cents.

The structure of the share capital of the Company:

Jinran China Resources Gas Co., Ltd. contributed RMB129,754,780, representing 70.54% of the registered capital of the Company;

Tang Jie contributed RMB4,170,000, representing 2.27% of the registered capital of the Company;

H shares contributed RMB50,006,000, representing 27.19% of the registered capital of the Company.

Article 17 The Company may in accordance with the relevant laws and rules of the State and the place where the securities of the Company are listed, and the relevant provisions of the Articles of Association pursuant to the operational and development requirements of the Company to increase its capital by the following methods:

- (1) public offering of shares;
- (2) non-public offering of shares;
- (3) bonus issues of shares to the existing shareholders;
- (4) capitalisation of capital reserve;
- (5) other methods as permitted by laws and administrative regulations.

Article 18 The Company or its subsidiaries (including affiliates) shall not, at any time, provide any form of financial assistance, such as gift, advance, guarantee,

compensation or loan, to the subscriber or potential subscriber of the Company's shares.

Article 19 All H shares of the Company shall comply with the following provisions:

- (1) for all transfers of H shares , a general or common form or any other written instruments accepted by the board of directors shall be adopted; such instruments may be signed under hand or in the forms of machine printed signatures without affixing the common seal of the Company.
- (2) no transfer of shares shall be made to an infant or a person of unsound mind or other disqualified person under law.
- (3) unless otherwise provided by laws and administrative regulations, the shares of the Company shall be freely transferable in accordance with the laws and free from any lien. The Company shall not accept the share certificates of the Company as collaterals of any pledges.

Article 20 The Company may sell the shares of a member who is untraceable under the following conditions:

- (1) during a period of twelve years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (2) on expiry of the twelve years the Company gives notice of its intention to sell the shares by way of an advertisement and notifies the exchange where such shares are listed of such intention (or in such other manner as may be permitted under the relevant laws and rules of the State and the place where the securities of the Company are listed).

Chapter 4 Capital Reduction and Repurchase of Shares

Article 21 The Company may reduce its registered capital. Any reduction of the registered capital of the Company shall be conducted in accordance with the relevant laws and rules of the State and the place where the securities of the Company are listed, and the procedures stipulated in the Articles of Association.

Article 22 When reducing its registered capital as necessary, the Company shall prepare a balance sheet and list of assets.

The Company shall notify its creditors within ten days from the date the resolution for the reduction of registered capital has been passed and shall publish an announcement in a newspaper or the unified corporation information publicity system within thirty days

thereof. The creditors who have received such notice shall, within thirty days thereof, and those creditors who have not received such notice shall, within forty-five days from the date of the announcement, be entitled to request the Company to settle the liabilities or to provide corresponding guarantees on the liabilities thereof

The registered capital of the Company after the reduction of capital shall not fall below the minimum amount required by law.

Article 23 The Company shall not repurchase its issued shares in principle, unless under the following circumstances:

- (1) reduction of registered capital of the Company;
- (2) merger with other companies which hold shares of the Company;
- (3) to use the shares for employee stock ownership plans or equity incentives;
- (4) the shareholder requests that his/her shares be acquired by the Company due to objections to the company's resolution on merger or division passed at the shareholders' general meeting;
- (5) to use the shares for conversion of corporate bonds issued by the Company that are convertible into shares;
- (6) other matters necessary for the company to protect the value of the Company and the interests of shareholders;
- (7) other circumstances permitted by the law and administrative regulations.

The purchase of the Company's own shares for the circumstances as mentioned in sub-paragraphs (1) and (2) of the preceding paragraph, shall be approved by a resolution at the shareholders' general meeting; the purchase of the Company's own shares for the circumstances as mentioned in sub-paragraphs (3), (5) and (6) of the preceding paragraph, shall be resolved at a meeting of the Board of Directors attended by at least two-thirds of the Directors in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

After the Company purchases its own shares according to the provisions of the first paragraph of this Article, it shall, under the circumstance as mentioned in sub-paragraph (1), cancel them within ten days after the purchase; under the circumstance as mentioned either in sub-paragraphs (2) or (4), it shall transfer them or cancel them within six months; under the circumstance as mentioned in sub-paragraphs (3), (5) and (6), the total number of shares held by the Company shall

not exceed ten percent of the total number of issued shares of the Company and shall be transferred or cancelled within three years.

The purchase of the Company's own shares shall comply with the information disclosure obligations in accordance with the relevant laws and regulations of the State and the place where the securities of the Company are listed. The purchase of the Company's own shares for the circumstances as mentioned in sub- paragraphs (3), (5) and (6) of the first paragraph of this Article, it shall be made through public centralized trading.

Article 24 The Company may purchase its shares in open and centralized trading, or in other manner recognized by laws, regulations and the securities regulatory authorities of the State Council, and shall be conducted in accordance with the procedures and provisions of the relevant laws and regulations of the State and the place where the Company's securities are listed.

Chapter 5 Share Certificates and Register of Shareholders

Article 25 The shares of the Company shall be in registered form.

The particulars to be set out in the share certificates of the Company shall, in addition to those required by the Company Law, include other particulars which are required to be included by the stock exchanges where the shares of the Company are listed.

Article 26 Share certificates shall be signed by the chairman of the board of directors. If the stock exchange on which the shares of the Company are listed shall require other senior management officers to sign thereon, such other senior management officers so required shall also sign on such certificates. The share certificates shall come into effect upon the seal of the Company having been affixed thereto or being affixed thereto in a printed form. The affixing of the company seal upon the share certificate shall be authorized by the board of directors. The signatures of the chairman of the board of directors or other relevant senior management officers of the Company on the share certificates may also be made in a printed form.

Article 27 The Company shall maintain a register of shareholders to record the following particulars:

- (1) the name (description), address (residence) of each shareholder;
- (2) class and number of shares held by each shareholder;
- (3) the amount paid or payable for the shares held by each shareholder;
- (4) the serial number of the shares held by each shareholder;

- (5) the date when each shareholder is registered as a shareholder;
- (6) the date when each shareholder ceased to be a shareholder.

Unless there is proof to the contrary, the register of shareholders shall be conclusive evidence of the holding of shares by a shareholder.

Article 28 The original share register for holders of H shares shall be maintained in Hong Kong. A copy of such share register shall be maintained at the Company's registered address. If there is any inconsistency of the original and the copy of the share register of H shares, the original shall prevail.

Article 29 Within three days prior to a shareholders' general meeting or within five days prior to the record date on which basis the Company has decided to distribute dividends, no entry shall be made to the register of shareholders to record any changes resulting from any share transfer.

Where the PRC laws and regulations, Hong Kong Stock Exchange Listing Rules, the securities regulatory authorities in the place where the shares of the Company are listed stipulate on the period of closure of the register of shareholders, such provisions shall prevail.

Article 30 In the event that the Company convenes a shareholders' general meeting, distributes dividends, enters into liquidation or carries out other activities necessary for the ascertainment of shareholding, the board of directors shall fix a day for ascertainment of the shareholding and those shareholders who remain on the register upon the close of such day shall be the shareholders of the Company.

Chapter 6 Rights and Obligations of Shareholders

Article 31 A shareholder of the Company is a holder of share(s) of the Company in accordance with relevant laws and whose name (description) is entered in the register of shareholders.

A shareholder shall have rights and shall undertake the obligations in accordance with the class and the number of shares held by him/her; the shareholders holding each share of the same class shall have the same rights and shall undertake the same obligations.

Where two or more persons are registered as the joint holders of a share, they shall be regarded as the joint owners of the relevant share subject to the following restrictions:

- (1) the Company shall not register for more than four joint holders of any share;

(2) All the joint shareholders in respect of any share shall be jointly and individually liable to pay all amounts payable for the relevant shares;

(3) If one of the joint shareholders is dead, only the surviving shareholders among the joint shareholders shall be regarded as the owners of the shares by the Company, but the board of directors, as it thinks fit, is entitled to request for the provision of the death certificate of such shareholder in relation to the change of particulars of the register of shareholders;

(4) In case of joint holders of a share, only the person whose name stands first in the register of shareholders shall be entitled to receive the share certificates from the Company, receive notices of the Company and attend and exercise all voting rights of the relevant shares in the shareholders' general meeting of the Company or receive dividends. Any notice served on the aforesaid person shall be deemed to be served to all of the joint holders.

Where the shareholder is a legal person, its legal representative or a person authorized by the resolution of the board of directors or other decision-making authorities shall exercise its rights on its behalf.

The Company shall not, with the sole reasons that a person who owns a direct or indirect interest in the Company has failed to disclose his/her interests to the Company, exercise any powers to freeze or in any other manner impair the rights attaching to the shares held by such person.

Article 32 A holder of ordinary shares of the Company shall enjoy the following rights:

- (1) to receive dividends and other forms of profit distribution in accordance with the number of shares he/she holds;
- (2) to request, convene, preside over, participate or appoint a shareholder proxy to participate at the shareholders' general meeting, to speak and exercise the corresponding voting rights (excluding those who shall abstain from voting as required by the relevant laws and rules of the State and the place where the securities of the Company may be listed) at the meeting according to law;
- (3) to supervise and manage the business, operation and activities of the Company, and to make proposals or enquiries in relation thereto;
- (4) to transfer shares in accordance with laws, administrative regulations and the provisions of the Articles of Association;
- (5) to receive information in accordance with provisions of the Articles of Association, including:

- (i) the Articles of Association upon payment of the cost thereof;
 - (ii) upon payment of reasonable charges, be entitled to inspect and copy the register of shareholders, the share capital of the Company and minutes of shareholders' meetings;
 - (iii) to consult the relevant information as mentioned in the preceding article or request the relevant materials, a shareholder shall provide the Company with written documents proving the class and number of shares of the Company held by it, and the Company shall provide the information or materials as requested after verifying the shareholder's identity.
- (6) to participate in the distribution of the remaining assets in accordance with the number of shares held upon the dissolution or liquidation of the Company;
- (7) (a) The shareholders shall be entitled to appeal to the People's Court to declare any resolution passed at the shareholders' general meeting or board of directors meeting of the Company which breached the laws or administrative regulations null and void.

The shareholders shall be entitled to appeal to the People's Court to revoke any resolution passed at shareholders' general meeting or board of directors meeting where its procedures for convention and manner of voting had breached the laws, administrative regulations or the Articles of Association within sixty days of the passing of such resolution.

- (b) Where a director or senior management officer violated the laws, administrative regulations or the Articles of Association of the Company in exercising their duties and caused damage to the Company, the shareholder(s) individually or in aggregate holding one percent or more of the total shares of the company for more than one hundred and eighty consecutive days may request the supervisory committee in writing to initiate a lawsuit in the People's Court. If the supervisory committee violated the laws, administrative regulations or the Articles of Association of the Company in exercising their duties and caused damage to the Company, the shareholder(s) may request the board of directors in writing to initiate a lawsuit in the People's Court.

If the supervisory committee, or the board of directors refuses to initiate a lawsuit after it receives a written request as mentioned in the preceding paragraph, or if it fails to initiate a lawsuit within thirty days after it receives the request, or if, in case of emergency, the failure to initiate a lawsuit immediately will cause irrevocable damage to the interests of the Company, the shareholder(s) as mentioned in the preceding paragraph may, on their own behalf, directly initiate a lawsuit in the People's Court.

In case the legitimate rights and interests of the Company are impaired by other parties and losses are caused to the Company, the shareholders as mentioned in sub-paragraph (a) of this paragraph may initiate a lawsuit in the People's Court under the provisions of the preceding two sub-paragraphs.

(c) Where any director or senior management officers violated the laws, administrative regulations or the Articles of Association of the Company and caused damage to the shareholders, the shareholders may initiate a lawsuit in the People's Court;

(8) other rights conferred by the laws, administrative regulations and the Articles of Association.

Article 33 A holder of ordinary share(s) of the Company shall undertake the following obligations:

- (1) to observe the Articles of Association;
- (2) to pay for the subscription price in accordance with the number of shares subscribed and the manner of subscription;
- (3) not to abuse its rights to prejudice the interests of the Company or other shareholders and not to abuse the status of the Company as an independent legal person and the limited liability of a shareholder to prejudice the interests of the creditors of the Company;
- (4) other obligations to be undertaken as provided by the laws, administrative regulations and the Articles of Association,

Except for the terms agreed by the share subscriber at the time of share subscription, a shareholder shall not be liable for any subsequent increase of capital.

Article 34 Save for the obligations required under the laws, administrative regulations or the listing rules of a stock exchange on which the shares of the Company are listed, a controlling shareholder, de facto controller, directors, supervisors or senior management shall not use their relationship to cause damage to the Company's interests. Persons who violate the aforesaid provisions and cause the Company to suffer losses shall be liable for damages.

Article 35 The controlling shareholder referred to in the preceding Article shall mean a person who meets one of the following conditions:

- (1) such person alone, or acting in concert with others, who may elect half or more of the directors;
- (2) such person alone, or acting in concert with others, who may exercise 30 per cent or more of the voting rights of the Company or control the exercise of 30 per cent or more of the voting rights of the Company;

- (3) such person alone, or acting in concert with others, who hold 30 per cent or more of the issued shares of the Company;
- (4) such person alone, or acting in concert with others, may have de facto control of the Company in any other way.

Chapter 7 Shareholders' General Meetings

Article 36 The shareholders' general meeting is the body conferring authority on the Company and it shall perform its functions in accordance with relevant laws.

Article 37 The shareholders' general meeting shall exercise the following powers:

- (1) to determine the business policies and investment plans of the Company;
- (2) to elect and replace directors and to determine the remuneration of the directors;
- (3) to elect and replace supervisors who represent the shareholders and to determine the remuneration in respect of such supervisors;
- (4) to examine and to approve the report of the board of directors;
- (5) to examine and to approve the report of the supervisory committee;
- (6) to examine and to approve the annual financial budgets and final accounts of the Company;
- (7) to examine and to approve the plans for profit distribution and making up of losses of the Company;
- (8) to review and approve the following matters in relation to guarantees of the Company:
 - (1) any guarantees provided after the total amount of external guarantees provided by the Company and the subsidiaries controlled by the Company had reached or exceeded fifty percent of the latest audited net assets;

- (2) any guarantees provided after the total amount of external guarantees provided by the Company had reached or exceeded twenty-five percent of the latest audited total assets;
- (3) any guarantees provided to companies with an assets-liability ratio exceeding seventy percent;
- (4) any guarantee of which the total amount exceeds ten percent of the latest audited net assets;
- (5) any guarantee provided to the shareholders, de facto controllers and their related parties;
- (9) to review matters in relation to the purchase or sale of significant assets of which the total amount in one year exceeds twenty-five percent of the latest audited total assets of the Company;
- (10) to review the change of the use of proceeds from fund raising;
- (11) to review the share option incentive scheme and employee stock ownership scheme;
- (12) to resolve on the increase or reduction in the registered capital of the Company;
- (13) to resolve on matters such as merger, division, dissolution, liquidation or change in corporate form of the Company;
- (14) to resolve on the issue of debentures by the Company;
- (15) to resolve on the appointment, dismissal or discontinuance of the accounting firm of the Company;
- (16) to amend the Articles of Association;
- (17) to review any provisional motion put forward by shareholder(s) separately or aggregately holding three per cent or more of the shares of the Company;

(18) other matters to be resolved at shareholders' general meeting in accordance with the requirements of laws, administrative regulations and the Articles of Association.

Article 38

Shareholders' general meetings shall be classified as annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meetings shall be convened once every year and be held within six months after the end of the preceding financial year.

Upon the occurrence of any of the following events, the board of directors shall convene an extraordinary general meeting within two months thereof:

- (1) the number of directors falls below the number provided by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (2) the losses of the Company which have not been made up amount to one-third of the total paid-in share capital of the Company;
- (3) shareholders separately or aggregately holding ten per cent or more of the issued shares of the Company vested with voting rights request in writing to convene an extraordinary general meeting;
- (4) whenever the board of directors considers it necessary or the supervisory committee proposes to convene the same;
- (5) when not less than two independent directors propose to convene the same.

Article 39

A shareholders' annual general meeting shall be convened by notifying the shareholders of the time, place of the meeting to be held and the matters to be considered by not less than twenty-one days prior to the date of the meeting. A shareholders' extraordinary general meeting shall be convened by notifying the shareholders by not less than fifteen days prior to the date of the meeting.

To calculate the notice period, the day of the meeting and the day of issue of notice shall be excluded.

The day of the issue of the notice in accordance with this article shall be the day on which the Company or the share registrar appointed by the Company deliver such notice to the post office.

If the relevant laws and regulations of the PRC and the place where the Company's securities are listed have stipulated otherwise, such provisions shall prevail.

- Article 40 When the Company convenes a shareholders' general meeting, shareholder(s) individually or jointly holding three percent or more of the Company's shares can make a provisional motion in writing to the board of directors ten days before the date of shareholders' general meeting. The board of directors shall notify other shareholders within two days after the receipt of such proposal and table the provisional motion to the shareholders' general meeting for consideration. The Company shall include those motions falling within the scope of responsibility of the shareholders' general meeting into the agenda of such meeting.
- Article 41 No resolution shall be passed at a shareholders' general meeting on any matter which is not set out in the notice referred to in Article 42 and Article 43 herein. A shareholders' extraordinary general meeting shall not resolve any matters which have not been specified in the notice of meeting.
- Article 42 A notice of shareholders' general meeting shall include:
- (1) the place, the date and the time of the meeting;
 - (2) the business for consideration;
 - (3) contain the full text of any special resolution proposed to be passed at the meeting;
 - (4) expressly specify in writing that the shareholders entitled to attend and vote at the meeting shall have the right to appoint one or more proxy to attend the meeting in his/her stead and to vote thereat and such proxy does not need be a shareholder;
 - (5) specify the time and place for the delivery of the instrument for appointing proxy to vote at the meeting;
 - (6) specify the equity registration date for shareholders having the right to attend the shareholders' general meeting.
- Article 43 Notice of shareholders' general meeting shall be served on the shareholders (whether vested with voting rights at the shareholders' general meeting or not) in accordance with Article 151.
- The laws and regulations of the State and the place where the Company's securities are listed shall apply to the extent that they provide otherwise.
- Article 44 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolution passed in the meeting.

Article 45 Any shareholder who is entitled to attend a shareholders' meeting and to vote thereat shall have the right to appoint a person or several persons (whether a shareholder or not) as his/her proxies to attend the same and vote thereat on his/her behalf. Such proxy or proxies may exercise the rights of such shareholder at the shareholders' general meeting (including the right to vote and speak within the scope of authorization; however, if there are more than one proxies appointed, such proxies shall only exercise the right to vote on a poll).

Article 46 The proxy form issued by a shareholder to appoint a proxy to attend any shareholders' general meeting shall contain the following:

- (1) name of the proxy;
- (2) the number of shares of the principal represented by the proxy;
- (3) whether the proxy has voting rights;
- (4) indication of consent, objection or abstention concerning the proposals to be resolved on the agenda of the general meeting;
- (5) the date of signing of the instrument and term of validity.

The proxy form shall be signed by the appointor or an attorney authorised by him/her for such purpose in writing; if the appointor is a legal person, the same shall be affixed with the seal of such legal person, or signed by its directors or a duly authorised representative.

Article 47 An instrument appointing a proxy shall be deposited at least 24 hours prior to the commencement of the relevant meeting at which the proxy is appointed to vote or 24 hours before the time appointed for voting at the registered address of the Company or such other place as the notice of meeting may specify. If the instrument appointing a proxy has been signed by a person authorised by the appointor, the power of attorney or other instruments of authorization shall be notarised. The power of attorney or other instruments of authorisation so notarised together with the proxy form shall be deposited at the registered address of the Company or such other place as the notice of meeting may specify.

In the event that the appointor is a legal person, such shareholder may appoint by its legal representative or the person authorised by the board of directors or other governing body of such appointor as a representative to attend the shareholders' meetings of the Company and to exercise the rights of the appointor (including the right to attend, speak and vote (as instructed in accordance with the instrument)). Where a legal person is so represented, it shall be treated as being present at the meeting in person.

In the event that such shareholder of the Company is a recognized Clearing House as defined by the relevant ordinances as promulgated by Hong Kong laws from time to time, or its nominee, it may appoint one or more proxies it considers appropriate to attend any shareholders' general meeting, class meeting and creditors' meeting of the Company on its behalf. If more than proxies are authorized, the authorization letters to appoint such proxy (or proxies) shall set out the number and class of shares the each of such proxies is authorized for. The person (or persons) so authorized is (are) entitled to exercise the right (including the right to attend, speak and vote (as instructed in accordance with the instrument)) of and on behalf of the Clearing House (or its nominee) as if such person is an individual shareholder of the Company.

Article 48 The instrument delivered to a shareholder by the board of directors of the Company for appointing a proxy shall be in such form to enable the shareholder to instruct freely at his/her choice the proxy to vote in favour of or against and to give instruction on each item of the business put to vote at the meeting. Such instrument of proxy shall specify that in default of instruction from the shareholder, the proxy may vote in such a way as he/she thinks fit.

Article 49 Resolutions of shareholders' general meetings shall be classified as ordinary resolutions and special resolutions.

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

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

If the issued share capital of the Company consists of different classes of shares, any change to the rights attached to the class of shares shall be passed by more than two-thirds of the voting rights present at the general meeting of such class of shares. For the avoidance of doubt, for the purpose of this paragraph, domestic shares and H shares are of the same class of ordinary shares.

Article 50 A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote. However, the voting shall be in compliance with abstaining provisions, any privileges or restrictions attached to voting rights prescribed by the relevant laws and rules of the State and the place where the securities of the Company are listed, or any other requirements under the Articles of Association of the Company.

According to the Hong Kong Stock Exchange Listing Rules, if a shareholder is required to abstain from voting at or is required to vote against a resolution, such votes casted by the shareholder or its proxy shall not be calculated if the requirement or restriction in the preceding paragraph is violated.

Article 51 Where electing the directors or supervisors in the shareholders' general meeting, if there are more than two candidates, each share held by the shareholders (including the proxies) shall have the voting rights equal to the numbers of the candidates. The shareholders may concentrate all their votes to elect one person or distribute their votes to elect more than one person. However, he/she shall state the distribution of the voting rights.

The election of independent director(s), shareholders' representative director(s) and shareholders' representative supervisor(s) shall be carried out separately through different groups of resolutions and the entitlements to the cumulative votes shall not be used repeatedly across different groups of resolution.

Article 52 The following matters shall be passed by ordinary resolution at a shareholders' general meeting:

- (1) the working reports of the board of directors and the supervisory committee;
- (2) plans for profit distribution and for making up of losses proposed by the board of directors;
- (3) removal of the members of the board of directors and the members of the supervisory committee and their remuneration and method of payment;
- (4) annual budget, statement of final accounts, balance sheet, profit and loss statement and other financial statements of the Company;
- (5) matters other than those required by the relevant laws and rules of the State and the place where the securities of the Company are listed, or required to be passed by special resolution at a shareholders' general meeting as stipulated by the Articles of Association.

Article 53 The following matters shall be passed by special resolution at the shareholders' general meeting:

- (1) an increase or reduction of the registered capital and share capital of the Company, or issue of any class of shares, warrants and other similar securities;
- (2) an issue of debentures by the Company;
- (3) the merger, division, dissolution, liquidation and change in corporate form of the Company;
- (4) amendments to the Articles of Association;

- (5) within one year the amount of purchase or sale of significant assets, or the amount of guarantee exceeds twenty-five percent of the latest audited total assets of the Company;
- (6) the share option incentive scheme;
- (7) other matters which are required by the relevant laws and rules of the State and the place where the securities of the Company are listed, or resolved by ordinary resolutions at shareholders' general meeting to be of material effect to the Company and shall be passed by special resolutions.

Article 54 A shareholders' general meeting shall be convened and presided by the chairman of the board of directors. If the chairman of the board of directors cannot attend the meeting, the board of directors may designate a director of the Company to convene and preside the meeting on its behalf; if no chairman of the meeting has been so designated, shareholders present shall elect one person to be chairman of the meeting. If for any reason the shareholders fail to elect a chairman, the shareholder (including proxy) attending the meeting and holding the largest number of shares vested with voting rights shall be the chairman of the meeting.

Article 55 The chairman of the meeting shall be responsible for determining whether a resolution of the shareholders' general meeting is passed or not and his/her determination shall be final and the same shall be entered into the minutes of the meeting.

Article 56 In the event the chairman of the meeting has any doubt as to the result of voting on any resolution, he/she may have the votes counted. If the chairman of the meeting does not make a count of such votes but any shareholder or proxy present at the meeting disputes the result announced by the chairman of the meeting, such shareholder or proxy shall be entitled to request counting of the votes immediately after the declaration of the result has been made and the chairman of the meeting shall forthwith proceed with the vote counting.

Article 57 In the event a vote counting has been conducted at a shareholders' general meeting, the result thereof shall be entered into the minutes of the meeting.

The minutes of the meeting together with the signature book of the shareholders attending the meeting and the proxy forms shall be kept at the registered address of the Company. The aforesaid signature book of shareholders and proxy forms shall not be destroyed within ten years.

Chapter 8 Party Committee

Article 58 The establishment of the Party Committee and the Discipline Inspection Committee shall be conducted according to the Constitution of the Communist Party of China (《中國共產黨章程》) and the Regulations on the Work of Communist Party Grassroots Organizations of the State-owned Enterprises (Trial Implementation) (《中國共產黨國有企業基層組織工作條例(試行)》). The election,

appointment and tenure of the secretary and members of the Party Committee and the Discipline Inspection Committee shall be conducted according to the Constitution of the Communist Party of China and the Regulations on the Work of Communist Party Grassroots Organizations of the State-owned Enterprises (Trial Implementation).

Article 59 The Company adheres and improves the leadership mechanism of “Dual Entry and Cross Appointment”. Eligible members of the Party Committee may join the board of directors and the management through statutory procedures, and eligible Party members in the board of directors and the management may join the Party Committee in accordance with the relevant regulations and procedures.

Article 60 The Party Committee shall implement the theories, directions, guidelines and policies of the Party when carrying out its work, strengthen Party discipline comprehensively, uphold the principle of democratic centralism and fulfill the responsibility of administering the Party.

Article 61 The Party Committee shall conduct research and discussion, and provide recommendations before the board of directors and the management making any significant decisions.

Matters that are subject to the study and discussion of the Party Committee mainly include:

- (1) thorough implementation of the decisions and deployments of the Party Central Committee and important measures of national development strategies;
- (2) the development strategies, medium and long term development plans and important reform proposals of the Company;
- (3) principles and directional issues involving the Company’s asset restructuring, change of property rights, capital operations and large investments;
- (4) the establishment of and adjustment to the Company’s organizational structure and the formulation and amendment of the Company’s important rules and systems;
- (5) important matters regarding the Company’s safe production, maintenance of stability, interests of employees and social responsibilities;
- (6) other material matters required to be studied and decided by the Party Committee.

The Party Committee of the Company shall draw up a list of matters to be studied and discussed in the light of the practical situations of the Company, and clarify the powers and responsibilities of the Party Committee and other governance bodies such as the board of directors and management.

The Party Committee of the Company shall study and discuss major operation and management issues, focusing on whether the decisions are in line with the Party's theories and policies, whether they are in line with the decisions of the Party Central Committee and the implementation of national and regional development strategies, whether they are conducive to promoting the high quality development of the Company, enhancing the Company's competitive strength and realizing the preservation and appreciation of value of state-owned assets, and whether they are conducive to safeguarding the public interest and the legitimate rights and interests of workforce.

The Party Committee of the Company shall study and discuss operation and management issues, and generally shall go through the procedures of proposing motions, formulating proposed plans, studying and discussing by the Party Committee and communicating before the board of directors' meetings.

Article 62

The Party Committee of the Company shall carry out work with a defined focus on production and operation and play the role as a battle fortress. The main responsibilities of which are:

- (1) To study, promote and implement the theories, directions and policies of the Party as well as promote and execute the resolutions of the Party Central Committee, the Party organizations at higher levels and the Organization, unite and lead the workforce to accomplish various tasks of the Company;
- (2) To participate in the discussion on major issues decisions of the Company according to the regulations, and support the Company's responsible personnel in carrying out the work;
- (3) To educate, manage, supervise, serve and recruit Party members, as well as to exercise strict discipline in the party organization, organize party members to excel in their work, and give full play to their pioneering and exemplary role;
- (4) To maintain close ties with the workforce, promote resolution of their legitimate demands, and well prepare for the ideological and political work. To lead trade unions, youth leagues, women's organizations and other groups of the Company and support them to carry out their work independently and responsibly with their respective articles of association;
- (5) To supervise party members, cadres and other staff of the Company to strictly abide by the national laws and regulations and the financial and personnel system of the enterprise and safeguard the interests of the state, the collective and the people;
- (6) To put forward opinions and suggestions on party building and party work in a practical and realistic manner, promptly report important developments to the Party organization at the higher level, and inform party members and the masses of the party's work in accordance with regulations.

Article 63

The Party Committee generally operates in the form of meetings, the notification, convention and voting procedure of which shall be carried out in accordance with the relevant regulations of the Party.

Article 64 In accordance with the principles of strengthening the work of the Party and lean and efficient coordination, the Party Committee of the Company shall establish relevant working organisations with a certain number of party affairs staff according to the actual needs. The same-level treatment policy should be strictly implemented to facilitate the two-way exchange between Party affairs staff and other operating management personnel.

Article 65 To protect the working funds of the party committee of the Company via channels such as including into management expenses and retention of Party fees, which are inclined to the front line of production and operation. To integrate and to apply of various resources to well arrange the Party organization activities.

Chapter 9 Board of Directors

Article 66 The Company shall establish a board of directors comprising nine directors. The board of directors shall have a chairman of the board of directors.

Article 67 The directors shall be elected at the shareholders' general meeting and their term of office shall be three years. Upon the expiry of the term, a director shall be eligible for re-election. The term of office of a director starts from the date of the passing of resolution at the shareholders' general meeting and ends on the date when the term of the current session of the board of directors expires.

Except for retiring directors and director candidates proposed by the board of directors, starting from the second day after the dispatch of the notice of the meeting appointed for election of director(s), a shareholder is entitled to lodge a notice in writing to the Company to nominate directors and the period (during which the candidate is required to issue a notice to the Company acknowledging his/her intention to be elected) for lodgment of such notice shall be seven days. In any event, the aforesaid period shall end seven days before the date of such meeting.

Chairman of the board of directors shall be elected and removed by more than half of the directors and his/her terms of office shall be three years and he/she is eligible for re-election.

Directors need not be shareholders of the Company.

Article 68 When making decisions on major issues in production and operation, the board of directors shall seek the advice from the Party Committee in advance. The board of directors is the decision-making body of the Company, and is responsible for formulating the Company's strategies, making decisions and preventing risks and shall be accountable to the shareholders' general meeting and the board of directors shall have the following duties and powers:

- (1) to be responsible for convening shareholders' general meeting and to report its work to the shareholders' general meeting;

- (2) to implement the resolutions passed at the shareholders' general meeting;
- (3) to formulate the Company's strategies and development plans;
- (4) to formulate the Company's business policy and annual investment plan;
- (5) to prepare the business and investment plans for the Company;
- (6) to formulate the annual work report of the board of directors;
- (7) to decide on major reform and reorganization matters within the Company, or make resolutions on relevant matters according to the authorization of the shareholders' meeting;
- (8) to formulate the Company's state-owned property change plan;
- (9) to prepare the annual financial budget and final accounts of the Company;
- (10) to prepare the plans for profit distribution and recovering losses for the Company;
- (11) to prepare proposals for increasing or reducing the registered capital of the Company and proposals for the issue of debenture of the Company;
- (12) to formulate the Company's major income distribution plan, including the Company's total salary budget and liquidation plan etc., and to approve the Company's employee income distribution plan and its annuity plan;
- (13) to decide on the Company's compliance management matters;
- (14) to review and approve the matters such as the Company's external investment, financing, asset acquisition, sale, write-off, guarantee, related transactions in accordance with laws and regulations, regulatory provisions, this Articles of Association and the Company's relevant authorization system;

- (15) to formulate proposal for merger, division, change of corporate form, or dissolution and liquidation of the Company;
- (16) to decide on the set-up of the internal management structure of the Company, and to decide on the establishment and cancellation of branch companies and other branches;
- (17) to decide to appoint or dismiss the senior management officers of the Company such as the manager, deputy manager, general legal counsel or the officers and to appoint or dismiss the secretary of the board of directors according to the nomination of the chairman of the board of directors and to determine the business performance assessment and remuneration of the Company's senior management officers according to relevant regulations;
- (18) to direct, inspect and assess the Company's internal audit, review the Company's annual internal audit work report, establish a mechanism under which the audit department is accountable to the board of directors, and the board of directors approves the annual audit plan and important audit reports in accordance with the law;
- (19) to formulate the Company's major accounting policies and amendments to accounting estimates and to determine the upper limit of the Company's gearing ratio;
- (20) to determine the authorization management system and authorization matters for managers;
- (21) to set up the basic management system of the Company;
- (22) to draw up proposal for amending the Articles of Association;
- (23) to determine the establishment of special committees and to appoint or dismiss relevant responsible officers;
- (24) to decide on external donations and sponsorships;
- (25) to listen to the work report of the manager, check the implementation of the resolutions of the board of directors by the manager and other senior management officers, and to establish and improve the accountability system for the manager and other senior management officers;
- (26) to perform other functions as authorized by shareholders' general meeting and the Articles of Association of the Company.

Except the resolutions provided for in paragraphs (11), (15) and (22) which require more than two-thirds approval of the directors, the remaining resolutions on other matters as contained in the preceding paragraph shall be passed by a simple majority of the directors. The board of directors shall perform its duties in accordance with the laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed, the Articles of Association of the Company and the resolutions of the shareholders.

Article 69 Subject to the relevant laws and administrative regulations, the shareholders are entitled to dismiss any directors before expiry of their terms of office (including the chairman or other executive directors, but without prejudice to any compensation claimed by the director on the basis of the contract) by an ordinary resolution at the shareholders' general meeting.

Article 70 Under the leadership of the board of directors, the board of directors may set up several special committees to assist the board of directors' performance of its duties, or to provide recommendations or opinions for the decision making of the board of directors. The members of the special committees shall be the directors.

Article 71 The board of directors shall not dispose of or agree to dispose of any fixed assets of the Company without the prior approval of a shareholders' general meeting if the aggregate of the expected consideration for the proposed disposition and the consideration for any disposal of fixed assets of the Company during a period of four months immediately preceding the proposed disposal, exceeds thirty-three per cent of the fixed asset value as shown in the latest balance sheet reviewed by the shareholders' general meeting.

For the purpose of this Article, the disposal of fixed assets shall include an act involving the transfer of certain interests in assets, but shall not include the provision of security against such fixed assets.

The validity of any transactions of the Company to dispose of fixed assets shall not be prejudiced by any violation of the first paragraph of this Article.

Article 72 Prior to making decisions of the development of the market, merger and acquisition and the investment in new areas which involves an investment amount or merger and acquisition amount of more than ten per cent of the latest audited assets of the Company, the Company shall appoint a consulting institution to provide professional opinions which forms an important basis for the decision-making of the board of directors.

Article 73 The chairman of the board of directors shall exercise the following functions and powers:

- (1) to preside over the shareholders' general meetings and to convene and chair the meetings of the board of directors;
- (2) to review the implementation of the resolutions of the board of directors;

- (3) to sign debentures issued by the Company;
- (4) to sign other important documents of the Company or authorize one or more directors of the Company by power of attorney to sign the other important documents of the Company;
- (5) other functions delegated by the board of directors.

If the chairman of the board of directors is unable to perform his/her duties, he/she may designate a director to perform the duties on his/her behalf.

Article 74 The board of directors should hold meetings at least two times every year which shall be convened by the chairman of the board of directors and notice of meeting shall be given to all directors and supervisors ten days prior to the meeting.

Article 75 Extraordinary meetings of the board of directors shall be convened and presided over by the chairman of the board of directors upon the occurrence of any of the following circumstances:

- (1) when it is deemed necessary by the chairman of the board of directors;
- (2) when it is proposed by shareholders holding not less than one-tenth of the total voting rights;
- (3) when it is jointly proposed by not less than one-third of the total number of directors;
- (4) when it is proposed by the supervisory committee;
- (5) when it is proposed by not less than two independent directors;
- (6) when it is proposed by the management.

With respect to items (2) to (6) of this Article, the chairman of the board of directors shall convene and preside over a meeting of the board of directors within ten days after receiving the proposal.

Article 76 Notices convening meetings and extraordinary meetings of the board of directors shall be given in the

manner set forth in Article 153. The time limit for such notice shall be ten days prior to the meeting. The laws and regulations of the State and the place where the Company's securities are listed shall apply to the extent that they provide otherwise.

Article 77 Sufficient details shall be provided at the time of the issue of notice in relation to any material matters that need to be decided by the board of directors. Directors may request for provision of supplementary materials. If not less than one quarter of the total number of directors or not less than two external directors consider that such information is insufficient or the reasoning is unclear, they may jointly propose for suspension of convention of the meeting or suspension of the consideration of the matters to be considered and the board of directors shall adopt such proposal.

Where the matters to be considered by the Board involve legal issues, the general counsel shall attend the meeting and provide legal opinions as an important basis for the Board's decision.

Article 78 Meetings of the board of directors shall only be held with not less than one-half of the directors present at the meeting. Each director shall have one vote.

A written resolution signed by all directors shall be deemed to be of the same validity as a resolution passed at a meeting of the board of directors duly convened, and may consist of several documents in the like form each executed by one or more directors. A resolution which is signed by a director or contains the name of the director and delivered by telegraph, telex, post, facsimile or by personal delivery to the Company shall be treated as a document signed by him/her for the purpose of this Article.

Article 79 Meetings of the board of directors shall be attended by the directors in person. If a director cannot attend a meeting for any reason, he/she may appoint in writing another director to attend the meeting on his/her behalf. The instrument of appointment shall specify the scope of authority and the directors absent from the meeting shall be individually liable to any legal consequences.

A director who attends a meeting on behalf of another director shall exercise the rights of a director within the scope of authority granted. If a director fails to attend a meeting of the board of directors and has not appointed a representative to attend on his/her behalf, he/she shall be deemed to have waived his/her voting rights in respect of that meeting.

Article 80 The board of directors shall keep minutes of its decisions on the matters considered at the meetings. The minutes of meetings shall be signed by the directors attending the meeting and the person taking minutes. The directors shall be responsible for the resolutions of the board of directors. Where a resolution of the board of directors is in violation of laws, administrative regulations or the Articles of Association of the Company, the directors voting in favour of such resolution shall be directly liable. However, where a director voting against such resolution who can prove that he/she expressed his/her opposition to such resolution when it was put to the vote, and that such opposition was recorded in the minutes of the meeting, the director may be relieved from such liability. The directors who abstain from voting or did not attend the meeting nor appoint representative to attend the meeting shall not be relieved from such liability. The directors who expressed the opposition to such resolution during discussion but did not vote against the resolution shall not be relieved from such liability. The board of directors shall make complete records of the matters and the resolutions considered in the meeting. The secretary to the board of directors shall organize the minutes and the matters considered in the meeting, sign on the resolutions and bear responsibility for the accuracy of such records.

The opinions of the independent directors shall be stated in the resolutions of the board of directors. The related parties transaction of the Company shall only be effective upon signature of the independent directors.

If any director has associated relationship with the enterprises involved in any resolution proposed at a meeting of the board of directors, such director shall not exercise voting rights on the resolution or on behalf of other directors. Such meeting of the board of directors shall not be held unless attended by a majority of directors having no interest in such matter, and any resolution made thereon shall be subject to affirmative votes of a majority of directors having no interest in such matter. Where there are less than three directors having no interest in such matter attend the meeting, the matter shall be submitted to the shareholders' general meeting of the listed company for consideration and approval.

- Article 81 The board of directors' meeting may be held in the form of telephone conference or through similar communications equipment. In holding such meeting, all the directors shall be deemed to be present in the meeting in person provided that the directors attending the meeting can hear and communicate clearly with other directors.
- Article 82 The meetings of the board of directors shall be held at the legal address of the Company in principle. However, the meeting may be held outside PRC upon resolution of the board of directors.
- Article 83 The Company shall bear the costs for the directors to attend the board of directors' meeting, including transportation fees from the director's place to the meeting place, accommodation costs, meal costs and local transportation fees incurred during the meeting.
- Article 84 Unless otherwise provided by the board of directors, the manager who is not a director may observe the meeting of the board of directors and is entitled to receive the notice and relevant documents of such meeting; however, the manager is not entitled to vote at the meeting unless he/she is also a director.

Chapter 10 Secretary to the Board of Directors

- Article 85 The Company shall appoint a secretary to the board of directors, who shall be responsible for the preparation of the shareholders' general meeting and the meetings of the board of directors, keeping of documents, and management of shareholders' information of the Company and handling matters such as information disclosure.
- Article 86 The secretary to the board of directors of the Company shall be a natural person who possess the necessary professional knowledge and experience, good personality and with a professional ethics and relatively strong ability to coordinate public relations and shall be appointed by the board of directors. The principal duties of the secretary to the board of directors are as follows:

- (1) to assist the board of directors to deal with the daily work, to continuously provide, remind and

ensure the understanding of the board of directors in relation to the laws, regulations and policy requirements of the operation of the Company stipulated by the regulatory authorities inside and outside PRC, to assist the directors and chairman to fulfill the requirements of the laws, regulations, the Articles of Association and other regulations inside and outside PRC in exercising their powers and duties;

- (2) to be responsible for preparation and organization of the board of directors' meeting and the shareholders' general meeting, to prepare the meeting documents, to arrange the meeting matters and make records, to ensure the minutes are accurate and the resolutions of the meetings are in accordance with the legal procedure, to monitor the execution of the resolutions of the board of directors;
- (3) to ensure the Company has a complete organization of documents and minutes;
- (4) to ensure that the Company prepares and submits documents and reports as required by the competent authorities (including but not limited to the relevant government authorities of PRC, the stock exchange on which the shares of the Company are listed and the Administration Bureau for Industry and Commerce) in accordance with laws;
- (5) to ensure the record-keeping of the registers of shareholders, the register of directors, the amount of holding of equity interests by major shareholders and by directors and the list of interests of the debentures issued by the Company; to ensure that persons entitled to receive such records and documents shall be provided with the relevant records and documents in time;
- (6) to organize and coordinate the disclosure of information, to coordinate the relationship with the investors, to enhance the transparency of the Company;
- (7) to participate in organizing the financing in the capital market;
- (8) to handle the relationship with the agency, regulatory authorities and the media;
- (9) to perform other functions and duties required by the laws, the regulatory authorities of the stock exchange on which the shares of the Company are listed and/or the Articles of Association of the Company (including the reasonable requirements of the board of directors).

Article 87

The director or other senior management officer (except for the manager and the officers in charge of financial matters) may serve as the secretary to the board of directors. The accountant of the accounting firm which is appointed by the Company shall not serve as the secretary to the board of directors.

Where the secretary to the board of the directors also acts as a director, he/she shall not perform an action in dual capacities if such action shall be made by the director and the secretary to the board of director separately.

The position of secretary of the board of directors may be assumed by one or two natural persons. In case where two persons are appointed jointly, the obligations of the secretary to the board of directors shall be assumed jointly by such two persons. However, either one of them shall be entitled to exercise independently all powers of the secretary of the board of directors.

- Article 88 The board of directors shall terminate the term of office of the secretary to the board of directors if the following circumstances occurred during his/her term of office:
- (1) failing to perform his/her relevant duties and obligations and causing significant loss to the Company;
 - (2) violating the laws, regulations, the Articles of Association and other relevant requirements in performing his/her duties and causing serious results or bad influence;
 - (3) leaking confidential information of the Company and causing serious results or bad influence;
 - (4) the regulatory authority considers that he/she is not qualified to continue to act the secretary of the board of directors;
 - (5) other circumstances considered by the board of directors.

Article 89 Before the resignation or dismissal of the secretary to the board of directors shall accept the outgoing review to be conducted by the supervisory committee, and shall, under the supervision of the supervisory committee, pass on the relevant documents and materials, outstanding and remaining matters and issues completely to the succeeding secretary to the board of directors. The resigning or dismissed secretary to the board of directors shall sign the necessary confidential agreement and perform confidential obligations.

Chapter 11 Management

Article 90 The Company shall have one manager, several deputy managers and one officer in charge of financial matters, appointed or dismissed by the board of directors.

While the board of directors engages a member of management, it shall strictly manage the term, scientifically determine the contractual objectives, implement remuneration in a rigid manner, and strictly evaluate dismissal.

Article 91 When making decisions on major issues in production and operation, the management of the Company shall seek advice from the Party Committee in advance. The management of the Company is the execution body of the Company and shall perform the duties of operation planning, implementation monitoring and management strengthening.

The manager of the Company shall be responsible to the board of directors and shall perform the following functions:

- (1) to be in charge of the production and business operation of the Company and to organize the implementation of the resolutions of the board of directors;
- (2) to organise the implementation of the annual business plan and investment program of the Company;
- (3) to prepare proposals for the establishment and dissolution of internal management bodies, branch companies and other branches of the Company;
- (4) to prepare the basic management systems of the Company;
- (5) to formulate specific rules and regulations of the Company;
- (6) to propose for the appointment or dismissal of deputy managers and the officers in charge of financial matters of the Company;
- (7) to decide to appoint or dismiss responsible management staff other than those to be appointed or dismissed by the board of directors;
- (8) other functions designated by the Articles of Association and the board of directors.

The deputy managers and the officers in charge of financial matters shall assist the manager and be accountable to the manager.

Article 92 The management may observe the meetings of the board of directors, but the manager, not being a director, shall not have the right to vote in the meetings of the board of directors.

Article 93 In performing his/her functions and powers, the management of the Company shall perform fiduciary duties pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Chapter 12 Supervisory committee

- Article 94 The Company shall establish a supervisory committee.
- Article 95 The supervisory committee shall comprise five supervisors including one shareholder representative, two staff representatives and two independent supervisors. The term of office of the supervisor shall be three years for each session, and the supervisors shall be eligible for re-election.
- Article 96 The independent supervisors are elected and removed by the shareholders' general meeting and the representative of the employees is elected and removed by the employees' democratic elections.
- There is one chairman of the supervisory committee, who is appointed and removed by more than two-thirds (including two-thirds) of the total number of supervisors.
- Article 97 The Company's directors, the manager and other senior management officer (including but not limited to the officers in charge of financial matters) shall not at the same time act as supervisors.
- Article 98 The supervisory committee shall convene at least one meeting every six months and such meeting shall be convened by the chairman of the supervisory committee.
- Article 99 The supervisory committee shall be accountable to the shareholders' general meeting and shall carry out the following duties and powers in accordance with laws:
- (1) to inspect the finances of the Company;
 - (2) to supervise the acts of the directors, manager and other senior management officers of the Company who have contravened the laws, administrative regulations or the Articles of Association or resolutions of shareholders' general meeting in carrying out their duties of the Company;
 - (3) to request the directors, manager or other senior management officers of the Company to rectify their acts which have prejudiced the interests of the Company;
 - (4) to review the financial information such as financial reports, business reports and profit distribution proposal to be submitted by the board of directors to the shareholders' general meeting; in case of doubts, the supervisors may, in the name of the Company, require a re-examination by the registered accountants and the certified public auditors;

- (5) to accept the appointment of the relevant authorities of the State to investigate special matters;
- (6) to propose the convening of an extraordinary general meeting;
- (7) to represent the Company in negotiating with or in initiating legal proceedings against the directors;
- (8) other powers or duties in accordance with the laws, regulations, regulatory documents and the Articles of Association.

The supervisors may observe meetings of the board of directors.

Article 100 When convening the meeting of the supervisory committee of the Company, if the supervisors have proper reasons, they have the right to require the chairman to convene an extraordinary meeting of the supervisory committee. The notice of each meeting shall be given in the manner specified in Article 154 at least ten days prior to the meeting. Such notice shall include the date and venue of the meeting, the time of the meeting, the topic of the meeting and the date of issue of the notice.

The meetings of the supervisory committee shall be convened if more than one half of the total number of the supervisors attend the meeting. The meeting shall be voted with names and each supervisor shall have one vote. The supervisor shall attend the meeting in person. If the supervisor cannot attend the meeting, he/she may appoint in writing another supervisor to attend the meeting on his/her behalf, and the instrument of appointment shall state the scope of the authorization.

Both the resolutions of the regular meetings and the extraordinary meetings of the supervisory committee are the resolutions of the supervisory committee and shall be passed by more than one half of the total number of the supervisors. In the event of equality of votes in favour or against a resolution, the chairman of the supervisory committee shall have an additional vote.

Article 101 Minutes of the meeting of the supervisory committee shall be kept. The supervisors may require his/her statement to be recorded as descriptive statement in the minutes. The supervisors attending the meeting and the minute-taker shall sign on the minutes.

Article 102 The supervisors shall be responsible to the resolution of the supervisory committee. If the resolution, which violates the laws, regulations or the Articles of Associations of the Company, causes damage to the Company, the supervisors who participated in the resolution shall be liable to compensate the Company. However, if a supervisor is proven to have expressed opposition at the voting and if such opposition is recorded in the minutes, such supervisor shall be relieved from such liability.

Article 103 The supervisory committee shall implement the system for recording the execution of resolutions. All

resolutions of the supervisory committee shall be executed by or executed under supervision by a designated supervisor. The designated supervisor shall record the execution and report the execution results to the supervisory committee.

Article 104 The supervisory committee and the supervisors are not liable to the resolutions of the board of directors. However, if the supervisory committee considers the resolutions of the board of directors are not in accordance with the laws, regulations and the Articles of Associations of the Company or are prejudicial to the interests of the Company, the supervisory committee may resolve to recommend the board of directors to review such resolutions.

Article 105 Reasonable expenses incurred by the supervisory committee for engagement of professionals such as lawyers, registered accountants, practising auditors, etc. in the exercise of its functions and powers shall be borne by the Company.

Reasonable expenses incurred by the supervisors attending the meeting of supervisory committee shall be borne by the Company, including the transportation costs to the meeting venue from the location of the supervisors (if different), accommodation costs, meal costs during the meeting, the rental costs of the meeting venue and the local transportation costs.

Article 106 Supervisors shall faithfully perform their supervisory duties in accordance with laws, administrative regulations and the Articles of Association of the Company.

Chapter 13 Qualifications and Obligations of the Directors, Supervisors, Manager and Other Senior Management Officers

Article 107 The occurrence of any one of the following events shall disqualify a person from being a director, supervisor, manager or other senior management officers of the Company:

- (1) lacking capacity in taking civil action or such capacity being restricted;
- (2) being convicted of committing corruption, bribery, misappropriation or embezzlement of properties or violating social and economic order, and not more than five years have elapsed since the expiration of the enforcement of the punishment; or being deprived of political rights due to conviction and not more than five years have elapsed since the expiration of the enforcement period;
- (3) being a director or factory manager, manager of a company or enterprise being liquidated of which he/she shall be personally liable for such liquidation and not more than three years have elapsed since the date of completion of the liquidation of such company or enterprise;
- (4) being the legal representative of a company or enterprise of which the business licence has been cancelled or ordered to be closed as a result of the contravention of the laws and in which he/she

shall be personally liable and not more than three years have elapsed since the date of cancellation of the business licence of such company or enterprise;

- (5) having relatively large amount of personal indebtedness which has become due but have not yet been settled;
- (6) being under investigation by the judicial authorities in respect of contravention of criminal laws, and such investigation has not yet been finalised;
- (7) being prohibited by laws or administrative regulations to act as a director, supervisor, manager and other senior management officers;
- (8) not being a natural person;
- (9) being convicted by the relevant supervisory authorities of contravention of the provisions of relevant securities regulations which involved fraud or dishonest acts and not more than five years have elapsed since the date of such conviction.

Any election, appointment or hiring of directors, supervisors, the manager or other senior management officers that is in breach of this Article will be void. Any directors, supervisors, the manager or other senior management officers who fall within the circumstances set out in paragraph 1 of this Article during their terms of service shall be removed by the Company.

Article 108 The validity of an act undertaken by a director, manager and other senior management officer of the Company acting on behalf of the Company towards a bona fide third party shall not be affected by the irregularities in the appointment, election or qualification of such person.

Article 109 In addition to the obligations required by laws, administrative regulations or the listing rules of any stock exchange on which the shares of the Company are listed, a director, supervisor, manager and other senior management officer of the Company shall also be responsible to each shareholder in respect of the following obligations in performing the duties and exercising the powers given to him/her by the Company;

- (1) not to cause the Company to exceed the scope of business stipulated in its business licence;
- (2) to act faithfully in the best interests of the Company;
- (3) not to deprive by any means the Company of its assets, including (but not limited to) opportunities beneficial to the Company;

- (4) not to deprive the personal interests of the shareholders including (but not limited to) the rights to distribution and voting rights but excluding corporate reorganization schemes submitted to and passed at a shareholders' general meeting in accordance with the Articles of Association.

Article 110 In exercising his/her rights or performing his/her obligations, the director, supervisor, manager and other senior management officer of the Company shall have the responsibility to exercise the prudence, diligence and skill of a reasonable and prudent person acting under similar circumstances.

Article 111 The duty of integrity of the Company's directors, supervisors, manager and other senior management officers does not necessarily cease upon termination of their office. Their duty of confidentiality in relation to the Company's trade secrets shall continue upon termination of their office. The period for continuation of other duties shall be determined in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which their relationship with the Company were terminated.

Article 112 In the event that a director, supervisor, manager and other senior management officer of the Company are interested materially, directly or indirectly, in a contract, transaction or arrangement made or contemplated to be made with the Company (except for the service contract of the director, supervisor, manager and other senior management officers with the Company), he/she shall disclose to the board of directors as soon as possible the nature and extent of his/her interest regardless of whether the relevant matter needs to be approved or consented to by the board of directors in normal circumstances.

Unless the director, supervisor, manager and other senior management officers of the Company so interested have made a disclosure of such interest to the board of directors as required in the preceding paragraph of this Article and the board of directors has approved the same in a meeting in which he/she has not been counted in the quorum nor has he/she voted at the meeting which approved such matter, the Company shall have the right to revoke such contract, transaction or arrangement unless the other party is a bona fide party without knowledge of the breach of the obligations of such director, supervisor, manager and other senior management officers.

If the related persons of a director, supervisor, manager and other senior management officers of the Company are interested in certain contracts, transactions or arrangements, such director, supervisor, manager and other senior management officers shall also be deemed as interested in the same.

Otherwise provided by the Articles of Association, where the board of directors is passing the director or the contracts, transactions or arrangements which are related with the director, such director shall not vote in the resolution and not be calculated in the quorum.

Article 113 The Company shall enter into a contract in writing with directors and supervisors of the Company in respect of their remunerations, the terms of which shall have obtained prior approval at a shareholders' general meeting. The terms of the remuneration matters as aforesaid shall include:

- (1) the remuneration for acting as a director, supervisor or other senior management officer of the Company;
- (2) the remuneration for acting as a director, supervisor or other senior management officer of a subsidiary of the Company;
- (3) the remuneration for provision of other services in the management of the Company and its subsidiaries;
- (4) the payment for compensation for loss of office or retirement of such directors or supervisors.

Except pursuant to the contract aforesaid, no legal proceedings shall be initiated by a director or supervisor in respect of benefits receivable by him/her in respect of the aforesaid matters.

Article 114

There shall be a provision in the contract in relation to remuneration made between the Company and a director or supervisor of the Company that the director or the supervisor of the Company shall be entitled to the compensation or other payments as a result of loss of office or retirement when the Company is to be taken over, provided that prior approval shall have been obtained at a shareholders' general meeting. A takeover of the Company referred to above shall mean one of the following situations:

- (1) a takeover offer to all shareholders has been made by any person;
- (2) a takeover offer has been made by any person to enable the offer or to become the controlling shareholder. The meaning of "controlling shareholder" is the same as that defined in Article 35 of the Articles of Association.

In the event that the relevant director or supervisor does not comply with the provisions of this Article, any moneys received by him/her shall belong to the persons who accept the said offer to sell their shares; the expenses incurred as a result of proportional distribution of such moneys shall be borne by such director or supervisor and such expenses shall not be deducted from such moneys.

Article 115

The director may resign before his/her term of office expired and shall make a written report of resignation to the board of directors.

Article 116

If the resignation of the director results in the number of members of the board of directors falls under the statutory minimum number, such resignation report shall be effective upon the vacancy occurred by such resignation being filled up by a succeeding director.

The remaining directors shall convene the extraordinary general meeting to elect a director to fill the

vacancy resulting from the resignation of the director. The term of office of the new director shall expire on the annual general meeting for election of the next session of the board of directors and such director shall be eligible for re-election.

Before the decision of the election of the director is made, the powers and functions of the resigned director and the remaining directors shall be restricted reasonably.

Article 117 The obligation of a resigning or retiring director to the Company and the shareholders shall not be necessarily relieved in the period when its resignation report has not yet been effective, or reasonable period after it has been effective, and reasonable period after the expiry of his/her term. His/her duty of confidentiality as to the trade secrets of the Company shall be effective after the expiry of his/her term until such secrets become open information. The period for continuation of other duties shall be determined by the principle of fairness, and depends on the time lapse between the expiry of the terms of office and the occurrence of the matter as well as the circumstances and conditions under which his/her relationship with the Company was terminated.

Article 118 Any loss caused by a director whose term of office has not expired and who has left the office without authorization shall be borne by such director.

Chapter 14 Financial, Accounting, Audit and Legal Counsel System

Article 119 The Company shall set up the financial, accounting, audit and legal counsel system of the Company in accordance with laws, administrative regulations and the provisions of the financial department of the State Council.

The Company shall reinforce rigid constraints for corporate financial, manage the survival of the fittest in market competition and consolidate its principle position on the market.

Article 120 The Company shall prepare a financial report at the end of each financial year and the same shall be audited by the accounting firm in accordance with law.

The financial year of the Company shall adopt the Gregorian calendar year system, i.e. from 1 January to 31 December on the Gregorian calendar.

Article 121 The financial report prepared by the Company in accordance with the relevant laws, administrative regulations and regulatory documents issued by local government or supervisory authorities shall be submitted by the board of directors of the Company to the shareholders at each annual general meeting.

- Article 122 The Company's financial statements to be presented at annual general meeting shall be made available at the Company twenty-one days before the date of every annual general meeting for shareholders' inspection.
- Each shareholder shall be entitled to obtain a copy of the financial statements referred to in this chapter. The Company shall at least send to shareholders the copies of the report of the board of directors, the balance sheet (including documents need to be provided by the applicable laws) and the profit and loss statement or income and expenditure statement (including the aforesaid financial statements) in the manner specified in Article 151 of the Articles of Association of the Company not later than twenty-one days before the date of the annual general meeting.
- Article 123 The financial statements of the Company shall be prepared in accordance with Mainland accounting standards and regulations.
- Article 124 The interim results or financial information published or disclosed by the Company shall be prepared in accordance with Mainland accounting standards and regulations.
- Article 125 The Company shall announce two financial reports in each financial year, i.e. the interim report after the first six months of a financial year and the financial report after the end of the financial year.
- Article 126 No books of account other than those provided under the law may be established by the Company.
- Article 127 The capital reserve fund shall include the following funds :
- (1) the premiums obtained from the issue of shares in excess of the par value; and
 - (2) other revenue required by the State Council's department in charge of finance to be included in the capital reserve fund.
- Article 128 The Company may distribute dividends in the following forms (or in the two forms simultaneously):
- (1) cash;
 - (2) shares.

The dividends and other payments paid by the Company to the domestic shareholders shall be calculated and declared in Renminbi and paid in Renminbi within three months after the declaration of the dividends; the dividends and other payments paid by the Company to holders of H shares shall be calculated and declared in Renminbi and paid in foreign currency within three months after the declaration of the dividends. The exchange rate shall be calculated on the basis of the average closing price of Renminbi price of the relevant foreign currency announced by the People's Bank of China five business days prior to the distribution day of dividends and other distributions. The foreign currency paid to the holders of the H shares shall be handled by the Company in accordance with the relevant foreign exchange regulations of the State. Upon authorization by the shareholders' general meeting, the board of directors may decide to distribute the interim dividends or bonus.

The Company shall forfeit the uncashed dividends six years or later after the payable day.

Article 129

The profit of the Company shall be distributed in the following order after payment of relevant taxes:

- (1) recovery of losses;
- (2) allocation of ten percent of the profits to the Company's statutory revenue reserve until the accumulated amount of the Company's statutory revenue reserve is not less than fifty percent of the Company's registered capital;
- (3) allocation to discretionary revenue reserve from the after-tax profits upon resolution of the shareholders' general meeting;
- (4) payment of dividends on ordinary shares.

The particular proportion of distribution in each year in respect of paragraphs (3) and (4) of this Article shall be proposed by the board of directors in accordance with the operational condition and development requirements and shall be considered and approved by the shareholders' general meeting.

Article 130

The Company shall not distribute dividends before making up its losses and allocation to the statutory revenue reserve.

Article 131

The Company shall appoint receiving agents on behalf of the shareholders of H shares. Receiving agents shall receive on behalf of the relevant shareholders the dividends distributed and other monies payable by the Company in respect of H shares.

The receiving agent which the Company appoints for the holders of H shares shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

The receiving agent appointed by the Company shall meet the relevant requirements provided by the laws and rules of the place where the securities of the Company may be listed.

Article 132 The internal audit department of the Company shall be responsible to the board of directors for carrying out internal audits and auditing supervision on the operation and management activities of the Company and its invested companies and branches in accordance with the relevant national and Tianjin municipal regulations.

Article 133 The Company shall establish legal risk prevention mechanism, implement legal counsel system in accordance with the relevant national and Tianjin municipal regulations, set up general legal counsel acted by senior management officers of the Company.

The legal counsel of the Company is responsible for handling legal matters during the operation and management of the Company, participating in the Company's major business decisions and ensuring the legality of such decisions. The general legal counsel shall give play to the role as a legal audit gatekeeper in operation and management, promote the Company's operation and compliance management in accordance with laws, and shall issue legal opinions on material matters such as division, merger, bankruptcy, dissolution, registered capital increase/decrease and restructuring, which shall be submitted to the shareholders' meeting for approval in accordance with the relevant requirements.

Chapter 15 Appointment of Accounting Firm

Article 134 The Company shall appoint an independent accounting firm which shall meet the relevant requirements provided by the laws and rules of the State and the place where the securities of the Company may be listed to audit the annual financial report and other related business of the Company.

Article 135 The accounting firm appointed by the Company shall hold office from the conclusion of that annual general meeting to the conclusion of the next annual general meeting.

Article 136 The accounting firm appointed by the Company shall enjoy the following rights:

- (1) to inspect the books and account, records or evidence of the Company at any time and has the right to require directors, managers or other senior management officers of the Company to provide the relevant information and explanation;
- (2) to require the Company to adopt all reasonable measures to obtain from its subsidiaries information and explanation which are requisite for such accounting firm to carry out its duties;

(3) to speak at meetings of shareholders about the matters related to its being the accounting firm of the Company.

Article 137 If the office of the accounting firm becomes vacant, the board of directors shall have the right to appoint an accounting firm to fill such vacancy prior to the convening of the shareholders' general meeting. However, in case there is another accounting firm in office for the Company during the continuance of the vacancy, such accounting firm may perform the duties.

Article 138 Any accounting firm can be dismissed prior to the expiry of its term of office by ordinary resolution passed in a shareholders' general meeting regardless of the provisions of the terms of the contract entered into by the accounting firm and the Company. If the relevant accounting firm is entitled to claim compensation against the Company due to the dismissal, such right shall not be affected.

Article 139 The remuneration or the manner to determine the remuneration of the accounting firm shall be decided at the shareholders' general meeting by an ordinary resolution. The remuneration of the accounting firm appointed by the board of directors shall be determined by the board of directors.

Article 140 When the Company dismisses or does not re-appoint an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to present its views at the shareholders' general meeting. Where the accounting firm resigns, it shall state in the shareholders' general meeting as to whether or not there are irregularities in the Company.

When the notice of resignation of the accounting firm contains a statement that has to be accounted for, the accounting firm may request the board of directors to convene an extraordinary shareholders' meeting for the purpose of hearing the explanation of the circumstances connected with its resignation.

Chapter 16 Merger and Division

Article 141 The merger of the Company may take the two forms of merger by absorption and merger by formation of a new corporation.

In the event of merger of the Company, the parties involved in the merger shall execute a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify the creditors within ten days from the date of the merger resolution and shall make announcement in newspapers within thirty days thereof. The creditors shall, within 30 days after receipt of notice or within forty-five days of the announcement of any merger in the case of creditors that have not received notice, be entitled to demand repayment in full or a guarantee by the Company.

After completion of the merger, the rights and obligations of loans of the parties involved in the merger shall be assumed by the company surviving the merger or the new company formed after the merger.

Article 142 In the event of a division of the Company, its assets shall be divided accordingly.

In the event of a division of the Company, the parties involved shall execute a division agreement and prepare the balance sheet and list of assets. The Company shall notify the creditors within ten days from the date of the division resolution and shall make an announcement in newspapers at least three times within thirty days thereof.

Article 143 In the event of a merger or division of the Company, alterations in the registered matters of the Company shall be registered at the company registration authorities in accordance with law; in the event of a dissolution of the Company, the cancellation of registration shall be made in accordance with law; in the event of the setting up of a new company, the registration of incorporation thereof shall be made in accordance with law.

Chapter 17 Dissolution and Liquidation

Article 144 The Company shall dissolve and proceed with liquidation in accordance with law upon occur one of the following events:

- (1) expiry of the valid term of the business or the occurrence of other events of dissolution as stated in the Articles of Association;
- (2) the shareholders' general meeting resolves to dissolve the Company by a special resolution;
- (3) dissolution of the Company is required for the merger or division of the Company;
- (4) the Company is revoked of business license, ordered to close or cancelled in accordance with law;
- (5) other circumstances stipulated by laws and administrative regulations.

Article 145 In the event that the Company is dissolved under the provisions of paragraph (1), (2), (4) and (5) of the preceding Article, it shall set up within fifteen days a liquidation committee to deal with matters of the liquidation. The members of the liquidation committee shall be directors or other persons appointed by a shareholders' general meeting. If a liquidation committee is not established in time, the creditors may apply to the People's Court to establish a liquidation committee by their appointment to proceed with the liquidation. The People's Court shall accept such application and establish the liquidation committee to carry out liquidation in a timely manner.

Article 146 The liquidation committee shall notify the creditors within ten days of its establishment and announce the same in newspapers within sixty days. The creditors shall claim their creditors' rights to the liquidation committee within thirty days after the date of their receipt of the notice, or for those who did not receive the notice, within forty-five days after the date of the announcement.

When declaring their claims, creditors shall explain relevant particulars of their claims and provide supporting materials. The liquidation committee shall register any claims for payment of debt.

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

Article 147 The liquidation committee shall perform the following functions and powers during the liquidation process:

- (1) to dispose of the properties of the Company, to prepare a balance sheet and list of assets respectively;
- (2) to give notice or make announcement to creditors;
- (3) to deal with and liquidate the uncompleted business of the Company related to the liquidation;
- (4) to effect payment of all taxes due and incurred during the liquidation;
- (5) to sort out the Company's right to and liability for debts;
- (6) to deal with the remaining assets after settlement of debts by the Company;
- (7) to represent the Company to participate in civil proceedings.

Article 148 After disposal of the assets of the Company and the preparation of the balance sheet and a list of assets has been completed, the liquidation committee shall draw up a liquidation programme for submission to the shareholders' meeting, the shareholders' general meeting or the People's Court for their confirmation.

The expenses of the liquidation, including the remuneration of the members of the liquidation committee and the consultants, shall be allocated from the assets of the Company prior to the payment of the debts of other creditors.

After the resolution of the shareholders' general meeting to dissolve the Company or after the Company is declared to be wound-up or ordered to be closed down in accordance with the laws, any person, without the authorization of the liquidation committee, shall not dispose of the assets of the Company.

The assets of the Company shall be repaid in accordance with the following priority: to pay liquidation expenses; to pay all wages due to the staff and workers of the Company, social insurance expenses and statutory compensations; to effect payment of taxes due; to settle the debts of the Company.

The remaining assets of the Company after settlement in accordance with the provisions aforesaid shall be distributed to the shareholders of the Company in accordance with the class and proportion of shares held by them.

- (1) The holders of the preferred shares shall be distributed in accordance with the par value of the preferred shares; where the amount of the share capital of the preferred shares cannot be paid in full, it shall be distributed in accordance with the proportion of shares held by the holders;
- (2) The shareholders of the ordinary shares shall be distributed in accordance with the proportion of shares held by them.

During the liquidation process, no business activities unrelated to the liquidation shall be commenced by the Company.

The members of the liquidation committee shall devote themselves to their duties and perform their obligations of liquidation according to the law.

No member of the liquidation committee may take advantage of his/her position to accept bribes or other illegal proceeds, nor may he/she misappropriate properties of the Company. Where members of the liquidation committee cause any loss to the Company or any creditor due to the deliberate acts or gross negligence of such members, they shall be liable to pay compensations.

Article 149

If the liquidation committee discovers that, in the case of a liquidation of the Company due to dissolution and after the disposal of the assets of the Company and preparation of the balance sheet and list of assets, the assets of the Company are insufficient to settle the debts, it shall forthwith make an application to the People's Court for a declaration of insolvency.

After the declaration of insolvency by the People's Court, the liquidation committee shall pass the liquidation matters to the People's Court.

Article 150

Upon the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report for submission to the shareholder meeting, shareholders' general meeting or relevant supervisory authorities for confirmation, and to the company registration authorities and apply for the cancellation of the registration of the Company and announce the termination of the Company.

Chapter 18 Notices

Article 151 The notice of the Company (including, but not limited to, notices of meetings of the Company to its shareholders, corporate communications, financial reports and statements, reports of the Board of Directors, or other documents, written materials) may be issued by means of:

- (1) delivery by hand;
- (2) mail;
- (3) electronic;
- (4) announcement;
- (5) relevant laws and regulations of the PRC and the place where the Company's securities are listed, or other means required in the Articles of Association.

Where a shareholder of the Company, in accordance with the laws and regulations (including but not limited to the Listing Rules of the Hong Kong Stock Exchange), agrees (including but not limited to deemed or implied agreement) to treat the publication of a document on the website of the stock exchange where the Company's securities are listed or on the website of the Company as having discharged the Company's obligation to distribute such documents under any laws and regulations, then subject to the requirements of laws and regulations, the documents published on the website of the stock exchange where the Company's securities are listed or on the website of the Company shall be deemed to have discharged the obligation of the Company under the preceding paragraph of this Article, for each shareholder of the Company.

The laws and regulations of the PRC and the place where the Company's securities are listed shall be applied if they provide otherwise.

Article 152 For notice of the Company delivered in the form of an announcement, it shall be published on the websites designated by the securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed (if there are other requirements in the relevant laws and regulations or otherwise additional means or media are allowed to publish the announcement, such requirements shall prevail). All relevant persons shall be deemed to have received the notice upon the first issue of the announcement.

Article 153 The notice convening the meeting of the board of directors shall be given by hand, post, electronic means or by way of an announcement.

- Article 154 The notice of the meeting of the supervisory committee meeting shall be given by hand, post, electronic means or by way of an announcement.
- Article 155 For the notice of the Company delivered by hand, the addressee shall sign (or stamp) on the receipt of the delivery, and the date of delivery refers to the date when the addressee signs the acknowledgement receipt; for those sent by mail, the date of delivery refers to the fifth working day from the date of delivery to the post office; for those sent by electronic means, the date of delivery refers to the date displayed on electronic screens.
- Article 156 Accidental omission to serve a notice on, or non-receipt of any such aforesaid notice by, such person who is entitled to receive the same shall not invalidate the meeting (and the resolutions passed at the meeting).
- Article 157 For dividend receipts sent by post, if such dividend receipts have been left uncashed for two consecutive occasions, or after the first occasion on which such receipt is returned undelivered, the Company may cease sending the dividend receipts by post.

Chapter 19 Amendments to the Articles of Association

- Article 158 The Company may amend the Articles of Association pursuant to the relevant laws of the PRC and the place where the securities of the Company are listed and the provisions of the Articles of Association.
- Article 159 The amendments subject to approval by the competent authorities shall be submitted to such authorities for approval; if the amendments involve company registration matters, alteration of the registration shall be made in accordance with law.

Chapter 20 Supplementary Provisions

- Article 160 The term “accounting firm” in this Articles of Association shall have the same meaning with “auditor” as defined in the Hong Kong Stock Exchange Listing Rules; the term “related parties transaction”, “related relationship” and “related party” used herein shall have the same meaning with “connected transaction”, “connected relationship” and “connected party” as defined in the Hong Kong Stock Exchange Listing Rules and relevant systems of the Company.
- Article 161 In this Articles of Association, the terms “not less than”, “within” and “not more than” shall include the given figure; the terms “under”, “beyond”, “exceed” and “more than half” shall not include the given figure.

- Article 162 This Articles of Association is prepared in Chinese. In case of any inconsistency between the other versions prepared in other languages or any other versions and this Articles of Association, the latest Chinese version registered at the Administration Bureau of Industry and Commerce of Tianjin Municipal shall prevail.
- Article 163 The matters not covered in this Articles of Association shall be dealt with in accordance with the relevant laws and regulations of the PRC and the place where the securities of the Company are listed, in conjunction with the actual circumstances of the Company. In the event that the Articles of Association is in conflict with the newly promulgated laws and regulations of the PRC and the place where the securities of the Company are listed, such newly promulgated provisions shall prevail.
- Article 164 This Articles of Association shall be interpreted by the board of directors of the Company.

In this document, certain Chinese names of institutions, natural persons or other entities have been translated into English and included as unofficial translations for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.