

Shenyang Public Utility Holdings Company Limited

(Incorporated in the People's Republic of China with limited liability)

Articles of Association

January 30, 2024

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Articles of Association of Shenyang Public Utility Holdings Company Limited

CHAPTER 1 GENERAL

Article 1 In order to protect the legal rights and interests of the Company, shareholders, and creditors, and to regulate the organization and activities of the Company, this Articles of Association is formulated by the Company in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Applicable Guidelines under Regulatory Rules — Overseas Offering and Listing Category No. 1, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), Guidelines for the Articles of Association of Listed Companies, and other relevant State laws and administrative regulations.

Article 2 This company (or "The Company") is a company limited by shares established according to the Company Law and other related laws and administrative laws and regulations.

Following approval of the GuoJingMao QiGai [1999] No.589 Paper of the State Economic and Trade Commission, the Company is incorporated by means of sponsorship, registered in the Shenyang Administration for Industry and Commerce and obtained the Company's business license on July 2, 1999. The Company's unified social credit code is 912101067157200609.

Article 3 The Company was approved by the China Securities Regulatory Commission (hereinafter referred to as "CSRC") on October 19, 1999 to initially issue 420.4 million foreign shares subscribed in foreign currencies to foreign investors and listed overseas, which were listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") on December 16, 1999.

Article 4 Registered Name of the Company:

Chinese: 瀋陽公用發展股份有限公司

English: SHENYANG PUBLIC UTILITY HOLDINGS COMPANY LIMITED

- Article 5 The Company's domicile: 1-4 A20, Zhongyang Street, Shenyang Economic & Technological Development Area
- Postal code: 110141
- Article 6 The registered capital of the Company is RMB1,469,376,000.
- Article 7 The Company is a perpetual company limited by shares.
- Article 8 The chairman of the board of directors is the legal representative of the Company.
- Article 9 The total assets of the Company are divided into equal shares. Shareholders assume responsibility for the Company to the extent of the shares they subscribe to, and the Company assumes responsibility for its debts with its total assets.
- Article 10 From the date of these articles of association becoming effective, these articles of association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se. These articles of association are binding on the Company, shareholders, directors, supervisors and senior administrative officers. These articles of association are actionable by shareholders against each other, by shareholders against the directors, supervisors, general managers and other senior administrative officers of the Company, by shareholders against the Company, and by the Company against the shareholders, directors, supervisors, general managers and other senior administrative officers.
- Article 11 The other senior administrative officers referred to in these articles of association refer to the deputy general managers, the secretary of the board of directors and the chief financial officer of the Company.
- Article 12 In accordance with the provisions of the Constitution of the Chinese Communist Party, the Company establishes Communist Party's organizations and carries out Communist Party's activities. The Company provides necessary conditions for the activities of the Communist Party's organizations.

Article 13 Within the scope allowed by laws and regulations, the Company may invest in other enterprises. However, unless otherwise provided by law, it shall not become an investor who assumes joint liability for the debts of the investee enterprise.

CHAPTER 2 PURPOSES AND SCOPE OF BUSINESS

Article 14 The objectives of the operation of the Company are: Focusing on the main business, operating steadily, serving the society, and benefiting shareholders.

Article 15 The scope of business of the Company shall comply with those items approved by the company's registration authority.

The scope of business of the Company includes: investment and operation of urban public utility, and self-operation of self-owned assets.

Article 16 The Company may, according to domestic and overseas markets, domestic and overseas business demands and its ability to develop, upon the approval by special resolution adopted by the Shareholders' general meeting and the approval of the relevant state governing authority (if required), adjust its scope of business or investment orientation and method etc.

CHAPTER 3 SHARES

SECTION 1 SHARE ISSUANCE

Article 17 The shares of the Company take the form of stocks.

Article 18 The principle of openness, fairness and impartiality shall be applied to the issuance of shares of the Company, and each share of the same class shall have the same rights.

The terms of issue and price per share shall be the same for shares of the same class issued at the same time; the same price shall be paid per share for shares subscribed by any entity or individual.

Article 19 The shares issued by the Company shall be denominated in RMB.

Article 20 Domestic shares issued by the Company shall be centrally deposited with China Securities Depository and Clearing Corporation Limited. The overseas listed foreign shares issued by the Company in Hong Kong shall be deposited mainly with the securities registration and clearing companies in Hong Kong, and may also be held in the name of individuals by shareholders.

Article 21 The promoter of the Company is Shenyang Public Utility Group Company Limited. The promoter established the Company by means of sponsorship on July 1, 1999 by converting the appraised net assets of the subsidiaries into share capital for the subscription of 600 million domestic shares of the Company.

Article 22 There must, at all times, be ordinary shares in the Company. Subject to compliance with laws and regulations and the requirements of securities regulatory authorities, the Company may, according to its requirements, create other classes of shares.

Article 23 The shares issued by the Company shall have a par value of Renminbi one yuan. The Renminbi referred to in the preceding paragraph is the legal currency of the People's Republic of China.

Article 24 The Company shall, when issuing shares to domestic and foreign investors, perform the registration (if required) or filing procedures with the CSRC in accordance with the law.

Foreign investors referred to in the preceding paragraph means those investors of foreign countries and regions of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company. Domestic investors mean those investors within the territory of the PRC (excluding investors of the regions referred to in the preceding sentence) who subscribe for shares issued by the Company.

Article 25 Shares issued by the Company to investors inside the People's Republic of China and to be subscribed for in Renminbi shall be referred to as "Domestic-Invested Shares". Shares issued by the Company to investors outside the People's Republic of China and to be subscribed for in foreign currency shall be referred to as "Foreign-Invested Shares". Foreign Invested Shares listed overseas shall be referred to as "Overseas-Listed Foreign-Invested Shares". Both the shareholders of the Domestic-Invested Shares and the shareholders of the Overseas-Listed Foreign-Invested Shares are the shareholders of the ordinary shares, and shall enjoy the same rights and obligations.

The foreign currencies referred to in the preceding paragraph mean the legal currencies (apart from Renminbi) of other countries or areas which are recognized by the foreign exchange control authority of the State and can be used to pay the Company for the share price.

Ordinary shares issued by the Company but not listed in the stock exchanges in or outside the People's Republic of China referred to as non-listed shares. Subject to compliance with laws and regulations and the requirements of securities regulatory authorities, all or part of the non-listed shares may be converted into Overseas-Listed Foreign-Invested Shares. The listing and trading of the said converted shares on overseas stock exchanges shall also comply with the regulatory procedures, regulations and requirements of the overseas securities markets.

No general meeting is required to be held for voting on the listing and trading of non-listed shares on the overseas stock exchange and the conversion of non-listed shares into Overseas Listed Foreign Invested Shares.

- Article 26 Foreign-Invested Shares issued by the Company and listed in Hong Kong shall be called "H Shares". H Shares are shares which have been approved by relevant authority of the State, and admitted for listing on the Hong Kong Stock Exchange, the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.
- Article 27 The total number of shares of the Company is 1,469,376,000 shares, all of which are ordinary shares, of which 864,000,000 are domestic shares, accounting for 58.80% of the total share capital, and 605,376,000 are H shares, accounting for 41.20% of the total share capital.
- Article 28 The Company or its subsidiaries (including any affiliated enterprises of the Company) shall not provide any assistance, by way of donation, advanced payment, guarantee, compensation or loan, etc., to a person who is acquiring or is proposing to acquire shares of the Company.

SECTION 2
INCREASE OR REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 29 The Company may, based on its operational and development needs and in accordance with the relevant provisions of laws and regulations, approve an increase of capital in the following manners upon respective resolutions at Shareholders' general meetings:

- (1) by public issuance of shares;
- (2) by non-public issuance of shares;
- (3) by allotting bonus shares to its existing shareholders;
- (4) by capitalizing its capital reserve;
- (5) by any other means which is permitted by laws, administrative regulations and authorized by the relevant regulatory authorities.

Article 30 The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures set forth in the Company Law, the Hong Kong Listing Rules, other relevant provisions and these articles of association.

Article 31 The Company may not acquire its own shares, except in the following circumstances:

- (1) reducing the Company's registered capital;
- (2) merging with another company that holds shares in the Company;
- (3) using the shares for employee stock ownership plans or equity incentives;
- (4) a shareholder who disagrees with a resolution on a merger or division of the Company made at a Shareholders' general meeting requests the Company to acquire his or her shares;
- (5) using the shares for converting corporate bonds issued by the Company that are convertible into shares;
- (6) to maintain the value of the Company and the interests of shareholders.

Article 32 The Company may repurchase its shares by open centralized transaction method or other methods approved by laws, administrative regulations, the CSRC and provisions of the place where the Company is listed.

The Company shall, when repurchasing its own shares, perform the information disclosure obligations in accordance with the provisions of the Securities Law and the Hong Kong Listing Rules.

Article 33 The Company's acquisition of its own shares under the circumstance as stipulated in (1) or (2) of the Article 31 shall be approved by a resolution of the Shareholders' general meeting. The Company's acquisition of its own shares under the circumstance as stipulated in (3), (5) or (6) of the Article 31 shall be approved by a resolution at a board meeting attended by no less than two-thirds of the directors in accordance with the provisions of these articles of association or the authorization of the Shareholders' general meetings.

Shares acquired under the circumstances as stipulated in (1) of the Article 31 shall be cancelled within 10 days from the day of acquisition; shares acquired under the circumstance as stipulated in (2) or (4) of the Article 31 shall be transferred or cancelled within 6 months from the day of acquisition; for the circumstances as stipulated in (3), (5) or (6) of the Article 31, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company and the shares so acquired by the Company shall be transferred or cancelled within 3 years from the day of acquisition.

If the applicable laws, administrative regulations, other provisions of these articles of association and laws of the place where the Company's shares are listed or requirements of securities regulatory authorities have other provisions on the aforementioned matters related to the repurchase of the Company's shares, the Company shall comply with such provisions.

SECTION 3 TRANSFER OF SHARES

Article 34 The shares of the Company are transferable in accordance with the law.

Article 35 The Company shall not accept shares of the Company as the subject matter of any pledge.

Article 36 The shares of the Company held by the promoter shall not be transferred within one year from the date of the establishment of the Company. Shares issued by the Company prior to its public offering of shares shall not be transferred within one year from the date of listing and trading of the Company's shares on the stock exchange.

Directors, supervisors and senior administrative officers of the Company shall declare to the Company their holdings of the Company's shares and their changes therein, and the shares transferred each year during their tenure of office shall not exceed twenty-five percent of the total number of shares of the same class of shares of the Company held by them; and the shares held by them shall not be transferred within one year from the date of the listing and trading of the Company's shares. The aforesaid officers shall not transfer the shares held by them within six months from the date they cease their employment with the Company.

If the Hong Kong Listing Rules or the relevant regulations of the securities regulatory authorities of the place where the Company's shares are listed have other provisions on the transfer restrictions of overseas listed shares, such provisions shall prevail.

Article 37 In the event that any shareholder, director, supervisor, or senior administrative officers holding more than 5% of the Company's shares disposes of the Company's shares or other securities of an equity nature within six months after their acquisition, or acquires more shares within six months after the date of any disposal, any gains arising therefrom shall be accounted for and belong to the Company. The board of directors shall recover such gains from any such officer or shareholder. However, this rule does not apply to securities companies that hold more than 5% of the shares due to the purchase of remaining shares after underwriting, or in other circumstances stipulated by the CSRC.

The shares or other securities with an equity nature referred to in the preceding paragraph held by directors, supervisors, senior administrative officers, and individual shareholders include those held by their spouses, parents, and children, as well as those held through others' securities accounts.

In the event that the board of directors does not comply with the provisions of the first paragraph of this Article, the shareholders have the right to demand that the board of directors take enforcement action within 30 days. If the board of directors fails to take the said enforcement action within this time limit, the shareholders are entitled to institute proceedings in their own names at the People's Court for the benefit of the Company.

In the event that the board of directors does not comply with the provisions of the first paragraph of this Article, the directors who are responsible for the matter shall assume joint liability under the law.

- Article 38 Once the shares in the Company have been transferred, the name of the transferee of the shares shall be listed as the holder of the shares in the register of shareholders.
- Article 39 The issuance or the subsequent transfer of all H shares shall be registered in the part of the register of shareholders maintained in Hong Kong pursuant to Article 46.
- Article 40 Any H share holder may transfer all or part of his shares by using any written instrument of transfer commonly used in Hong Kong. The instruments of transfer shall be signed by both transferor and the transferee or bearing machine printed signatures.
- Article 41 The Company shall ensure that all its H shares include the statements stipulated below and must instruct and cause its share registrar to refuse the registration by any person as a holder of the subscription, purchase or transfer of any of its shares unless and until such person delivers to such share registrar a signed form in respect of such shares bearing statements to the following effect:
- (1) the acquirer agrees with the Company and each shareholder of the Company, and the Company also agrees with each shareholder, to observe and comply with the Company Law and other relevant laws, administrative regulations and these Articles of Association;
 - (2) the acquirer agrees with the Company, each shareholder, director, supervisor and management officer of the Company and the Company on behalf of itself and of each director, supervisor and management officer agrees with each shareholder to refer all disputes and claims arising from these Articles of Association or any rights or obligations incident with or regulated by the Company Law and other relevant laws and administrative regulations to arbitration in accordance with these Articles of Association. Any reference to arbitration shall be deemed to authorize the arbitration to conduct the hearing in open session and to publish the award;
 - (3) the acquirer agrees with the Company and each shareholder of the Company that the shares of the Company are transferable by the holder(s) in accordance with the law;

- (4) the acquirer authorizes the Company on his behalf to enter into a contract with each director and management officer of the Company and such directors and management officers shall undertake to observe and comply with their obligations to shareholders stipulated in these Articles of Association.

Article 42 The H shares of the Company are listed on the Hong Kong Stock Exchange.

CHAPTER 4 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 43 Share certificates of the Company shall be in registered form.

The following items shall be stated on the share certificate of the Company:

- (1) the Company's name;
- (2) the date of incorporation of the Company;
- (3) the class of the share certificate, the par value and the number of shares represented by the share certificate (clearly written with words and numbers);
- (4) the serial number of the share certificate;
- (5) other items required to be stated by the stock exchanges on which the Company's shares are listed.

Article 44 The Company establishes a shareholder register based on the certificates provided by the securities registration institution and in accordance with laws, regulations, normative documents and the Hong Kong Listing Rules. The shareholder register is sufficient proof of the shareholders' ownership of the Company's shares.

The Company shall update the shareholders register in a timely manner if there is any change in the information recorded therein.

Article 45 The Company may, in accordance with the mutual understanding and agreements between the securities governing authority of the State Council and overseas securities regulatory organizations, maintain the register of shareholders of Overseas-Listed Foreign-Invested Shares overseas and appoint overseas agent(s) to manage such share register. The original share register for holders of H Shares shall be maintained in Hong Kong.

A duplicate of the share register for holders of Overseas-Listed Foreign-Invested Shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the share register. If there is any inconsistency between the original and the duplicate of the share register for holders of Overseas-Listed Foreign-Invested Shares, the original shall prevail.

Article 46 The Company shall have a complete register of shareholders which shall comprise the following:

- (1) a part of the shareholders' register maintained at the Company's residence other than those parts mentioned in sub-paragraphs (2) and (3) of this Article;
- (2) a part of the shareholders' register in respect of the holders of H Shares of the Company maintained in the place of the overseas stock exchange on which the shares are listed; and
- (3) any other parts of the shareholders' register maintained at such other places as the board of directors may consider necessary for the purpose of listing the shares of the Company.

Article 47 If laws, regulations, or requirements of the securities regulatory authorities and stock exchanges where the Company's shares are listed have provisions on suspension of the registration of share transfers before the date of a general meeting or before the record date of the Company's determination of dividend distribution, such provisions shall prevail.

Article 48 Any person aggrieved and claiming to be entitled to have his name (title) to be entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

CHAPTER 5 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

SECTION 1 SHAREHOLDERS

Article 49 Where the Company decides to convene a Shareholders' general meeting, distribute dividends, liquidate or carry out other activities which would require shareholders' identity to be ascertained, the board of directors or the convener of the meeting shall determine a record date for such purpose, and shareholders whose names appear on the register of shareholders after the close of trading of the shares of the Company on such date shall be entitled to the rights and benefits in connection therewith.

Article 50 A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders.

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

Article 51 The shareholders of the Company shall enjoy the following rights:

- (1) the right to dividends and other distributions in proportion to the number of shares held;
- (2) the right to attend or appoint a proxy to attend Shareholders' general meetings, and to speak and vote at general meetings, unless individual shareholders are required to abstain from voting on individual matters under the Hong Kong Listing Rules;
- (3) the right of supervisory management over the Company's business operations, and the right to present proposals or enquiries;
- (4) the right to transfer shares in accordance with laws, administrative regulations and provisions of these articles of association;
- (5) the right to review copies of these articles of association, the register of shareholders of all classes (the Company may suspend the shareholder registration procedure in accordance with the equivalent provisions of section 632 of the Companies Ordinance of the Hong Kong Special Administrative Region), the corporate bond stubs, the Shareholder' general meeting records, the board of directors meeting resolutions, the supervisory committee meeting resolutions, and financial and accounting reports;

- (6) the right to participate in the distribution of the remaining assets of the Company when the Company terminates or liquidates, according to the proportion of shares they hold;
- (7) the right to request the Company to buy back their shares if they dissent from the resolution of the Shareholders' general meeting regarding the merger or division of the Company;
- (8) other rights as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or these articles of association.

Article 52 When a shareholder requests to review the relevant information mentioned in the preceding Article or requests for materials, he/she shall provide the Company with written documents evidencing the class and number of shares of the Company held by him/her, and the Company shall provide such information as requested by such shareholder after verifying his/her identity.

Article 53 If the contents of the resolutions of the Shareholders' general meeting and the board of directors of the Company violate the laws and administrative regulations, the shareholders shall have the right to request the People's Court to invalidate the resolutions.

If the convening procedures and voting methods of the Shareholders' general meeting or the board meeting violate the laws, administrative regulations or these articles of association, or the contents of a resolution violate these articles of association, the shareholders shall have the right to request the People's Court to revoke the resolution within 60 days from the date of adoption of the resolution.

Article 54 Where a director or senior administrative officer violates laws, administrative regulations or these articles of association in the course of performing his/her duties and causes losses to the Company, the shareholders individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days shall have the right to request in writing the supervisory committee to initiate proceedings in the People's Court; where the supervisory committee violates laws, administrative regulations or these articles of association in the course of performing its duties and causes losses to the Company, the shareholders may request in writing the board of directors to initiate proceedings in the People's Court.

If the supervisory committee or the board of directors refuses to initiate proceedings after receiving the written request of the shareholders as stipulated in the preceding paragraph, or fails to initiate proceedings within 30 days after receiving the request, or in case of emergency where failure to initiate proceedings immediately will cause irreparable damage to the Company's interests, the shareholders as stipulated in the preceding paragraph shall have the right to initiate proceedings directly at the People's Court in their own names for the benefit of the Company.

If others infringe the legitimate rights and interests of the Company and cause losses to the Company, the shareholders specified in the first paragraph of this Article may initiate proceedings in the People's Court in accordance with the preceding two paragraphs.

Article 55 If a director or senior administrative officer violates laws, administrative regulations or these articles of association, thereby damaging the interests of shareholders, the shareholders may initiate legal proceedings in the People's Court.

Article 56 The ordinary shareholders of the Company shall assume the following obligations:

- (1) to abide by laws, administrative regulations, the Hong Kong Listing Rules and these articles of association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw their shares unless otherwise provided by laws and regulations;
- (4) not to abuse shareholders' rights to damage the interests of the Company or other shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of shareholders to damage the interests of the creditors of the Company;
- (5) other obligations imposed by laws, administrative regulations and these articles of association.

Shareholders of the Company who abuse their shareholders' rights and cause losses to the Company or other shareholders shall be liable for compensation in accordance with the law. Shareholders of the Company who abuse the independent status of the Company as a legal person and the limited liability of shareholders to evade debts and seriously damage the interests of the creditors of the Company shall bear joint and several liabilities for the debts of the Company.

Article 57 When a shareholder holding more than 5% of the voting shares of the Company pledges the shares held by him/her, he/she shall report to the Company in writing on the day on which the pledge occurs.

Article 58 The controlling shareholders and de facto controllers of the Company shall not use their connected relations to damage the interests of the Company. If the violation causes losses to the Company, they shall be liable for compensation.

The controlling shareholders and de facto controllers of the Company shall have fiduciary duties towards the Company and its public shareholders. The controlling shareholder shall exercise its rights as a capital contributor in strict compliance with the laws. The controlling shareholder shall not damage the legitimate rights and interests of the Company and public shareholders by means of profit distribution, asset restructuring, external investment, fund appropriation, loan guarantee, etc., and shall not use its controlling status to damage the interests of the Company and public shareholders.

SECTION 2

GENERAL PROVISIONS FOR SHAREHOLDERS' GENERAL MEETINGS

Article 59 The Shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with law:

- (1) to decide on the Company's operational policies and investment plans;
- (2) to elect and replace directors assumed by non-representatives of the employees and decide on matters relating to the remuneration of directors;
- (3) to elect and replace the supervisors who are representatives of shareholders and decide on matters relating to the remuneration of supervisors;

- (4) to examine and approve reports of the board of directors;
- (5) to examine and approve reports of the supervisory committee;
- (6) to examine and approve the Company's proposed annual preliminary and final financial budgets;
- (7) to examine and approve the Company's profit distribution plans and plans for making up losses;
- (8) to decide on increases or reductions in the Company registered capital;
- (9) to decide on matters such as merger, division, dissolution, liquidation or change of company form of the Company;
- (10) to decide on the issue of debentures by the Company;
- (11) to decide on the appointment and dismissal of the accountants of the Company;
- (12) to amend these articles of association;
- (13) to examine and approve guarantees required to be approved by the shareholders in general meeting;
- (14) to examine any acquisition or disposal of any material asset within one year if the asset value exceeds 30% of the latest audited total assets of the Company for the most recent year;
- (15) to examine and approve any change in the use of proceeds from funds raised;
- (16) to examine any share incentive schemes and employee stock ownership plan;
- (17) to examine other matters required to be resolved by the shareholders in general meeting according to relevant laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or provisions of these articles of association;

Article 60 The following external guarantees of the Company shall be considered and approved at the general meeting.

- (1) any guarantees provided after the total external guarantees of the Company and its holding subsidiaries exceeding 50% of latest audited net assets of the Company for the most recent period;
- (2) any guarantees provided after the total external guarantees of the Company exceeding 30% of the latest audited total assets of the Company for the most recent period;
- (3) any guarantees provided by the Company within one year with an amount exceeding 30% of the latest audited total assets of the Company for the most recent period;
- (4) any guarantees provided for any guaranteed party with an assets to liabilities ratio exceeding 70%;
- (5) any single guarantee in which the amount exceeds 10% of latest audited net assets of the Company for the most recent period;
- (6) any guarantees provided to shareholders, de facto controllers and their related parties;
- (7) other guarantees required to be considered by the shareholders in general meeting according to relevant laws, administrative regulations, normative documents, the Hong Kong Listing Rules and provisions of these articles of association.

The above external guarantees to be approved by the Shareholders' general meeting shall be submitted to the Shareholders' general meeting for approval after being considered and approved by the board of directors.

The board of directors shall have the right to consider and approve external guarantees other than those required to be approved by the Shareholders' general meeting in preceding paragraphs.

When the Shareholders' general meeting considers a resolution to provide guarantee for shareholders, de facto controllers and their related parties, such shareholders or shareholders controlled by such de facto controllers shall abstain from voting on the resolution, and the resolution shall be passed by more than half of the voting rights held by other shareholders attending the Shareholders' general meeting.

Article 61 Unless the Company is in a crisis or other special circumstances, the Company shall not, without the approval of shareholders in general meeting, enter into any contract with any person other than a director, general manager or other senior administrative officer whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person.

Article 62 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within six (6) months from the end of the preceding financial year.

Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two (2) months thereof:

- (1) when the number of directors is less than the number of directors required by the Company Law or two thirds of the number of directors specified in these articles of association;
- (2) when the unrecovered losses of the Company amount to one third of the total amount of its share capital;
- (3) upon request in writing by a shareholder alone or shareholders together (on the date of the written request) holding at least 10% (inclusive) of the Company's shares;
- (4) when deemed necessary by the board of directors or as requested by the supervisory committee.
- (5) other circumstance as specified in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or provisions of these Articles of Association.

The Company shall convene a Shareholders' general meeting at its domicile, place of production and operation or other location as specified in the notice of the meeting. A Shareholders' general meeting shall be held at a place and time where as many shareholders as possible are present.

A Shareholders' general meeting shall be convened on-site at a venue, or held in one or more locations as a hybrid meeting or electronic meeting, and shall facilitate the shareholders to attend the meeting by way of other safe, economical and convenient means as required by the laws, regulations, the Hong Kong Listing Rules and these articles of association. The shareholders that have participated in the meeting by the aforementioned means shall be deemed to have attended the meeting.

A hybrid meeting means a Shareholders' general meeting at which (i) the shareholders or their proxies may attend by physical attendance at the principal meeting place and where applicable, one or more meeting locations, and (ii) the shareholders or their proxies may attend and participate virtually by electronic means.

If the shareholders remotely participate in the Shareholders' general meeting through the Internet, video conferencing, electronic meeting or other means, they shall complete the registration and identity verification in accordance with the notice of the Shareholders' general meeting in advance, send their personal information to the Company, and use the link and password provided by the Company to participate in the Shareholders' general meeting. Without prejudice to the normal convening of the Shareholders' general meeting, the board of directors and the chairman of the meeting shall arrange for shareholders who remotely participate in the Shareholders' general meeting to speak and ask questions during the meeting. If the Company does not provide a voting system for shareholders who remotely participate in the Shareholders' general meeting, shareholder who is unable to attend the Shareholders' general meeting on-site may appoint his/her proxy to vote at the Shareholders' general meeting on his/her behalf.

Once the notice of a Shareholders' general meeting has been issued, the venue of the on-site meeting shall not be changed without valid reasons. If a change of venue is necessary, the convener shall make an announcement stating the reasons at least two working days prior to the date of the on-site meeting.

Directors, supervisors and external certified public accountants attending the Shareholders' general meeting through electronic means such as telephone or video conference shall be deemed as attending the meeting in person.

SECTION 3 CONVENING OF SHAREHOLDERS' GENERAL MEETING

Article 63 Independent non-executive directors shall have the right to propose to the board of directors to convene an extraordinary general meeting. In response to such proposal of the independent non-executive directors to convene an extraordinary general meeting, the board of directors shall, in accordance with the laws, administrative regulations and provisions of these articles of association, provide a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving such proposal. If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the board of directors is made. If the board of directors disagrees to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

Article 64 The supervisory committee shall have the right to propose to the board of directors to convene an extraordinary general meeting and such proposal shall be made by way of written request(s). The board of directors shall, in accordance with the laws, administrative regulations and provisions of these articles of association, provide a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving such proposal.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the board of directors is made. Any changes to the original proposal in the notice shall be subject to the consent of the supervisory committee.

If the board of directors disagrees to convene the extraordinary general meeting or fails to provide a reply within ten days after receipt of the proposal, the board of directors shall be deemed to have not been able or fail to perform its duty to convene the Shareholders' general meetings, and the supervisory committee may convene and preside over the meeting on its own.

Article 65 Shareholders individually or jointly holding more than 10% (inclusive) of the Company's shares shall have the right to propose the board of directors to convene an extraordinary general meeting, and such proposal shall be made by way of written request(s). The board of directors shall, in accordance with the laws, administrative regulations and provisions of these articles of association, provide a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving such proposal.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the board of directors is made. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors disagrees to convene the extraordinary general meeting or fails to provide a reply within ten days after receipt of the proposal, the shareholders individually or jointly holding more than 10% (inclusive) of the Company's shares shall have the right to propose to the supervisory committee to convene an extraordinary general meeting, and such proposal shall be made by way of written request(s).

If the supervisory committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after receipt of the proposal. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the supervisory committee fails to issue the notice of the Shareholders' general meeting within the prescribed period, it shall be deemed that the supervisory committee will not convene and preside over the Shareholders' general meeting, and shareholders individually or jointly holding more than 10% (inclusive) of the Company's shares for more than 90 consecutive days may convene and preside over the meeting by themselves.

Article 66 If the supervisory committee or shareholders decide to convene a Shareholders' general meeting on their own, they shall notify the board of directors in writing and file with the securities regulatory authorities of the place of registration of the Company and the stock exchange where the Company's shares are listed in accordance with the applicable regulations (if required).

The shareholding of the convening shareholders shall not be less than 10% before the announcement of the Shareholders' general meeting resolution.

When issuing the notice of the Shareholders' general meeting and announcing the resolution of the Shareholders' general meeting, the supervisory committee or the convening shareholders shall submit relevant supporting documents to the securities regulatory authorities of the place of registration of the Company and the stock exchange where the Company's shares are listed in accordance with the applicable regulations (if required).

Article 67 With regard to the Shareholders' general meeting convened by the supervisory committee or shareholders on their own initiative, the board of directors and the secretary of the board of directors shall provide assistance. The board of directors shall provide the register of shareholders as of the record date for the Shareholders' general meeting.

Article 68 The necessary expenses for a Shareholders' general meeting convened by the supervisory committee or shareholders on their own initiative shall be borne by the Company.

SECTION 4 PROPOSAL AND NOTICE AT SHAREHOLDERS' GENERAL MEETING

Article 69 When the company convenes a Shareholders' general meeting, the board of directors, the supervisory committee and shareholders individually or jointly holding more than 3% (inclusive) of the shares of the Company shall have the right to submit proposals to the Company.

The contents of proposals shall be matters falling within the functions and powers of Shareholders' general meetings, set out specific matters for consideration and resolution, and comply with relevant requirements of laws, administrative regulations and the Articles of Association.

Article 70 Shareholders individually or jointly holding more than 3% (inclusive) of the shares of the Company may submit ex tempore proposals in writing to the convener ten days before the Shareholders' general meeting is convened. The convener shall issue supplementary notice of the Shareholders' general meeting to announce the content of the ex tempore proposals within two days upon receipt of such proposals.

Except as referred to in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the Shareholders' general meeting or add any new proposals subsequent to the issue of the notice.

Proposals which are not listed in the notice of the Shareholders' general meeting or are inconsistent with these articles of association shall not be voted on and passed as resolutions by the Shareholders' general meeting.

Article 71 The Company shall notify the shareholders of the time, the place and the matters to be considered at the shareholders' annual general meeting at least twenty-one business days before such meeting is convened, and for a shareholders' extraordinary general meeting, at least fifteen days before the meeting is convened.

When calculating the aforesaid period, the Company shall exclude the date when the meeting is convened.

Article 72 A notice of meeting of shareholders includes the followings:

- (1) be in writing;
- (2) include the time, venue and duration of the meeting;
- (3) submit the matters and motions to be considered at the meeting;
- (4) contain conspicuously a statement that all holders of ordinary shares are entitled to attend at the Shareholders' general meeting, and may appoint a proxy in writing to attend and vote at the meeting on his/her behalf and that such proxy need not be a shareholder of the Company;
- (5) include the record date of registration of shareholders entitled to attend the Shareholders' general meeting;
- (6) include the name and telephone number of the regular contact person for the meeting.

Where the shareholders' general meeting shall be made in the manner of Internet or in any other manner, the notice of shareholders' general meeting shall clearly state the time and procedure of voting in the manner of Internet or in any other manner.

Article 73 When the elections of directors and supervisors are to be discussed at a Shareholders' general meeting, a notice of the Shareholders' general meeting shall fully disclose the particulars of the candidates for directors and supervisors and shall at least include the following:

- (1) personal particulars such as educational background, work experience and part-time jobs;
- (2) whether or not the candidate has any connected relationship with the Company or its controlling shareholders and de facto controllers;
- (3) disclosure of the number of shares the candidate holds in the Company;
- (4) whether or not the candidate has been subject to penalties by the CSRC and other relevant authorities, as well as sanctions by any stock exchange.

Except for the election of directors and supervisors by a cumulative voting mechanism, the nomination proposal for each candidate for director or supervisor should be submitted in the form of an independent motion.

Article 74 After the issue of a notice of Shareholders' general meeting, the Shareholders' general meeting shall not, without any proper reason, be postponed or cancelled, and the resolutions set out in the notice of meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall, at least two business days before the date of the scheduled meeting, make an announcement and state the reason therein.

Article 75 Notice of Shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting) by any of the notification methods stipulated in Chapter 12 of these articles of association. For the holders of Domestic-Invested Shares, such notice of meeting may be issued by way of public notice. The public notice issued to the holders of Domestic-Invested Shares should be published in media that meets the conditions stipulated by the CSRC.

After the publication of notice, the holders of Domestic-Invested Shares shall be deemed to have received the notice of the relevant Shareholders' general meeting.

For holders of H Shares, the notice of Shareholders' general meeting shall be sent or otherwise made available to the holders of H Shares by electronic means, or by publication on the Company's website and the website of the Hong Kong Stock Exchange. After the publication of notice, subject to fulfillment of the conditions of laws, administrative regulations, the Hong Kong Listing Rules and these articles of association, all holders of H Shares shall be deemed to have received the notice of the relevant Shareholders' general meeting.

SECTION 5 HOLDING OF SHAREHOLDERS' GENERAL MEETING

Article 76 The board of directors and other conveners of the Company shall take necessary measures to ensure the normal order of the Shareholders' general meeting. Measures will be taken to stop acts that interfere with the Shareholders' general meeting, provoke troubles and infringe the legitimate rights and interests of shareholders, and report to relevant authorities for investigation and punishment in a timely manner.

Article 77 All holders of ordinary shares whose names appear on the register of members of the Company on the record date or their proxies shall be entitled to attend the Shareholders' general meeting, and exercise their voting rights in accordance with the relevant laws, regulations and these articles of association.

Shareholders may attend the Shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf.

Article 78 An individual shareholder attending a Shareholders' general meeting in person shall present his/her identity card or other effective document or proof of identity, stock account card; a proxy attending a Shareholders' general meeting on behalf of a shareholder shall present his/her valid identity card and power of attorney of the shareholder.

A corporate shareholder shall attend the meeting by its legal representative or a proxy appointed by the legal representative. The legal representative attending the meeting shall present his/her identity card and valid certificate evidencing his/her capacity as a legal representative; if a proxy is appointed to attend the meeting, the proxy shall present his/her identity card and a written power of attorney duly issued by the legal representative of the corporate shareholder.

Article 79 Any shareholder entitled to attend and vote at a Shareholders' general meeting of the Company shall be entitled to appoint one or more other persons (whether a shareholder or not) as his or her proxies to attend and vote on his or her behalf. If a shareholder is a legal person, it may appoint a proxy to attend and vote at the general meeting of the Company. If the legal person does so, it should be regarded as attendance in person. The legal person shareholder shall sign a document for its duly authorized proxy. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:

- (1) the shareholder's right to speak at the meeting;
- (2) the right to demand or join in demanding a poll;
- (3) the right to vote by hand or on a poll, but proxies of a shareholder who has appointed more than one proxy may only vote on a poll. If any shareholder is, under the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the voting results.

Where a shareholder is a recognized clearing house (or its agent), it may authorize one or more persons that it deems suitable to attend on its behalf any shareholders' general meeting and creditors' meeting. However, if more than one person is authorized, the power of attorney shall specify the number and class of shares involved in the appointment of each such person and the power of attorney shall be executed by a person authorized by the recognized clearing house. The person(s) so authorized can represent the recognized clearing house (or its agent) to exercise its right and enjoy the same legal rights as other shareholders, including the rights to speak and vote.

Article 80 The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing.

The power of attorney issued by a shareholder to appoint a proxy to attend a Shareholders' general meeting shall contain the following information:

- (1) the name of the appointer and the name of the proxy;
- (2) the number of shares of the appointer represented by the proxy;

- (3) whether the proxy has the right to vote;
- (4) instructions to vote for or against or abstain from voting on each matter to be considered at the Shareholders' general meeting;
- (5) whether the proxy has the right to vote on the ex tempore proposal that may be included in the agenda of the Shareholders' general meeting, and specific instruction of voting if voting power is granted;
- (6) date and validity period of the power of attorney;
- (7) signature (or seal) of the appointer. If the appointer is a legal person shareholder, it shall be affixed with the seal of the legal person unit or signed by its director or a duly appointed attorney.

Article 81 The power of attorney shall specify whether the proxy may vote as he/she thinks fit in the absence of specific instructions from the shareholder.

Article 82 If a proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarial certified copy of that power of attorney or other authority together with the proxy form shall be deposited at the residence of the Company or at such other place as is specified for that purpose in the notice convening the meeting.

If the appointor is a legal person, its legal representative or such person as is authorized by resolution of its board of directors or other governing body may attend at any meeting of shareholders of the Company as a representative of the appointor.

Article 83 The Company shall be responsible for compiling the attendee register which shall include, among others, the name of attendee (or name of relevant unit), ID number, domicile, the number of voting shares that he/she holds or represents, and name of the person (or name of relevant unit) who attends the meeting by proxy.

Article 84 The convener shall verify the legitimate qualification of shareholders in accordance with the register of shareholders provided by the securities registration and clearing companies, and shall register the name of shareholders and the number of voting shares each of them holds. The registration shall end before the chairperson of the meeting announces the number of shareholders and proxies attending the meeting and the total number of voting shares they hold.

Article 85 When the Shareholders' general meeting is being held, all directors, supervisors and secretary of the board of directors of the Company shall be present at the meeting, and the general manager and other senior administrative officers shall also attend the meeting without the voting rights.

Article 86 The Shareholders' general meeting shall be chaired by the chairman of the Board. Where the chairman is incapable of performing or not performing his duties, the vice chairman (where the Company has two or more vice chairmen, the vice chairman jointly elected by more than half of the directors shall preside) shall preside over the meeting; where the vice chairman is incapable of performing or not performing his duties, a director jointly elected by more than half of the directors shall preside over the meeting.

The Shareholders' general meeting convened by the supervisory committee shall be presided over by the chairman of the supervisory committee. Where the chairman of the supervisory committee is incapable of performing or not performing his/her duties, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting.

A Shareholders' general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener.

When a Shareholders' general meeting is held and the chairman of the meeting violates the rules of procedures such that the Shareholders' general meeting may not proceed further, with the consent of more than half of the shareholders with voting rights present at the meeting, the Shareholders' general meeting may elect a person to be the chairman of the meeting and continue the meeting.

Article 87 The Company shall formulate the procedural rules of the Shareholders' general meeting which shall set out in detail the procedures of convention and voting in respect of the Shareholders' general meeting (including notices, registration, consideration and approval for proposals, voting, vote counting, announcement on voting results, formation of the resolution of the meeting, meeting minutes and signing, announcements and other matters) and the principles of authorization granted to the board of directors at the Shareholders' general meeting. The scope of authorization shall be specified in details. The procedural rules of the Shareholders' general meeting shall be prepared by the board of directors, approved at the Shareholders' general meeting and attached to the articles of association as an appendix.

- Article 88 In the annual general meeting, the board of directors and supervisory committee shall report to the shareholders on their respective work over the past year. Each independent non-executive directors shall also report their duties accordingly.
- Article 89 Directors, supervisors and senior administrative officers shall provide explanations on the inquiries and suggestions made by shareholders at the Shareholders' general meeting.
- Article 90 Prior to voting, the chairperson of the Shareholders' general meeting shall announce the number of shareholders and proxies present and the total number of voting shares held by them. The number of shareholders and proxies present and the total number of voting shares held by them shall be subject to the registration of the meeting.
- Article 91 Minutes of Shareholders' general meetings shall be recorded by the secretary of the board of directors. The minutes shall contain the following items:
- (1) the date, place and agenda of the meeting, and the name of the convener;
 - (2) the name of the chairperson of the meeting, and the names of directors, supervisors, general managers and other senior administrative officers of the Company present or in attendance at the meeting;
 - (3) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;
 - (4) the proceeding of examination of each proposal, summary of the points discussed and results of voting;
 - (5) questions and proposals put forward by shareholders and the answers or explanation thereof;
 - (6) names of vote-counters and scrutineers;
 - (7) such other matters as shall be recorded in the minutes of meetings pursuant to these articles of association.

Article 92 The convener shall ensure that the minutes are true, accurate and complete. The attending directors, supervisors, secretary of the board of directors, convener or his/her representative and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of the meeting shall be kept together with the signature book of the attending shareholders, the power of attorney of the proxies and the valid information of voting via internet or by other means. The period of maintaining such records shall be not less than ten years.

Article 93 The convener shall ensure that the Shareholders' general meeting is conducted continuously until final resolutions are made. If the Shareholders' general meeting is suspended or no resolution can be made due to force majeure or other special reasons, necessary measures shall be taken to resume the Shareholders' general meeting as soon as possible or terminate the Shareholders' general meeting directly, and an announcement shall be made in a timely manner.

SECTION 6
VOTING AND RESOLUTION AT SHAREHOLDERS' GENERAL MEETING

Article 94 Resolutions of Shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing more than half of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

Article 95 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.

Article 96 The following matters shall be resolved by an ordinary resolution at a Shareholders' general meeting:

- (1) work reports of the board of directors and the supervisory committee;
- (2) plans formulated by the board of directors for distribution of profits and for making up losses;
- (3) appointment or removal of the members of the board of directors and members of the supervisory committee, their remuneration and method of payment;
- (4) annual preliminary and final budgets of the Company;
- (5) annual reports of the Company;
- (6) matters other than those required by the laws, administrative regulations and the Hong Kong Listing Rules, or by these articles of association to be adopted by special resolutions.

Article 97 The following matters shall be resolved by a special resolution at a shareholders' general meeting:

- (1) the increase or reduction in registered capital of the Company;
- (2) the division, spin-off, merger, dissolution and liquidation of the Company;
- (3) amendments to these articles of association;
- (4) the acquisition or disposal of substantial assets, or provision of a guarantee within one year, involving an amount exceeding 30% of the latest audited total assets of the Company for the most recent period
- (5) share incentive scheme;
- (6) any other matters required by the laws, administrative regulations and the Hong Kong Listing Rules or by these articles of association to be considered by the Shareholders' general meeting, resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.

Article 98 When material matters affecting the interests of small and medium investors are considered at the Shareholders' general meeting, the votes of small and medium investors shall be counted separately. The result of separate vote counting shall be publicly disclosed in a timely manner.

Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a Shareholders' general meeting.

If a shareholder purchases the Company's voting shares in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not exercise the voting rights within 36 months after purchase, and shall not be counted in the total number of voting shares present at the Shareholders' general meeting.

The Company's board of directors, independent non-executive directors, shareholders holding more than 1% of the voting shares or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit voting rights from shareholders. Information such as specific voting intentions shall be fully disclosed to the shareholders from whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding restriction on the solicitation of voting rights.

Article 99 When a connected transaction is considered at a Shareholders' general meeting, the connected shareholders shall abstain from voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes. The announcement of the resolutions of the Shareholders' general meeting shall fully disclose the voting of non-connected shareholders.

Article 100 The list of candidates for directors and supervisors assumed by non-representatives of the employees shall be submitted to the Shareholders' general meeting for voting by way of proposal.

When the Shareholders' general meeting votes on the election of directors and supervisors, a cumulative voting system may be adopted in accordance with the provisions of these articles of association or the resolutions of the Shareholders' general meeting.

The cumulative voting system referred to in the preceding paragraph refers to that, when the Shareholders' general meeting elects directors or supervisors, each share shall have the same number of voting rights as the number of directors or supervisors to be elected, and shareholders may consolidate their voting rights. The board of directors shall announce to the shareholders the biographies and basic information of the candidates for directors and supervisors.

The implementation rules of the cumulative voting system are as follows:

- (1) where a cumulative voting system is used to elect directors and supervisors, candidates for independent non-executive directors, non-independent non-executive directors and supervisors shall be divided into different groups of proposals for voting at the Shareholders' general meeting;
- (2) shareholders attending the Shareholders' general meeting shall have the same number of votes as the number of directors or supervisors to be elected under each group of proposals for each share held for proposals adopting the cumulative voting system;
- (3) the number of votes held by shareholders can be cumulatively cast for one candidate or several candidates. Shareholders should vote up to the number of votes for each group of proposals. In the event that the number of votes cast by the shareholder exceeds the number of the votes he/she holds, or the shareholder casts votes in a number exceeding the number of candidates in the competitive election, the vote on such proposal shall be deemed invalid;
- (4) upon completion of voting, the votes will be counted cumulatively in respect of each proposal.

Article 101 Except for the cumulative voting system, the Shareholders' general meeting shall vote on all proposals one by one. If there are different proposals for the same matter, they shall be voted in the chronological order of the proposals being put forward. Unless the Shareholders' general meeting is suspended or no resolution can be made due to force majeure or other special reasons, the Shareholders' general meeting shall not set aside any proposal or refuse to vote on the proposals.

Article 102 No amendment shall be made to a proposal when it is considered at the Shareholders' general meeting. Otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted at the current Shareholders' general meeting.

Article 103 The same voting right shall only be exercised by one means, either through on-site voting or via internet or other voting methods. If the same voting right is exercised repeatedly, the first voting result shall prevail.

Article 104 Voting at the Shareholders' general meeting shall record the names of the voters.

Article 105 Before the Shareholders' general meeting votes on proposals, two representatives of shareholders shall be elected to participate in vote counting and scrutinising. Where any shareholder is related to any matter to be considered, the relevant shareholder and his/her proxy shall not participate in vote counting or scrutinising.

When the Shareholders' general meeting votes on proposals, the shareholders' representatives and supervisors' representatives shall be jointly responsible for vote counting and scrutinising, and shall announce the voting results at the meeting. The voting results of the resolutions shall be recorded in the minutes of the meeting. Where relevant laws, regulations and other normative documents and the Hong Kong Listing Rules have provisions in respect of vote counting and scrutinizing otherwise, such provisions shall prevail.

Article 106 The on-site Shareholders' general meeting shall not end earlier than internet or other access to the meeting. The chairman of the meeting shall announce the voting results of each proposal and announce whether the proposal is passed according to the voting results.

Before the formal announcement of the voting results, the Company, vote counters, scrutineers, substantial shareholders and other relevant parties involved in the on-site Shareholders' general meeting and other voting methods shall have the obligation to keep the voting results confidential.

Article 107 Shareholders attending the Shareholders' general meeting shall express one of the following opinions on the proposals submitted for voting: for, against or abstain, except that the securities registration and clearing companies, as the nominal holder of shares under the Mainland-Hong Kong Stock Connect, makes a declaration according to the intentions of the actual holders.

Any written vote which is unfilled, wrongly filled, unrecognizable and uncast shall be deemed as a waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as “abstentions”.

Article 108 The resolutions of the Shareholders’ general meeting shall be announced in a timely manner. The announcement shall specify the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and its proportion to the total number of voting shares of the Company, the voting method, the voting results of each proposal and the details of each resolution passed.

Article 109 If a proposal is not passed or a resolution of the previous Shareholders’ general meeting is changed at the current Shareholders’ general meeting, special reminders shall be made in the announcement of the resolutions of the Shareholders’ general meeting.

Article 110 When a proposal on the election of directors and supervisors is passed at the Shareholders’ general meeting, the newly appointed directors and supervisors shall take the position from the date on which the relevant proposal on the election is passed at the Shareholders’ general meeting.

Article 111 When a proposal on cash dividends, stock dividends or conversion of capital common reserve into share capital is passed at the Shareholders’ general meeting, the Company shall implement the specific proposal within two months after the conclusion of the Shareholders’ general meeting.

Article 112 If the convener of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may organize the counting of votes. If the convener of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the convener of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the convener of the meeting shall organize the counting of votes immediately.

CHAPTER 6 BOARD OF DIRECTORS

SECTION 1 DIRECTORS

Article 113 Directors shall be natural persons. A person may not serve as a director of the Company if any of the following circumstances apply:

- (1) a person without capacity for civil conduct or with restricted capacity for civil conduct;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist market economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of his punishment;
- (3) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise which had its business license revoked and is ordered to close down due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of debts due and outstanding;
- (6) a person who is restricted to access the securities market by the CSRC and such period of restriction has not expired;
- (7) other circumstances as prescribed by laws, administrative regulations, departmental rules or the Hong Kong Listing Rules.

If an election or appointment of a director is taken place in contravention of this Article, the said election, appointment or engagement shall be invalid.

If a director falls into any of the circumstances set forth in this Article during his term of office, the Company shall terminate his duties.

Article 114 Directors shall be elected or replaced at the Shareholders' general meeting, and may be removed from office by the Shareholders' general meeting before the expiration of the term of office. The term of office of the directors is three (3) years. At the expiry of a director's term, the term is renewable upon re-election.

The term of office of the directors shall be calculated from the date of their assumption of office until the expiration of the term of office of the current board. If a director is not re-elected in a timely manner upon the expiration of his/her term of office, the original director shall still fulfill his/her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules, Hong Kong Listing Rules and the articles of association until the re-elected director assumes office.

A director may concurrently hold the position of the general manager or other senior administrative officer, but the total number of directors concurrently serving as general manager or other senior administrative officer, as well as employee representatives, shall not exceed one-half of the total number of directors of the Company.

Without violation of relevant laws and regulations and the regulatory rules of the place where the shares of the Company are listed, any person appointed by the board of to be a director or to fill a temporary vacancy or to add a new place in the board of directors shall take office till the first annual general meeting after appointment, and may then be eligible for re-election.

Notice in writing of the intention to propose a person for election as a director and notice in writing by that person of his willingness to be elected shall have been given to the Company seven (7) days before the date of such Shareholders' general meeting.

The Shareholders' general meeting may by ordinary resolution remove any director before the expiration of his term of office (but without prejudice to such director's right to claim damages based on any contract) on the condition that all the relevant laws and administrative regulations are fully complied with.

The Directors shall not be required to hold shares of the Company.

Article 115 The directors shall comply with the laws, administrative regulations, and the articles of association. They shall bear the obligations of fidelity to the Company:

- (1) not to exploit his/her official functions and powers to accept bribes or other unlawful income, and not to expropriate in any manner the Company's property and funds;
- (2) not to misappropriate the Company's funds;
- (3) not to open in his/her own name or in another person's name any bank account for the purpose of depositing any of the Company's assets;
- (4) not to advance the Company's funds to any other person or not to use the Company's assets to provide any security for any other individual in violation of these articles of association or without the consent of the Shareholders' general meeting or the board of directors;
- (5) not to enter into any contract or transaction with the Company in violation of these articles of association or without the consent of the Shareholders' general meeting;
- (6) not to seek business opportunities accounted to the Company for himself/herself or any other persons by exploiting his/her official functions, or run the same businesses as those of the Company for himself/her or for others, without the consent of the Shareholders' general meeting;
- (7) not to accept commissions arising from transactions with the Company and appropriate to himself/herself;
- (8) not to illegally disclose the Company's confidential information;
- (9) not to infringe the legitimate rights of the Company by taking the advantage of their connected relationship with the Company;
- (10) other obligation of fidelity provided by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and these articles of association.

The income incurred in violation of this Article shall be accounted to the Company; for any loss caused to the Company, he/she shall be liable for compensation.

Article 116 Directors shall abide by laws, administrative regulations and these articles of association and perform the following duties of diligence:

- (1) to exercise the powers authorized by the Company in a prudent, careful and diligent way so as to ensure that the commercial activities of the Company are in compliance with PRC laws, administrative regulations and published economic policies, and that the business activities do not exceed the business scope of the Company as registered in the business license;
- (2) to treat all shareholders equally;
- (3) to seek to know the operation of the business and administration of the Company in time;
- (4) to provide signed written confirmation on the periodical reports of the Company so as to ensure that the information disclosed by the Company are true, accurate and complete;
- (5) to provide information and documents according to the facts to the supervisory committee and not to hinder the exercise of responsibilities by the supervisory committee or supervisors;
- (6) other duties of diligence as prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and these articles of association.

Article 117 A director shall be deemed to be unable to carry out his/her duties if he/she fails to attend two consecutive board meetings in person and fails to appoint an alternate director to attend board meetings on his/her behalf, and the board of directors shall make recommendation for replacement at the Shareholders' general meeting.

Article 118 A director may resign prior to the expiration of his/her term of office. If a director resigns from his/her office, he/she shall submit a written notice of his/her resignation to the board of directors. The board of directors shall make a disclosure related thereto within two days.

In the event that the number of board members of the Company falls below the statutory minimum requirement by reason of the resignation, before the newly appointed director serves the directorship, the original director shall continue to perform the director's duties in accordance with the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and these articles of association.

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

Article 119 When a director resigns or his/her term of office expires, he/she shall duly carry out all handover procedures with the board of directors. His/her fiduciary duty to the Company shall remain in force within two years after the end of his/her term of office. The director's obligation to maintain the confidentiality of the Company's trade secrets shall survive the end of his/her term, until such secrets become public known.

Article 120 Except as required by these articles of association or except as lawfully authorized by the board of directors, any director shall not purport to represent the Company or the board of directors in his/her own name. When a director acts in his/her own name and a third party reasonably considers such director acts on behalf of the Company or the board of directors, such director shall declare in advance his/her position and capacity.

Article 121 A director who causes the Company to sustain a loss as a result of a violation of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or a breach of these articles of association by him/her during the performance of his/her duties in the Company shall be liable for damages.

Article 122 The independent non-executive directors shall perform their duties in accordance with laws, administrative regulations, the relevant provisions of the CSRC and the Hong Kong Stock Exchange.

SECTION 2 BOARD OF DIRECTORS

Article 123 The Company shall have the board of directors which is responsible for the Shareholders' general meeting.

Article 124 The board of directors shall consist of seven directors in which, among others, there shall be three executive directors and four non-executive directors (including three independent non-executive directors). Independent non-executive directors are the directors independent of the shareholders and not holding any position in the Company.

Outside directors (directors not holding any position in the Company, including independent non-executive directors) shall account a half and more of the numbers of the board of directors.

Article 125 The board of directors is responsible to the Shareholders' general meeting and exercises the following powers:

- (1) to be responsible for the convening of the Shareholders' general meeting and to report on its work to the Shareholders' general meeting;
- (2) to implement the resolutions of the Shareholders' general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's annual preliminary and final financial budgets;
- (5) to formulate the Company's profit distribution plan and plan for making up losses;
- (6) to formulate proposals for increases or reductions in the Company's registered capital, the issue of debentures or other securities and listing;
- (7) to draw up plans for the substantial acquisitions and acquisitions of the Company's shares or the merger, division or dissolution and change in corporate form of the Company;

- (8) within the scope authorized by the Shareholders' general meeting, to decide, among others, the Company's external investment, purchase and disposal of assets, asset pledge, external guarantee, wealth management entrustment, bank credit, connected transactions, external donation and other matters;
- (9) to decide on the establishment of the Company's internal management structure;
- (10) to decide to appoint or dismiss the Company's general manager and the secretary of the board of directors and decide on their remuneration and rewards and punishment, and pursuant to the general manager's nominations to decide to appoint or dismiss senior management, including the deputy general manager and the financial controller of the Company and decide on their remuneration and rewards and punishment;
- (11) to establish the Company's basic management system;
- (12) to formulate proposals for any amendments of the Company's articles of association;
- (13) to manage the information disclosure of the Company;
- (14) to propose to the Shareholders' general meeting for the engagement or change of the accounting firm that provides audits for the Company;
- (15) to hear the work reports of the Company's general manager and inspect his/her work;
- (16) such other duties and functions as stipulated in the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and conferred by the Shareholders' general meeting or these articles of association.

The board of directors of the Company has established the audit committee and set up special committees such as the nomination committee and the remuneration committee and the appraisal committee as needed. The special committees shall be accountable to the board of directors and perform their duties in accordance with these articles of association and the authorization of the board of directors. Proposals shall be submitted to the board of directors for consideration and approval. All members of the special committees shall be directors, of which the majority of the members of the audit committee, the nomination committee and the remuneration and appraisal committee shall be independent non-executive directors, who shall act as the convener. The convener of the audit committee shall be an accounting professional. The board of directors is responsible for formulating the working procedures of the special committees and regulating the operation of the special committees.

Matters beyond the scope of authorization of the Shareholders' general meeting shall be submitted to the Shareholders' general meeting for consideration.

Article 126 The board of directors shall explain to the Shareholders' general meeting the non-standard auditing opinions presented by certified accountants with respect to the Company's financial reports.

Article 127 The board of directors shall formulate rules of procedures of the board of directors to ensure the implementation of the resolutions made at Shareholders' general meetings, improve the working efficiency and ensure scientific decisions-making process.

The rules of procedures of the board for directors shall set out the procedures for convening of and voting at the meetings of the board of directors which are attached to the articles of association as appendix. Such rules of procedures shall be prepared by the board of directors and approved by the Shareholders' general meeting.

Article 128 The power of the board of directors shall be specified regarding external investment, purchase and disposal of assets, asset pledge, external guarantee, wealth management entrustment, connected transactions, external donation and other matters. The board of directors shall establish strict examination and decision-making procedures. Substantial investment projects shall be subject to review by relevant experts and professionals and be submitted to the Shareholders' general meeting for approval.

Article 129 The board of directors shall have one Chairman and may have a vice Chairman. The Chairman and vice Chairman shall be elected by more than half of all the directors.

Article 130 The Chairman of the board of directors shall exercise the following powers:

- (1) to preside over Shareholders' general meetings and to convene and preside over meetings of the board of directors;
- (2) to supervise and check on the implementation of resolutions of the board of directors;
- (3) to exercise other powers conferred by the board of directors.

Article 131 The vice Chairman of the board of directors shall assist the Chairman in performing his/her duties. In the event the Chairman is unable to perform his/her duties or he/she does not perform his/her duties, such duties shall be performed by the vice Chairman (if the company has two or more vice Chairman, the vice Chairman jointly elected by more than half of all the directors shall perform the duties). Where the vice Chairman is unable to perform his/her duties or he/she does not perform his/her duties, such duties shall be performed by a director elected by more than half of all the directors.

Article 132 Regular meetings of the board of directors shall be held at least four times every year and shall be convened by the Chairman of the board of directors. Notice of the meeting shall be given to all directors at least fourteen days before the convening of the meeting. Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the supervisory committee may propose to convene an interim meeting of the board of directors. The Chairman of the board of directors shall convene and preside over the meeting of the board of directors within ten days from the receipt of the proposal.

Article 133 The board of directors may convene an extraordinary meeting of the board of directors by giving notice of the meeting to all directors five days before the meeting by convenient and expeditious means such as e-mail or telephone.

Article 134 The notice of the meetings of the board of directors shall include the following:

- (1) date and venue of the meeting;
- (2) duration of the meeting;
- (3) subject matter and topic;
- (4) date of issue of the notice.

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

Article 135 Meetings of the board of directors shall be held only if more than half of the directors are present and a resolution of the board of directors must be passed by more than half of all the directors.

Voting on resolutions of the board of directors shall be by one person, one vote.

When more than one-fourth of directors or more than two independent non-executive directors are of the view that the materials are insufficient or are inadequately explained, they may jointly propose to the board for a postponement of the board meeting or for a postponement of determination of part of the matters concerned. The board shall adopt such proposal.

Article 136 Any director who has connected relationship with any enterprise concerned in any matter seeking for resolution in a board meeting, shall neither vote on the said matter nor act as proxies for other directors to exercise their voting right upon the said matter. Such board meeting may not be held unless attended by more than half of all the directors without connected relationship, and resolutions of the board meeting shall be passed by more than one half of directors without connected relationship. If less than three (3) directors without connected relationship attend the board meeting, such matter shall be submitted to a Shareholders' general meeting for consideration.

Article 137 The vote on board resolutions shall be taken by way of registered poll and by a show of hands.

As long as all directors can fully express their opinions, an extraordinary board meeting may be held by way of communication, and resolutions passed shall be signed by all participating directors.

Article 138 Directors shall attend the meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he may appoint another director by a written power of attorney to attend the meeting on his behalf. The power of attorney shall set out the name of the proxy, the subject and scope of the authorization and the period of the validity of the power of attorney, which shall be signed or officially sealed by the authorizing party.

A Director appointed as a representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend a meeting of the board of directors and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Article 139 The board of directors shall keep minutes of meetings on matters discussed. The minutes shall be signed by the directors present at the meeting, the secretary of the board of directors, and the person who recorded the minutes. The advice of the independent non-executive directors shall be stated clearly in the resolutions of the meetings of the board of directors. The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or these articles of association and results in the Company sustaining serious losses, the directors participating in the resolution are liable to compensate the Company. However, if it can be proven that a director expressly objected to the resolution when the resolution is voted on, and that such objection is recorded in the minutes of the meeting, such director may be released from such liability. Minutes of the meeting of the Board of Directors are kept as corporate records for a period of not less than ten years.

Article 140 The minutes of board meetings shall include the following:

- (1) date and venue of the meeting and the name of the convenor;
- (2) names of the attending directors and names of directors (or proxies) appointed by others to attend the board meeting;
- (3) agenda of the meeting;
- (4) main points of the statements of directors;
- (5) the method and results of voting for each resolution (the voting results shall clearly state the number of votes for or against the resolution or abstention).

CHAPTER 7 SECRETARY OF THE BOARD OF DIRECTORS

Article 141 The Company shall have a secretary of the board of directors who shall be a senior administrative officer of the Company. The secretary of the board of directors shall be appointed and dismissed by the board of directors and is accountable to the board of directors.

Article 142 The secretary of the Company's board of directors shall be a natural person who has the requisite professional knowledge and experience. His primary responsibilities are:

- (1) to ensure that the Company has complete organisational documents and records;
- (2) to ensure that the Company prepares and delivers in accordance with law those reports and documents required by competent authorities entitled thereto;
- (3) to ensure that the Company's registers of shareholders are properly maintained, and that persons entitled to the Company's records and documents are furnished with such records and documents without delay.;
- (4) to be responsible for preparing the Shareholders' general meetings and board meetings of the Company, keeping relevant documents and managing the information of shareholders of the Company;

- (5) to deal with information disclosure affairs;
- (6) other duties conferred by laws, regulations, rules, the Hong Kong Listing Rules and these articles of association.

Article 143 A director or other senior administrative officer of the Company may hold the office of the secretary of the board of directors concurrently. The accountant(s) of the certified public accountants firm appointed by the Company shall not act as the secretary of the board of directors.

CHAPTER 8 GENERAL MANAGER AND OTHER SENIOR ADMINISTRATIVE OFFICER

Article 144 The Company shall have one general manager, who shall be appointed and dismissed by the board of directors. The Company shall have a number of deputy general managers, who shall be appointed and dismissed by the board of directors. The general manager, deputy general managers, treasurer and secretary of the board of directors are the senior administrative officers of the Company.

Article 145 The circumstances under which a person may not serve as a director, as prescribed in Article 113 of these articles of association, shall be applicable to senior administrative officers. Provisions regarding the obligations of fidelity of directors under Article 115 and the duties of diligence under items (4), (5) and (6) of Article 116 hereof shall be applicable to the senior administrative officers.

Article 146 Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company shall not serve as a senior administrative officer of the Company.

The senior administrative officers shall receive remuneration solely from the Company and not from the controlling shareholders.

Article 147 The term of office of the general manager shall be three years, renewable upon reappointment.

Article 148 The general manager shall be accountable to the board of directors and exercise the following functions and powers:

- (1) to be in charge of the Company's production, operation and management and to organize the implementation of the resolutions of the board of directors, and to report to the board of directors;
- (2) to organize the implementation of the Company's annual business plan and investment plan;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to establish the Company's basic management system;
- (5) to formulate basic rules and regulations for the Company;
- (6) to propose to the board of directors the appointment or dismissal of the Company's deputy general manager(s) and the financial controller;
- (7) to determine the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the decision of the board of directors;
- (8) to determine the awards and punishments, promotion and demotion, increase/reduction of salaries, appointment, employment, resignation, and dismissal of the staff and workers of the Company;
- (9) to act on behalf of the Company to deal with the material external affairs in accordance with the authorization of the board;
- (10) other powers conferred by these articles of association and the board of directors.

General manager shall attend board meetings.

Article 149 The general manager shall formulate working rules of the general manager, and shall be implemented after being approved by the board of directors.

Article 150 The general manager's working rules shall include the following:

- (1) specifying convening conditions, procedures and participants of the general managers' meeting;
- (2) responsibilities and work allocation of the general managers and other senior administrative officers of the Company;
- (3) use of funds and assets of the Company, scope of authorization to enter into material contracts and reporting policies regarding the board of directors and the supervisory committee;
- (4) other matters which the board of directors deems necessary.

Article 151 The general manager may resign before expiry of his/her term of office. The specific procedures and methods for the resignation of the general manager shall be specified in the employment contract concluded by the general manager and the Company.

Article 152 The deputy general manager shall be nominated by the general manager and appointed or dismissed by the board of directors. The deputy general manager assists the general manager in his work, and is entrusted by the general manager to take charge of relevant work and issue relevant business documents within his scope of duties. Where the general manager is incapable of performing his/her duties, the deputy general manager may be entrusted by the general manager to act on behalf of the general manager.

Article 153 The general manager and deputy general managers, in exercising their functions and powers, shall not vary the resolutions of general meetings and board meetings or exceed the scope of their authorities.

Article 154 If any senior administrative officer violates laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or these articles of association when performing his/her duties in the Company and causes losses to the Company, such senior administrative officer shall be liable for compensation.

Article 155 Senior administrative officers of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all the shareholders. If the Company's senior administrative officers fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the law.

CHAPTER 9 SUPERVISORY COMMITTEE

SECTION 1 SUPERVISOR

Article 156 The circumstances under which a person may not serve as a director, as prescribed in Article 113 of these articles of association, shall be applicable to supervisors.

The directors, general manager and other senior administrative officers of the Company shall not act concurrently as supervisors.

Article 157 The supervisors shall observe laws, administrative regulations, the Hong Kong Listing Rules and these articles of association. They shall shoulder the obligations of fidelity and the duties of diligence to the Company, and shall not accept any bribery or other illegal income by using his/her powers and position, or seize the assets of the Company in any manner.

Article 158 Each supervisor shall serve for a term of three years, which is renewable upon re-election upon expiry.

Article 159 Where the term of office of supervisors expires and re-election has not yet been made, or where a supervisor resigns during his/her term of office resulting in the number of supervisors falling below the quorum of the supervisory committee, the original supervisor shall continue to perform his/her duties as supervisor pursuant to the provisions of laws, administrative regulations, the Hong Kong Listing Rules and these articles of association until the re-elected supervisor assumes office.

Article 160 A supervisor shall ensure that the information disclosed by the Company is true, accurate and complete and he/she shall provide signed written confirmation on the periodical reports.

Article 161 Supervisors shall attend board meetings and may raise queries or proposals regarding resolutions at such meetings.

Article 162 Supervisors shall not prejudice the interests of the Company by means of their connected relationship, and they shall be liable for compensation for any loss caused to the Company.

Article 163 If supervisors have violated the provisions of any laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or these articles of association in the course of performing their duties, resulting in losses to the Company, they shall be liable for compensation.

SECTION 2 SUPERVISORY COMMITTEE

Article 164 The Company shall establish a supervisory committee consisting of three supervisors, with two representing the shareholders and one representing the employees.

One supervisor shall act as the chairman. The election of the chairman of the supervisory committee shall be determined by half or more of the members of the supervisory committee. The meetings of the supervisory committee shall be presided over and chaired by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a supervisor elected by half or more of the supervisors.

The supervisor representing the employees shall be elected by employees of the Company through the employee representative assembly, employee general assembly, or other forms of democratic elections.

Article 165 The supervisory committee shall be accountable to the Shareholders' general meeting and exercise the following functions and powers in accordance with law:

- (1) to review and provide a written review of the Company's periodic reports prepared by the board of directors;
- (2) to examine the Company's financial situation;
- (3) to supervise the conduct of directors, and senior administrative officers and to propose to remove directors and senior administrative officers who act in contradiction with the laws, administrative regulations, the Hong Kong Listing Rules, these articles of association or resolution of the Shareholders' general meeting;
- (4) to demand rectification from a director or any senior administrative officer when the acts of such persons are harmful to the Company's interest;

- (5) to propose to convene a shareholders' extraordinary general meeting, and convene and preside over the Shareholders' general meeting when the board of directors does not fulfill its duty to convene and preside over the Shareholders' general meeting as stipulated in the Company Law;
- (6) to make proposals to the Shareholders' general meeting;
- (7) to institute legal proceedings against directors and senior administrative officers in accordance with the Company Law;
- (8) to conduct investigations in case of any irregularity identified, and, if necessary, to engage professional institutions (such as accounting or law firms) to assist in its work at the expense of the Company;
- (9) other functions and powers specified in laws, regulations, the Hong Kong Listing Rules or these articles of association.

Article 166 The supervisory committee shall meet at least once every six months. Supervisors may propose the convening of an interim supervisory committee meeting.

The decisions of the supervisory committee shall be made by the affirmative vote of more than half of the supervisors.

Article 167 The supervisory committee shall formulate rules of procedures of the supervisory committee and specify the method for conducting business and the voting procedures of the supervisory committee, so as to ensure the working efficiency and scientific decision making of the supervisory committee. Such rules of procedures of the supervisory committee shall be prepared by the supervisory committee, approved by the Shareholders' general meeting and attached to these articles of association as an appendix.

Article 168 The supervisory committee shall record the decisions made during the meeting in the minutes of meetings, and supervisors present shall sign on such minutes.

Supervisors shall have the right to request that certain explanations in his/her speech at the meeting to be recorded in the minutes. Minutes of meetings of the supervisory committee shall be kept as corporate records for a period of not less than ten years.

Article 169 A notice of meeting of the supervisory committee shall include the following:

- (1) date, venue and duration of the meeting;
- (2) matters and agenda;
- (3) date of issue of the notice.

CHAPTER 10 FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING

SECTION 1 FINANCIAL AND ACCOUNTING SYSTEMS

Article 170 The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and regulations of relevant national departments.

Article 171 At the end of each fiscal year, the Company shall prepare a financial report which shall be audited by an accountants firm as provided by the law.

The fiscal year of the Company shall coincide with the Gregorian calendar year, i.e. from January 1 to December 31 on the Gregorian calendar. The Company's accounts shall be prepared in Chinese with RMB as the reporting currency.

Article 172 The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, regulations, directives promulgated by competent regional and central governmental authorities and the regulatory rules of the place where the Company's shares are listed to be prepared by the Company.

Article 173 The Company's financial reports shall be made available for shareholders' inspection at the Company twenty days before the date of every shareholders' annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

The Company shall deliver or send the said reports to each shareholder of Overseas-Listed Foreign-Invested Shares by prepaid mail at the address registered in the register of shareholders to review not later than twenty-one days before the date of every annual general meeting of shareholders. Subject to the fulfillment of the conditions of laws, regulations and the Hong Kong Listing Rules, the Company may send the said reports to the holders of H shares via electronic means or otherwise, or do so in the form of an announcement (including publication on the Company's website or the website of Hong Kong Stock Exchange).

Article 174 The Company shall not keep accounts other than those provided by law. The asset of the Company shall not be deposited in any account opened in the name of any individual.

Article 175 When distributing each year's after-tax profits, the Company shall set aside ten percent of its after-tax profits for the statutory reserve fund (except where the fund has reached fifty percent of the Company's registered capital).

When the Company's statutory reserve fund is not sufficient to make up for the Company's losses of the previous year, current year profits shall be used to make good the losses before allocations are set aside for the statutory public welfare fund in accordance with the provisions of the preceding paragraph.

The shareholders in general meeting may resolve to transfer any amount from the after-tax profit of the Company to the discretionary reserve fund after transferring the requisite amount from the after-tax profit to the statutory reserve fund.

After the Company has made good its losses and made allocations to its reserve fund, the remaining after-tax profits could be available for distribution to shareholder in proportion to the number of shares held by the shareholders, , except in cases where such distribution is not made in proportion to the shareholdings in accordance with the provisions of these Articles.

In the event that the general meeting violates the rule set out above, any profit distributed to the shareholders prior to offsetting loss of the Company and allocating to the statutory public welfare fund shall be returned to the Company by the shareholders.

Shares of the Company held by the Company do not participate in the distribution of profits.

The profit distribution plan of the Company is formulated by the board of directors after comprehensive consideration of the Company's actual operation, future profitability, business development plan, cash flow, shareholder return, social capital cost and external financing environment. When formulating the annual profit distribution plan or interim profit distribution plan, the board of the directors shall carefully study and discuss the timing, conditions and minimum proportion, conditions for adjustment and the requirements of its decision-making procedures in respect of the Company's cash dividends. Such dividends shall be approved by more than half of all directors and more than half of all independent non-executive directors of the board of directors. Independent non-executive directors shall express independent opinions on the profit distribution plan and make timely disclosure. Independent non-executive directors may solicit opinions from minority shareholders and put forward a dividend distribution proposal and submit to the board of directors directly for consideration. If the Company incurs profits in the current year but the board of directors has not proposed a profit distribution plan containing cash dividends, the independent non-executive directors shall express independent opinions, and the Company shall disclose the reasons, the plan and arrangement for the use of the retained funds of the Company.

Subject to the principle of profit distribution of the Company, the Company may distribute dividends in the form of cash, shares or a combination of cash and shares. Cash dividends shall be distributed in priority to share dividends. If the conditions for cash dividends are met, the profit distributed in cash each time shall not be less than twenty percent of the actual profit distributed.

If the profit distribution plan for the current year cannot be determined in accordance with the existing cash dividend policy or the minimum cash dividend ratio under special circumstances, the specific reasons and opinions of the independent non-executive directors shall be disclosed in the annual report.

Article 176 The common reserve fund of the Company shall be only applied to the following purposes:

- (1) making up losses;
- (2) expansion of the Company's production and operation or transfer or increase of capital.

The capital common reserve fund shall not be used for making up the Company's losses.

When the Company converts its statutory common reserve fund into its capital upon a resolution adopted in Shareholders' general meeting, the Company shall either distribute new shares in proportion to the shareholders' number of shares, provided, however, that when the statutory common reserve fund is converted to capital, the balance of the statutory common reserve fund may not fall below twenty-five percent of the registered capital of the Company prior to the conversion.

Article 177 The Company shall appoint on behalf of the holders of the Overseas-Listed Foreign-Invested Shares receiving agents.

The receiving agents shall receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of their shares.

The receiving agents appointed by the Company shall comply with the relevant requirements of the law of the place and relevant regulations of the stock exchange where the Company's shares are listed.

The receiving agents appointed on behalf of holders of H Shares shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Article 178 After the passing by the shareholders in any Shareholders' general meeting of a resolution on the proposal for profit distribution, the distribution of dividend (or shares) under such proposal shall be completed within two months after the date of the relevant Shareholders' general meeting.

Article 179 The distribution of profit of the Company shall be focused on providing reasonable investment returns to investors and take into account the Company's sustainable development; when recommending or declaring dividends, the Company shall maintain sufficient cash reserves to meet its capital requirements, future growth and to preserve the value of its equity. The Company's dividend policy is specifically formulated by the board of directors.

SECTION 2 INTERNAL AUDITING

Article 180 The Company shall implement its internal auditing system with its own audit personnel to audit and supervise the income and expenditure and financial activities of the Company

Article 181 The Company's internal auditing system and the responsibilities of the audit personnel shall be carried out after obtaining approval by the board of directors. The auditor in-chief shall be accountable and report to the board of directors.

CHAPTER 11 APPOINTMENT OF ACCOUNTANTS FIRM

Article 182 The Company shall engage accountants firms that are qualified under the Securities Law to audit its financial statements, verify its net assets, and provide other relevant consulting services. The accountants firm shall serve a term of one year and may be re-engaged.

Article 183 The appointment or dismissal of an accountants firm shall be made only by way of an ordinary resolution on a Shareholders' general meeting, and no accountants firm should be appointed by the board of directors prior to obtaining approval at the Shareholders' general meeting. The accountants firm appointed by the Company shall hold office from the date of approval at the annual general meeting of shareholders of the Company until the conclusion of the next annual general meeting of shareholders.

Article 184 The Company guarantees to provide true and complete vouchers, books, financial and accounting reports and other accounting materials to the accountants firm engaged and shall not refuse to provide or conceal or give false information.

Article 185 The auditor fee of the accountants firm shall be determined by way of an ordinary resolution on the Shareholders' general meeting.

Article 186 Prior to the removal or the non-renewal of the appointment of the accountants firm, a thirty-day prior notice of such removal or non-renewal shall be given to the accountants firm in advance. In cases where the removal of an accountants firm is voted on at the Shareholders' general meeting, the accountants firm shall be allowed to make representation at the Shareholders' general meeting. Where the accountants firm resigns its post, it shall make clear to the Shareholders' general meeting whether there has been any impropriety on the part of the Company.

CHAPTER 12 NOTICE

Article 187 Notices of the Company shall be given by the following means:

- (1) by hand;
- (2) by mail;
- (3) by e-mail;
- (4) by announcement;
- (5) by other means agreed by the Company or the recipient in advance or approved by the recipient after receiving the notice;
- (6) other means approved by laws, regulations, regulatory authorities of the listing place of the Company's shares or stipulated in these articles of association.

Unless the context otherwise requires, “announcement” referred to in these articles of association shall mean, as to the announcements published to the holders of domestic shares or the announcements required to be published in the PRC in accordance with the relevant provisions and these articles of association, an announcement published on any newspaper in the PRC as required by the laws and administrative regulations of the PRC or by the CSRC; and as to the announcements published to the holders of foreign shares or the announcements required to be published in Hong Kong in accordance with the relevant provisions and these articles of association, such announcements shall be published in accordance with the requirements of the Hong Kong Listing Rules or other applicable regulations. In respect of the means by which the Company issues or provides corporate communications to the holders of H Shares in accordance with the requirements of the Hong Kong Listing Rules, subject to the laws and regulations and the relevant listing rules of the place where the Company’s shares are listed, the Company shall (i) send or otherwise provide the relevant corporate communications (either in English or Chinese version) to the holders of H Shares of the Company by electronic means, or (ii) publish the relevant corporate communications on the Company’s website and the website of the Hong Kong Stock Exchange (the Company shall indicate on its website how it publishes its corporate communications in the manner described in (i) and/or (ii)).

“Corporate communication” refers to any document issued or to be issued by the Company for the information or action of holders of any securities of the Company, including but not limited to:

- (1) annual reports, including directors’ reports, annual accounts of the Company together with auditors’ reports and financial summary reports (if applicable);
- (2) interim reports and interim summary reports (if applicable);
- (3) notices of meetings;
- (4) listing documents;
- (5) circulars;
- (6) proxy forms;
- (7) other corporate communications listed in the Hong Kong Listing Rules.

Article 188 Notice issued by the Company shall, upon announcement, be deemed to have been received by all persons concerned.

Article 189 For a company notice given by hand, the person on whom it is served shall sign on (or affix his or her seal to) the note of receipt, and the date on which he/she signed in receipt shall be the date of service; for a company notice given by mail, the date of service shall be the third business day from the date of consignment to the post office; for a company notice given by way of a public announcement, the first day of publication shall be the date of service.

Article 190 Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

CHAPTER 13 MERGER AND DIVISION, INCREASE OF REGISTERED CAPITAL AND REDUCTION OF REGISTERED CAPITAL, DISSOLUTION AND LIQUIDATION

SECTION 1 MERGER AND DIVISION, INCREASE OF REGISTERED CAPITAL, REDUCTION OF REGISTERED CAPITAL

Article 191 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

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

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of the date of the Company's resolution to merge and shall publish notices in newspaper within thirty days of the date of the Company's resolution to merge. A creditor has the right within thirty days of receiving such notice from the Company or, for creditors who do not receive the notice within forty-five days of the date of the public notice, to demand that the Company repay its debts to that creditor or provide a corresponding guarantee for such debt.

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

Article 192 When the Company is divided, its assets shall be split up accordingly.

In the event of division of the Company, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within ten days of the date of the Company's resolution to divide and shall publish notices in newspaper within thirty days of the date of the Company's resolution to divide. The post-split companies shall bear several and joint liabilities for the debts of the Company before its split unless it is otherwise prescribed in a written agreement reached by the Company and the creditors before the split-up regarding the debt pay-off.

Article 193 When the Company requires to reduce its registered capital, it must draw up a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the Company's resolution for reduction of capital and shall publish a notice in a newspaper within thirty days of the date of such resolution. A creditor has the right within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five days of the date of the public notice, to require the Company to repay its debts or provide a corresponding guarantee.

The Company's registered capital after reduction shall not be less than the statutory minimum amount.

Article 194 Changes in registration particulars of the Company caused by merger or demerger must be registered with the company's registration authority in accordance with law. Cancellation of a company shall be registered in accordance with the law when a company is dissolved. Incorporation of a company shall be registered when a new company is incorporated in accordance with law.

In the case of increasing or reducing its registered capital, the Company shall apply to the company registration authority for registration of alteration of the registered capital.

SECTION 2 DISSOLUTION AND LIQUIDATION

Article 195 The Company may be dissolved under the following circumstances:

- (1) the term of business operation as prescribed by these articles of association expires or any of the situations for dissolution prescribed in these articles of association occurs;
- (2) a resolution for dissolution is passed by shareholders at a general meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the business license is cancelled, or it is ordered to close down or to be dissolved according to laws;
- (5) the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of shareholders and there are no other solutions to resolve the matters. Shareholders holding 10% or more of the total voting rights of the Company may appeal to the People's Court for dissolution of the Company.

Article 196 Where any of the circumstances as prescribed in Article 195 (1) of these articles of association occurs, the Company may continue to exist by amending these articles of association.

To amend these articles of association according to the provisions of the preceding paragraph, the consent of shareholders representing no less than two-thirds of voting rights held by all shareholders present at the meeting shall be obtained.

Article 197 In order to carry out liquidation procedures, a liquidation group shall be set up within fifteen (15) days of the Company being dissolved pursuant to the provisions of Article 195 (1), (2), (4) or (5) of these articles of association. The composition of the liquidation group of the Company shall be determined by the Shareholders' general meeting. If a liquidation group to carry out liquidation procedures is not set up within the specified time limit, the creditors may apply to the People's Court to have it designate relevant persons to form a liquidation group in order to carry out liquidation procedures.

Article 198 The liquidation group shall within ten days of its establishment send notices to creditors, and within sixty days of its establishment publish notices in newspaper. A creditor shall within thirty days of receiving notice, or for creditors who do not receive notice, within forty-five days of the date of the public notice, report its creditors' rights to the liquidation group. When reporting creditors' rights, the creditor shall provide an explanation of matters relevant to the creditor's rights and shall provide materials as evidence. The liquidation group shall carry out registration of creditors' rights.

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

Article 199 During the liquidation period, the liquidation group shall exercise the following functions and powers:

- (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to send notices to creditors or notify them by public notice;
- (3) to dispose of and liquidate any relevant unfinished business matters of the Company;
- (4) to pay all outstanding taxes and the taxes incurred in the process of liquidation;
- (5) to settle claims and debts;
- (6) to deal with the assets remaining after the Company's debts have been repaid;
- (7) to represent the Company in any civil litigation proceedings.

Article 200 After sorting out the Company's assets and the preparation of the balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and present it to a Shareholders' general meeting or to the People's Court for confirmation.

To the extent that the Company is able to repay its debts, it shall pay: the liquidation expenses, wages of staff and workers, social insurance premiums and legal indemnities, outstanding taxes, and the Company's debts, the remaining properties may be distributed according to the proportion of shares held by the shareholders.

During the liquidation period, the Company continues to exist but shall not commence any operational activities that has nothing to do with liquidation.

None of the properties of the Company may be distributed to any shareholder before they are used for debts payoff as described in the preceding paragraph.

Article 201 After putting the Company's assets in order and preparing a balance sheet and an inventory of assets, if the liquidation group discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation group shall apply to the People's Court for a declaration of insolvency in accordance with the law.

After a Company is declared insolvent by a ruling of the People's Court, the liquidation group shall turn over liquidation matters to the People's Court.

Article 202 Following the completion of liquidation, the liquidation group shall present a report on liquidation and submit the report to the Shareholders' general meeting or the People's Court for confirmation. It shall also submit the documents to the company's registration authority and apply for cancellation of registration of the Company, and publish a public notice relating to the termination of the Company.

Article 203 The members of the liquidation group shall devote themselves to their duties and perform their obligations of liquidation in accordance with the law.

None of the members of the liquidation group may take advantage of his/her position to take any bribe or any other illegal proceeds, nor may he/she misappropriate any of the properties of the Company.

Where any of the members of the liquidation group causes any loss to the Company or any creditor by intention or due to gross negligence, he/she shall be liable for compensation.

Article 204 Where the Company is declared bankrupt by law, it shall carry out a bankruptcy liquidation according to the legal provisions concerning bankruptcy liquidation.

CHAPTER 14 AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION

Article 205 The Company may amend its articles of association in accordance with the requirements of laws, administrative regulations and the Company's articles of association. The Company shall make amendments to the articles of association under one of the following circumstances:

- (1) due to the amendments of the Company Law or relevant laws and administrative regulations, the matters stipulated in the articles of association are in conflict with the provisions of the amended laws and related administrative regulations;
- (2) where a change happens in the Company's situation leads to inconsistency with the matters stated in the articles of association;
- (3) the Shareholders' general meeting decides to amend the articles of association.

Article 206 These Article of Association may be amended in accordance with the following procedures:

- (1) the board shall adopt a resolution in accordance with these Articles of Association to propose amendments to these Articles of Association by shareholders in general meeting and to formulate the proposal for amendments;
- (2) the shareholders shall be notified of the proposals for amendments and a general meeting shall be convened to vote on the amendments;
- (3) the amendments put to the vote at a general meeting shall be passed by way of a special resolution.

Article 207 Amendments to the articles of association that have been approved by a resolution of the shareholders' general meeting and require approvals from relevant competent authority shall be submitted to the competent authority for approval; if these changes involve matters related to company registration, an application shall be made for change in registration in accordance with the law.

Article 208 The board of directors shall amend the articles of association in accordance with the resolution of the Shareholders' general meeting and the comments of the relevant competent authority.

Article 209 Any amendment to the articles of association shall be subject to announcement if required by the laws, regulations and the Hong Kong Listing Rules.

CHAPTER 15 SUPPLEMENTARY

Article 210 Definitions

- (1) Controlling shareholder refers to a shareholder whose ordinary shares (including preference shares with voting rights restored) represent more than fifty percent of the total share capital of the Company; or in case the proportion of shareholding is less than fifty percent, the voting rights attached to the shares held by such shareholder can exert material effect on the resolutions of the Shareholders' general meeting.
- (2) A "de facto controller" refers to a person who is able to dominate the acts of the Company by means of its investment relations, agreement or other arrangements despite that he/she is not a shareholder of the Company.
- (3) "Connected relationship" refers to the relation between the controlling shareholder, de facto controller, directors, supervisors, senior administrative officers (including the connected persons of the above, as defined in the Hong Kong Listing Rules) of the Company and the enterprise that they control directly or indirectly, and other relation that may cause the transfer of interest of the Company. However, the relation between fellow state-controlled enterprises shall not be deemed as connected relationship merely because they are both controlled by the State.
- (4) "Subsidiary(ies) of the Company" refers to a company in which the Company holds more than fifty percent of its shares or may determine the election of majority of the member of its board of directors or may have de facto control through agreements or other arrangements.
- (5) "RMB" refers to Renminbi, the lawful currency of the People's Republic of China, unless otherwise specified herein.

Article 211 Unless otherwise provided herein, for the purposes of these articles of association, the terms "at least", "within" and "not more than" shall include the number itself; and the terms "less than", "lower than", "other than", "more than", "over", "exceed", "before" and "after" shall not include the number itself.

- Article 212 The articles of association are written in Chinese. In the event that there is a discrepancy between any other language version or different version hereof and the articles of association, the most recent Chinese version hereof registered with the company registration authority shall prevail. In case of any inconsistency between the Chinese version and other versions, the Chinese version shall prevail.
- Article 213 In these articles of association, the meaning of an accountants firm is the same as that of “auditors” in the Hong Kong Listing Rules.
- Article 214 The board of directors may formulate by-laws in accordance with the provisions of the articles of association, provided that such by-laws shall not be in violation of the articles of association.
- Article 215 The board of directors shall be responsible for the interpretation of the articles of association.
- Article 216 The appendix to the articles of association includes the rules of procedures of Shareholders’ general meeting, the rules of procedures of the board of directors and the rules of procedures of the supervisory committee.
- Article 217 The articles of association shall be effective and implemented from the date of approval by the Shareholders’ general meeting of the Company. If the amendments to the articles of association are subject to the approval of the competent authority, such amendments shall become effective from the date of approval.