

WEICHAI POWER CO., LTD.

Articles of Association

(Amendment)

(Amended at the Company's 2024 first extraordinary general meeting on 28 June 2024)

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WEICHAI POWER CO., LTD. (the “Company”), a joint stock limited company incorporated in the People’s Republic of China with limited liability.

Chapter 1 GENERAL RULES

Article 1 The Company is a joint stock limited company established in accordance with the “Company Law of the People’s Republic of China” (“Company Law”), the “Securities Law of the People’s Republic of China” (“Securities Law”) and other relevant laws and administrative regulations of the People’s Republic of China (the “PRC”).

As approved by the document entitled Luzheng Gu Zi [2002] No. 64 (魯政股字[2002]64 號) by The People’s Government of Shandong Province, the Company was established by way of promotion on 23 December 2002. It was registered with Shandong Province Commerce and Industry Administration Bureau from which it obtained the corporate legal person business license (license number: 3700001807810) on 23 December 2002. Upon the approval of State-owned Assets Supervision and Administration Commission of the State Council, the Company was changed into a company offering shares and being listed overseas.

The promoters of the Company are Weichai Group Holdings Limited, Weifang Investment Company, Peterson Holdings Company Limited, Fujian Longyan Construction Machinery (Group) Company Limited, Shenzhen Chuangxin Investment Group Company Limited, Shandong Enterprise Trust Operation Company Limited, IVM Technical Consultants Wien Gesellschaft m.b.H., Guangxi Liugong Group Company Limited, Tan Xuguang, Xu Xinyu, Zhang Quan, Sun Shaojun, Liu Huisheng, Tong Dehui, Sun Xueke, Chen Songdong, Ding Yingdong, Dai Lixin, Han Lisheng, Feng Gang, Zhong Genghui, Wang Yong, Ma Yuxian, Liu Yuanqiang, Wang Changliang, Wang Xiaoying, Li Honggang, Li Jiajia, Wu Hongwei, Yu Rushui, Wang Tongtai and Wang Fengyi.

Article 2 The Company issued 126,500,000 overseas listed foreign shares to foreign investors to be subscribed for in foreign currency and listed overseas, and such shares were listed on the Main Board of the Hong Kong Stock Exchange in March 2004.

On 30 March 2007, the Company was approved by CSRC to issue 190,653,552 ordinary shares denominated in RMB to the domestic public for the first time, and such shares were listed on Shenzhen Stock Exchange on 30 April 2007.

Article 3 The registered Chinese name of the Company: 濰柴動力股份有限公司
The English name of the Company: WEICHAI POWER CO., LTD.

Article 4 The residence of the Company: 197, Section A, Fu Shou East Street, High Technology Industrial Development Zone, Weifang City, Shandong Province, the PRC

Postal Code: 261061

Article 5 The chairman of the Board of the Company shall be the legal representative of the Company.

Article 6 The Company shall be a perpetual joint stock limited company.

The Company shall absorb the domestic and overseas experience and mode of scientific and advanced governance and gradually establish a sound, secure and highly-efficient corporate governance structure.

In accordance with the requirements of the Company Law and the Constitution of the Communist Party of China, organisations of the Communist Party of China (hereinafter the “Party Organisation”) and working units shall be established by the Company; the Party Organisation shall play a core political role in the Company, ensure the Company’s implementation of objectives and policies of the Party and the State; the Company shall provide the necessary conditions to facilitate the activities of the Party Organisation, promote the institutionalisation and standardisation of Party-building work, foster the Party Organisation’s commencement of activities centering on production and operation, as well as the performance of its role.

Article 7 Commencing from the effective date of these Articles, these Articles shall regulate the Company’s organisation and conduct, the rights and obligations between the Company and its shareholders as well as between the shareholders and constitute a legally binding document.

Article 8 These Articles are binding on the Company and its shareholders, directors, supervisors, general manager and other senior management officers.

The shareholders shall have the right to commence legal proceeding against the Company and the Company shall have the right to commence legal proceeding against its shareholders, directors, supervisors, general manager and other senior management officers in accordance with these Articles; the shareholders shall have the right to commence legal proceeding against the other shareholders in accordance with these Articles; the shareholders shall have the right to commence legal proceeding against the directors, supervisors, general manager and other senior management officers of the Company in accordance with these Articles.

The other senior management officers referred to in these Articles shall mean the deputy general manager, financial controller, secretary to the Board of Directors and other senior management officers appointed by the Board of Directors.

Article 9 The entire capital of the Company is divided into shares of equal value and the shareholders shall be liable to the Company to the extent of the shares held by them. The Company shall be liable for its debts with all its assets.

Article 10 The Company is an independent corporate legal person. All of the Company’s acts shall comply with PRC laws and regulations and safeguard the lawful interests of its shareholders. The Company shall be governed and protected by PRC laws, regulations and other relevant governmental provisions.

Chapter 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 11 The objectives of the business of the Company are: always look upon the guidance under socialist market economy, actively implement the innovation of technologies; continuously promoting the innovation of management, and, on the premise that the advantage of the existing high-power automobile engine and construction machinery engine is maintained, to continuously develop the high-performance and low-emission diesel engines and expand the power coverage of the products in order to achieve better economic efficiency and provide the investors with a higher return.

Article 12 The scope of business of the Company shall be subject to the items approved by the relevant companies registration authorities.

The scope of business of the Company includes:

Permitted businesses: road transportation of goods (excluding dangerous goods); urban delivery and transportation services (excluding dangerous goods); construction of engineering projects; electrical installation services; design of special equipment; manufacture of special equipment.

General businesses: manufacture of general equipment (excluding special equipment); repair of general equipment; research and development of machinery and equipment; sale of machinery and equipment; research and development of automobile components; manufacture of automobile components and parts; wholesale of automobile components and parts; sale of automobile components and parts; repair of speciality equipment; sale of mechanical parts and components; data processing and storage support services; software development; development of network and information security software; development of artificial intelligence theory and algorithm software; sale of software; design of integrated circuit; manufacture of integrated circuit; sale of integrated circuit; manufacture of intelligent vehicle equipment; sale of intelligent vehicle equipment; information technology consulting services; manufacture of hydraulic power machinery and components; sale of hydraulic power machinery and components; manufacture of hydraulic pneumatic seals and systems; sale of hydraulic pneumatic seals and systems; research and development of new energy technology; research and development of electric motor and its control system; manufacture of electric motors; manufacture of mechanical and electrical equipment; sale of batteries; manufacture of electronic components; sale of electronic components; sale of electronic accessories of new energy vehicles; technical services, technological development, technological consultation, technological exchange, technological transfer, technological promotion; processing and manufacture of lubricating oil (excluding hazardous chemicals); sale of lubricating oil; manufacture of speciality chemicals (excluding hazardous chemicals); sale of speciality chemicals (excluding hazardous chemicals); sale of petroleum products (excluding hazardous chemicals); wholesale of refined oil (excluding hazardous chemicals); lease of non-residential properties; sale of metal materials; information consulting service (excluding information consulting services which require approval); general goods storage services (excluding hazardous chemicals and other items which require approval); packaging services; loading, unloading and transportation; machinery and equipment leasing; storage facilities leasing services; small and mini passenger vehicles leasing and management services; plastic packaging box and container manufacturing; sales of packaging materials and products; metal packaging container and material manufacturing; sales of metal packaging containers and materials; import and export of goods; import and export of technology; repair and maintenance of motor vehicles; sales of refrigeration and air conditioning equipment; sale of tyres; manufacture of electric generators and electric generator sets; sales of electric generators and electric generator sets; repair of electrical equipment; manufacture of batteries; manufacture of electric machines; sales of mechanical and electrical equipment; engineering and technology research and experimental development (except for human stem cells, gene diagnosis and therapy technology development and application, and rare and unique, precious and fine species in China); sale of automobiles; manufacture of power transmission and distribution and control equipment; sale of intelligent power transmission and distribution and control equipment; manufacture of power facility and equipment; sale of power facility and equipment; research and development of switch control equipment for electricity distribution; manufacture of switch control equipment for electricity distribution; sale of switch control equipment for electricity distribution; manufacture of industrial automatic control system installations; sale of industrial automatic control system installations; manufacture of photovoltaic equipment and components; sale of photovoltaic equipment and components; energy storage technical services; external project contracting; sale of special equipment; sale of electrical equipment.

The Company shall conduct its business activities within the scope of business approved by the relevant companies registration authorities.

Article 13 The Company shall amend its Articles of Association in accordance with lawful procedures and to alter its scope of business upon the change of registration with the relevant companies registration authorities.

Chapter 3 SHARES AND REGISTERED CAPITAL

Article 14 The shares of the Company shall take the form of share certificates. The shares of the Company shall be issued in accordance with the principles of open, fairness and justice. Each share of the same class shall carry the same rights.

The ordinary shares issued by the Company shall include domestic shares and foreign shares. The Company may issue other classes of shares in accordance with the relevant national laws, administrative regulations, and the relevant provisions of the CSRC and other regulatory bodies.

Article 15 The shares issued by the Company shall have a nominal value of RMB1 per share.

Article 16 Subject to the registration/filing with the relevant administrative authorities for securities under the State Council, the Company may issue shares to domestic investors and foreign investors.

The aforesaid foreign investors shall refer to the investors from foreign countries and the regions of Hong Kong, Macau and Taiwan who subscribing for the shares issued by the Company; domestic investors shall refer to the investors within the PRC (other than those investors from the aforesaid regions) subscribing for the shares issued by the Company.

Article 17 The shares issued by the Company which are denominated in Renminbi, and subscribed by domestic investors are known as domestic shares. Domestic shares which are listed domestically shall be known as domestic listed Renminbi ordinary shares. The shares issued by the Company which are denominated in a foreign currency and subscribed for by foreign investors are known as foreign shares. Foreign shares which are listed overseas are known as overseas listed foreign shares. Both the domestic shareholders and foreign shareholders are shareholders of ordinary shares and have the same rights and assume the same obligations.

Article 18 The domestic shares and promoter's foreign shares issued by the Company and listed on the Shenzhen Stock Exchange shall be referred to as the A shares. The foreign shares issued by the Company and listed on the Hong Kong Stock Exchange shall be referred to as the H shares.

Upon obtaining the approval by the examination and approval authority which is authorised by the State Council, the Company's total number of ordinary shares in issue is 8,726,556,821 shares, including 215,000,000 shares issued to the promoters on incorporation. Details of capital contributions by the Company's promoters upon the Company's incorporation are as follows:

Promoters	No. of shares subscribed for (0'000 shares)	Mode of capital contribution	Date of capital contribution
濰柴控股集團有限公司 (Weichai Group Holdings Limited)	8,645	The assets (including assets and liabilities relating to production and operation) as at 31 December 2001, kind contribution in the sum of RMB80 million and RMB6.45 million in cash	Cash was paid before 5 December 2002. Formalities for the transfer of real properties and land were completed on 16 June 2003 and 4 June in-2003 respectively, and other in kind contributions were delivered on 3 December 2002.
濰坊市投資公司 (Weifang Investment Company)	2,150	RMB21.50 million in cash	5 December 2002
培新控股有限公司 (Peterson Holdings Company Limited)	2,350	RMB23.50 million in cash	5 December 2002
福建龍岩工程機械（集團）有限公司 (Fujian Longyan Construction Machinery (Group) Company Limited)	2,150	RMB21.50 million in cash	5 December 2002
深圳市創新投資集團有限公司 (Shenzhen Chuangxin Investment Group Company Limited)	2,150	RMB21.50 million	5 December 2002
山東省企業托管經營股份有限公司 (Shandong Enterprise Trust Operation Company Limited)	1,000	RMB10 million in cash	5 December 2002
奧地利IVM技術諮詢維也納有限公司 (IVM Technical Consultants Wien Gesellschaft m.b.H.)	1,075	RMB10.75 million in cash	5 December 2002
廣西柳工集團有限公司 (Guangxi Group Company Limited)	500	RMB5 million in cash	5 December 2002
24 natural person promoters including Tan Xuguang	1,480	RMB14.8 million in cash	5 December 2002

Article 19 Subsequent to the establishment of the Company, 115,000,000 ordinary shares were issued additionally. At the same time, the promoter of the Company disposed of 11,500,000 state-owned shares, representing 10% of its financing. All of the above shares are overseas listed foreign shares. Subsequent to such issue and disposal, the shareholding structure of the Company was as follows: there were totally 330,000,000 ordinary shares in issue, of which 203,500,000 shares and 126,500,000 shares are held by the promoter shareholders and by holders of the overseas listed foreign shares, respectively, representing 61.67% and 38.33% of the total number of shares of the Company, respectively.

After completion of the aforesaid issue of the overseas listed foreign shares, there were 190,653,552 domestically listed domestic shares in issue, as approved by the examination and approval authority authorized by the State Council. After such issue and listing, the shareholding structure of the Company was as follows: there were totally 520,653,552 ordinary shares in issue, of which 394,153,552 shares (including 203,500,000 shares held by the promoter domestic shareholders and promoter foreign shareholders) were held by the shareholders of A shares, and 126,500,000 shares were held by holders of the overseas listed foreign shares.

After the implementation of the interim conversion of the capital common reserve fund into capital in 2008, a total of 833,045,683 ordinary shares of the Company were in issue, of which 630,645,683 shares (including 325,600,000 shares held by the promoter domestic shareholders and promoter foreign shareholders) were held by the shareholders of A shares and 202,400,000 shares were held by the shareholders of overseas listed foreign shares.

After the implementation of the interim conversion of the capital common reserve fund into capital in 2010, a total of 1,666,091,366 ordinary shares of the Company are in issue, of which 1,261,291,366 shares are held by the shareholders of A shares and 404,800,000 shares are held by shareholders of overseas listed foreign shares.

After the implementation of the 2011 dividend payment plan by the Company, a total of 1,999,309,639 ordinary shares of the Company are in issue, of which holders of A Shares are interested in 1,513,549,639 shares and holders of overseas listed foreign shares are interested in 485,760,000 shares.

After the implementation of the capitalization of the surplus reserve in 2014 by the Company, a total of 3,998,619,278 ordinary shares of the Company are in issue, of which holders of A Shares are interested in 3,027,099,278 shares and holders of overseas listed foreign shares are interested in 971,520,000 shares.

After the implementation of the dividend and distribution proposal for the year of 2016 by the Company, a total of 7,997,238,556 ordinary shares of the Company are in issue, of which holders of A Shares are interested in 6,054,198,556 shares and holders of overseas listed foreign shares are interested in 1,943,040,000 shares.

After the implementation of the repurchase of certain public A shares of the Company in 2018 by the Company, a total of 7,933,873,895 ordinary shares of the Company are in issue, of which holders of A Shares are interested in 5,990,833,895 shares and holders of overseas listed foreign shares are interested in 1,943,040,000 shares.

After the completion of the registration of the non-public issuance of A Shares by the Company in 2021, a total of 8,726,556,821 ordinary shares of the Company are in issue, of which holders of A Shares are interested in 6,783,516,821 shares and holders of overseas listed foreign shares are interested in 1,943,040,000 shares.

Article 20 The share capital of the Company consists of 8,726,556,821 ordinary shares, of which 1,943,040,000 shares are held by the shareholders of overseas listed foreign shares and 6,783,516,821 shares are held by shareholders of A Shares.

Article 21 The Company's registered capital is RMB8,726,556,821.

Article 22 The Company or the Company's subsidiaries (including its affiliates) shall not give any financial assistance, in the form of gift, advance, guarantee, compensation or loan, to any person who purchases or proposes to purchase shares of the Company.

Chapter 4 INCREASE, DECREASE AND REPURCHASE OF SHARES

Article 23 Subject to its needs of business and development, the Company may increase the capital in accordance with the requirements of laws and regulations and resolution on the general meeting, by way of the following:

- (1) public offering of shares;
- (2) non-public offering of shares;
- (3) distributing bonus shares to existing shareholders;
- (4) converting the common reserve fund to share capital;
- (5) other methods permitted under the PRC laws and administrative rules and by CSRC.

Article 24 The Company may reduce its registered capital pursuant to the provisions of these Articles and shall proceed with the reduction in accordance with the procedures stated in the Company Law, other relevant regulations and these Articles.

Article 25 When the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of the making of resolution to reduce the registered capital and issue an announcement on the China Securities Journal and/or other national newspapers and magazines designated by relevant administrative authorities for securities under the State Council and other newspapers and magazines designated by the Board of Directors within 30 days of the making of resolution. The creditors shall have the right to require the Company to pay its debts or provide the corresponding guarantee within 30 days from the receipt of the notice, or within 45 days from the date of the first announcement in the case of no receipt of the notice.

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

Article 26 The Company may not acquire its own shares, except in any of the following circumstances:

- (1) reduction of the Company's registered capital;
- (2) merger with other companies that hold the Company's shares;
- (3) applying the shares for the purpose of employees' stock ownership plans or share incentives;
- (4) as a request for repurchase of shares by the shareholders who disagree with a resolution passed at a general meeting concerning the Company's merger or demerger;
- (5) for the conversion of bonds issued by the Company that are convertible into shares;
- (6) such circumstances as shall be necessary to safeguard the value of the Company and shareholders' interests.

The Company may adopt centralised bidding, offer or other means recognised by the laws and regulation and the CSRC to repurchase its shares. Where the Company repurchases its shares pursuant to clause (3), (5) or (6) of the first paragraph of this Article, it should be made through centralised bidding or offer.

Article 27 In the event where the Company acquires its shares pursuant to Article 26(1) or 26(2), it shall be subject to a resolution passed at the general meeting. The Company's acquisition of its shares pursuant to Article 26(3), 26(5) or 26(6) may, pursuant to the requirements in these articles or the authorization granted by the shareholders of the Company be subject to the resolution passed at a meeting of the Board at which more than two thirds of the directors are present.

After the Company has acquired its shares pursuant to the first paragraph of Article 26, cancellation should be effected within 10 days from the date of acquisition in the case of clause (1); transfer or cancellation shall be effected within six months in the case of clause (2) and (4). In the case of clause (3), (5) and (6), shares of the Company held by the Company in aggregate shall not exceed 10% of the total issued capital of the Company, and transfer or cancellation shall be effected within three years.

If the Company acquires its shares, it shall comply with the requirements under the Securities Law to discharge its obligation of information disclosure. Where the Company acquires its shares pursuant to clause (3), (5) or (6) of the first paragraph of Article 26, it shall be conducted through public centralized trading.

Article 28 After the repurchase of its shares in accordance with the laws, the Company shall cancel or transfer such part of shares within the period of time provided by laws, administrative regulations and the relevant listing rules, and arrange for the registration of change of registered capital at the original companies registration authority.

The Company shall deduct the total nominal value of the shares cancelled from its registered capital.

Chapter 5 TRANSFER OF SHARES

Article 29 The shares of the Company may be transferred according to the laws.

Article 30 The Company shall not accept the Company's shares as a subject of a charge.

Article 31 Shares of the Company held by promoters are not transferable within one year from the date of establishment of the Company. Promoters' shares issued prior to the domestic initial public offering of shares of the Company are not transferable within one year from the date of trading of the Company's shares on a domestic stock exchange.

Directors, supervisors, general manager and other senior management officers of the Company shall report to the Company the number of the Company's shares held by them and any change thereof. Shares transferable during the term of office shall not exceed 25% of the total number of shares of the Company held by them. Shares of the Company held by them are not transferable within one year from the date of trading of the Company's shares on a domestic stock exchange. Shares of the Company held by the aforesaid personnel are not transferable within the first half year of leaving their post in the Company.

Article 32 If the directors, supervisors, senior management officers of the Company and holders of more than 5% of the Company's shares (excluding shareholders of H shares) sell their shares or other equity securities within six months from the date of acquisition, or make further acquisition within six months from the date of sale, the gains so generated shall belong to the Company and the Board of the Company will receive the gains generated by it. However, the restriction shall not apply to a securities firm which holds 5% or more of the Company's shares as a result of its purchasing of the untaken shares in an offer and other circumstances stipulated by CSRC.

The shares or other equity securities held by the directors, supervisors, senior management officers or natural person shareholders referred to in the preceding paragraph include the shares or other equity securities held by their spouses, parents, children or through the accounts of any third persons.

If the Board of the Company fails to act according to the provision in the first paragraph in this Article, the shareholders shall have the right to request the Board to take actions within 30 days. If the Board of the Company fails to act within the prescribed period stated above, the shareholders shall have the right to bring an action to the People's Court directly in their own names in order to protect the interest of the Company.

If the Board of the Company fails to act according to the provision in the first paragraph in this Article, the responsible directors shall be jointly liable under the laws.

Chapter 6 SHARE CERTIFICATE AND REGISTER OF SHAREHOLDERS

Article 33 Share certificates of the Company shall be in registered form.

Share certificates of the Company shall contain the particulars required by the Company Law and other items to be contained as required by the stock exchange on which the shares of the Company are listed.

Article 34 Share certificates shall be signed by the chairman of the Board. Where the stock exchanges on which the Company's shares are listed require other senior management officer(s) of the Company to sign on the share certificates, the share certificates shall also be signed by such senior management officer(s). The share certificates shall take effect after being sealed with the Company's seal or printed with the securities seal of the Company. The share certificates shall only be sealed with the Company's seal or printed with the securities seal of the Company under the authorisation of the Board. The signatures of the chairman of the Board or other senior management officer(s) of the Company on share certificates may be printed in mechanical form.

Article 35 The Company shall keep a register of shareholders and enter in the register the following particulars:

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

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

Article 36 The Company may, in accordance with the mutual understanding and agreements between relevant administrative authorities for securities under the State Council and overseas securities regulatory-authorities, maintain the register of shareholders of overseas listed foreign shares overseas and appoint overseas agent(s) to manage such register. The original register of shareholders of overseas listed foreign shares of the Company which are listed on Hong Kong Stock Exchange shall be maintained in Hong Kong.

A duplicate of the register of shareholders of overseas listed foreign shares (and the register of shareholders mentioned in clause (3) of Article 37) shall be maintained at the Company's residence. The appointed overseas agent(s) shall ensure the consistency between the original and duplicate register.

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

Article 37 The Company shall have a complete register of shareholders which shall comprise of the following:

- (1) the register of shareholders maintained at the Company's residence other than those places mentioned in clauses (2) and (3) of this Article;
- (2) the register of shareholders of overseas listed foreign shares maintained in the place of the stock exchange where the shares are listed overseas;
- (3) the register of shareholders maintained at such other places as the Board may consider necessary for the listing of the shares of the Company.

Article 38 Each part of the register of shareholders shall not overlap. No transfer of any share registered in any part of the register shall, during the continuance of such registration, be registered in any other part of the register.

All the fully paid-up overseas listed foreign shares are freely transferrable in accordance with these Articles and shall not be restricted by any lien. However, the Board may refuse to recognise any instrument of transfer without giving any reason, unless:

- (1) a fee of HK\$2.5 or any higher fee as agreed by the Hong Kong Stock Exchange has been paid to the Company for registration of any instrument of transfer or other document(s) which is related to or will affect title of the shares;
- (2) the instrument of transfer only involves overseas listed foreign shares;
- (3) the stamp duty chargeable on the instrument of transfer has been paid;
- (4) the relevant share certificate and, upon the reasonable request by the Board, any evidence in relation to the right of the transferor(s) to transfer the shares have been submitted;
- (5) if it is intended to transfer the shares to joint holders, the maximum number of joint holders shall not exceed 4; and
- (6) relevant shares do not carry any lien of the Company.

The alteration or rectification of each part of the register of shareholders shall be conducted in accordance with the laws of the place(s) where such part of the register is maintained. If the Company refuses the registration of transfer of shares, it shall provide a written notice to the relevant transferor(s) and transferee(s) of the refusal of registration of the transfer within two months from the date of formal application for such transfer.

Article 39 The period between the share registration date for a general meeting and the date of the relevant general meeting shall not be more than 7 working days and with a minimal interval of two trading days. No changes shall be made to the share registration date once it is confirmed. This provision is subject to any specific requirements on share registration date under PRC laws and regulations and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 40 Where the Company decides to convene a general meeting, distribute dividends, liquidate and carry out other activities which would require the identification of shareholders, the Board or the convener of the general meeting shall fix the share registration date. The shareholders whose names are registered in the share register after the closing of the share registration date shall be the shareholders entitled to relevant rights and interests.

Where laws, administrative regulations, departmental rules and the stock exchanges or regulatory authorities at the place where the shares of the Company are listed stipulate on the period of closure of the register of shareholders prior to the date of a general meeting or before the share registration date for the Company's distribution of dividends, liquidation and carrying out other activities which would require the identification of shareholders, such provisions shall prevail.

Article 41 Any person dissenting and claiming to be entitled to have his name entered into or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 42 Any person who is a registered shareholder or who requests to have his name entered into the register of shareholders may, if his share certificate (the "Original Certificate") is lost, apply to the Company for an issue of replacement certificate(s) in respect of such shares (the "Relevant Shares").

If a shareholder of A shares loses his share certificate(s) and applies to the Company for a replacement certificate, it shall be dealt with in accordance with Article 143 of the Company Law.

If a shareholder of overseas listed foreign shares loses his share certificate(s) and applies to the Company for a replacement certificate, it may be dealt with in accordance with the laws of the place where the original register of holders of overseas listed foreign shares is maintained, rules of the stock exchanges or other relevant regulations.

If a shareholder of overseas listed foreign shares loses his share certificate(s), the issue of a replacement certificate shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration stating the grounds upon which the application is made and the circumstances and the evidence of the loss, and declaring that no other person is entitled to have his name entered in the register of shareholders in respect of the Relevant Shares.
- (2) Before the Company decides to issue the replacement certificates, no statement made by any person other than the applicant declaring that his name shall be entered in the register of shareholders in respect of such shares has been received.
- (3) The Company shall, if it intends to issue a replacement certificate, publish an announcement of its intention in such newspapers and magazines as prescribed by the Board which shall include the newspapers and magazines as prescribed by the stock exchange on which the Company's shares are listed (the number of the newspapers and magazines adopted by the Company shall comply with the requirements of such stock exchanges). The period of announcement shall be 90 days, and such announcement shall be published at least once every 30 days after the first publication.

- (4) The Company shall have, prior to the announcement of its intention to issue a replacement certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published, and may publish the announcement upon receiving confirmation from such stock exchanges that the announcement has been exhibited in the premises of the said stock exchanges. Such announcement shall be exhibited in the premises of the said stock exchanges for a period of 90 days.

In the case of an application made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such shareholder a copy of the announcement to be published.

- (5) If, by the expiration of the 90-day period referred to in clauses (3) and (4) of this Article, the Company has not received from any person notice of any disagreement to such application, the Company may issue a replacement certificate to the applicant accordingly.
- (6) Where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and issue in the register of shareholders accordingly.
- (7) All expenses relating to the cancellation of Original Certificate and the issue of a replacement certificate by the Company shall be borne by the applicant and the Company is entitled to refuse to take any action until a reasonable guarantee is provided by the applicant.

If the Company exercises the right to issue warrants to the holders, unless the Company is satisfied that the original warrants have been destroyed, the Company shall not issue any new warrants to replace the lost warrants.

Article 43 Where the Company issues a replacement certificate pursuant to these Articles, the name of a bona fide purchaser gaining possession of such new share certificate or the person who is subsequently entered in the register of shareholders as holder of such shares (if he is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 44 The Company shall not be liable for any damage sustained by any person by reason of the cancellation of the Original Certificate or the issue of the new share certificate, unless such claimant proves that the Company has acted deceitfully.

Chapter 7 THE RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 45 A shareholder of the Company is a person who lawfully holds shares in the Company and whose name is entered in the register of shareholders.

The Company shall establish the register of shareholders according to the proof provided by the securities registration authority, and the register of shareholders shall bear adequate evidence of the shareholders holding shares in the Company. A shareholder shall enjoy rights and assume obligations according to the class and proportion of the shares held by him. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

For the shareholders of overseas listed foreign shares, when two or more persons are registered as joint shareholders of any share, they shall be deemed as the joint owner of the Relevant Shares, and shall be subject to the following provisions:

- (1) The Company shall not register more than four persons as joint shareholders of any share;
- (2) All joint shareholders of any share shall severally and jointly assume liabilities for all monies payable for the Relevant Shares;
- (3) In the case of the death of one of the joint shareholders, the surviving joint shareholders shall be deemed as the persons owning the titles of the Relevant Shares by the Company. However, the Board is entitled to request appropriate death certificates;
- (4) With respect to joint shareholders of any share, only the joint shareholder whose name appears first in the register of shareholder will be entitled to receive the share certificates for the Relevant Shares, or to receive the notice from the Company, or to attend or to exercise the voting rights in the general meeting of the Company or to receive the dividends. Any notice delivered to the aforesaid person shall be deemed to have been delivered to all joint shareholders.

When a shareholder of the Company is a corporate entity, it shall be represented by his legal representative or agent of his legal representative or (if the shareholder is a recognised clearing house (or other persons appointed) (“Recognised Clearing House”)) representative or attorney of the Recognised Clearing House in exercising the rights on his behalf.

No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

Article 46 Shareholders of the Company’s ordinary shares are entitled to the following rights:

- (1) receive dividends and other forms of interest distributions according to the proportion of shares held by them;
- (2) request, call, host, participate in a general meeting or appoint their proxies to attend such meeting pursuant to the law, and exercise their voting rights according to the proportion of shares held by them;

- (3) supervise and manage the business and operating activities of the Company, make recommendations and raise queries;
- (4) transfer, give as gift(s) or pledge their shares pursuant to the provisions of the laws, administrative regulations, departmental rules and these Articles;
- (5) to inspect these Articles, register of shareholders, stubs of corporate bonds, minutes of general meetings, resolutions of the meetings of the Board, resolutions of the meetings of the supervisory committee, and financial and accounting reports;
- (6) in the event of the cessation or liquidation of the Company, participate in the distribution of the Company's residual assets according to the proportion of their shares;
- (7) the shareholders disagreeing with the resolution on merger or demerger by the general meeting are entitled to request the Company to acquire their shares;
- (8) other rights under the laws, administrative regulations, departmental rules and these Articles.

Article 47 If a shareholder makes a request for inspecting the relevant information or seek any material set out in the preceding Article, such shareholder should provide written documents to prove the class and quantity of the Company's shares held by him. The Company will provide the relevant information and materials as requested by such shareholder upon verification of his identity.

Article 48 If any resolution passed by general meetings and Board meetings are in breach of laws or administrative regulations, the shareholders are entitled to seek confirmations from the People's Court that such resolutions are invalid.

In respect of any procedure of convening of general meetings or Board meetings or voting methods in breach of laws or administrative regulations or these Articles, or any resolution in breach of these Articles, the shareholders shall have the right to seek a revocation of the same at the People's Court within 60 days from the date of the resolution.

Article 49 If the directors, general manager or other senior management officers violate the provisions of the laws, administrative regulations or these Articles in the course of performing their duties, and such violation results in losses to the Company, the shareholders who are holding more than 1% of the Company's shares, either individually or collectively, for a period of over 180 days continuously have the right to make a written request demanding the supervisory committee to bring an action to the People's Court. If the supervisory committee violates the provisions of the laws, administrative regulations or these Articles in the course of performing its duties, and such violation results in losses to the Company, the shareholders have the right to make a written request demanding the Board to bring an action to the People's Court.

In the event that the supervisory committee and the Board of Directors refuse to bring an action after receipt of a written request from the shareholders in accordance with provisions set out in the previous paragraph, or fail to bring an action within 30 days from the receipt of such request, or in an emergency situation where failure to bring an action immediately shall result in harm beyond remedy to the Company's interests, shareholders stipulated in the previous paragraph shall have the right to directly bring an action to the People's Court in their own names for the benefit of the Company.

If the Company's lawful interests are infringed by other people that result in losses to the Company, the shareholders mentioned in clause 1 of this Article may bring an action to the People's Court pursuant to the two preceding paragraphs of this Article.

Article 50 Shareholders may commence legal actions against the directors, general manager or other senior management officers who are in breach of the provisions of laws, administrative regulations or these Articles or acting against the interest of the shareholders.

Article 51 Shareholders of the ordinary shares of the Company shall perform the following obligations:

- (1) To comply with laws, administrative regulations and these Articles;
- (2) To make payment according to the number of shares subscribed for and the mode of participation;
- (3) Not to cease to be a shareholder unless otherwise provided by laws and regulations;
- (4) Not to impair the interests of the Company or other shareholders by abusing their rights as a shareholder; not to impair the interests of the Company's creditors by abusing the Company's status as an independent legal person or the shareholders' limited liabilities. If the Company or other shareholders suffer losses as a result of the abuse of shareholders rights by a shareholder of the Company, such shareholder shall be liable to indemnify the Company or other shareholders for such losses pursuant to the laws. If the Company's shareholders evade debts by abusing the Company's status as an independent legal person and the shareholders' limited liabilities, and such acts severely affect the interests of the Company's creditors, such shareholders shall be severally liable for the Company's debts.
- (5) other obligations liable as prescribed under the provisions of the laws, administrative regulations and these Articles.

If a shareholder of the Company abuses his/her shareholder rights, thereby causing the Company or shareholders to sustain a loss, he/she shall be held liable for damages in accordance with the laws. If a shareholder of the Company abuses the independent status of the Company as a legal person and limited liability of shareholders to evade a debt, thereby materially harming the interests of a creditor of the Company, he/she shall bear joint and several liability for the debt of the Company.

Article 52 If a shareholder who holds 5% or more of the voting shares in the Company creates a charge on its shares, he shall report to the Company in writing on the date of such incident.

Chapter 8 OBLIGATIONS OF THE CONTROLLING SHAREHOLDERS OWED TO OTHER SHAREHOLDERS

Article 53 The Company's controlling shareholders and de facto controllers may not impair the Company's interests by virtue of their connected relationship. In the event of any loss to the Company arising from the violation of the provisions, they shall be liable for compensation.

The Company's controlling shareholders and de facto controllers owe fiduciary duties to the Company and holders of the Company's public shares. The controlling shareholders shall strictly exercise their rights as capital contributors in accordance with laws, and shall not impair the lawful interests of the Company and shareholders of public shares by way of profit distributions, asset reorganisation, foreign investment, appropriation of funds, provision of guarantee for loans etc. They shall not impair the lawful interests of the Company and shareholders of public shares by virtue of their controlling status.

Article 54 The Company and its controlling shareholders and their de facto controller(s) shall be audited independently and assume their respective liabilities and risks. The controlling shareholders may exercise the right of a shareholder through the lawful procedures at the general meeting. The authorities of the Company, in particular the Board of Directors, management level, departments of finance or marketing and sales, shall be independent from the controlled entities. In-house authorities of the controlled entities are neither superior nor inferior to corresponding departments of the Company. The controlling shareholders and their controllers shall not affect the independence of the Company's authorities by way of approving the documents.

Any material policy shall be determined by shareholders at the general meeting and the Board of Directors in accordance with laws. The controlling shareholders of the Company or his controller(s) shall not, either directly or indirectly, interfere with policies and the lawful and normal operation of the Company and impair interests of the Company and other shareholders unless allowed by law.

Article 55 The Company shall not be administratively subordinated under the governmental departments, controlling shareholders and their de facto controller(s) and shall terminate any relationship with the aforesaid parties in assets, financial affairs and personnel management. The governmental departments, controlling shareholders and its controller(s) shall not interfere with the operation and management of production of the Company nor pay or collect administration fee or supervisory fee in any manner to or from the Company.

The shareholder representative appointed by the controlled entities holding the state-owned corporate shares of the Company shall attend the general meeting in accordance with the procedures required by laws and exercise his right according to laws. Any shareholder entity, controller and representative appointed shall not interfere with the operation and management of the production of the Company nor appoint or remove senior management officer of the Company beyond the powers of the general meeting and shall not resolve the election of personnel at the general meeting and approve the formalities in relation to the appointment of personnel of the Board of Directors.

Chapter 9 GENERAL MEETING

Article 56 The general meeting shall be the source of authority of the Company and shall exercise its powers according to the laws.

Article 57 General meetings shall exercise the following functions and powers:

- (1) to decide on the operational policies and investment plans of the Company;
- (2) to elect and replace directors and decide on matters relating to their remuneration;
- (3) to elect and replace the supervisors appointed by shareholders representatives and decide on matters relating to their remuneration;
- (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 annual financial budget and final account proposals;
- (7) to examine and approve the Company's plans for profit distribution and making up of losses;
- (8) to pass resolutions on the increase or reduction of the Company's registered capital;
- (9) to pass resolutions on merger, demerger, dissolution, liquidation or conversion of form of the Company;
- (10) to pass resolutions on the issuance of bonds by the Company;
- (11) to pass resolutions on the appointment, dismissal or non-reappointment of accounting firms of the Company;
- (12) to amend these Articles;
- (13) to pass resolutions on transactions in respect of the acquisition and disposition of significant assets with amounts exceeding 30% of the latest total audited assets of the Company within one year;
- (14) to pass resolutions on external guarantees which, according to the laws, regulations and the Articles of Association, shall be approved by the general meetings;
- (15) to examine and approve changes in the use of funds raised;
- (16) to examine share option incentive scheme and employee share plan;
- (17) any other matters which, according to the laws, administrative regulations, departmental rules and these Articles, shall be approved by the general meetings.

Article 58 Any provision of guarantee by the Company shall be considered and approved by the Board. The following guarantees shall be considered by the Board and submitted to a general meeting for approval:

- (1) any external guarantee provided by the Company and its controlled subsidiaries, the amount of which exceeds 50% of the latest audited net assets;
- (2) where the amount of guarantee provided in 12 consecutive months exceeds 30% of the Company's latest audited total assets;
- (3) the provision of guarantee to the target of guarantee whose asset to liability ratio exceeds 70%;
- (4) the provision of any single guarantee, the amount of which exceeds 10% of the latest audited net assets;
- (5) the guarantee provided to shareholders, de facto controller(s) and their associates;
- (6) any guarantee provided by the Company, the amount of which in aggregate with external guarantee provided by the Company exceeds 30% of the latest audited total assets;
- (7) guarantees to be submitted to a general meeting for approval under the laws, administrative regulations, departmental rules and other normative documents, and the Articles of Association.

If the directors, general manager and other senior management officers are in breach of the provisions of the laws, administrative regulations or the policies of the Company governing the limits of examination and approval authority and the examination procedures for providing external guarantee, and such breach causes damage to the Company, such parties shall be liable for compensation. The Company may initiate legal actions against such person in accordance with the law.

Article 59 For any matter to be determined at a general meeting under the laws, administrative regulations and the Articles of Association, such matters shall be considered at the general meeting in order to protect the right of decision-making of the Company's shareholders on these matters. Where necessary and reasonable, if specific decisions on any relevant resolution could not be made at a general meeting immediately, the general meeting may authorise the Board to make a decision within the scope authorised by the general meeting.

Article 60 Except in special circumstances such as when the Company is in a situation of crisis, unless approved by special resolution at the general meeting, the Company shall not enter into any contract with persons other than the directors, supervisors, managers and other senior management officers in relation to the giving of the management of all or important business of the Company to such person.

Article 61 General meetings are divided into annual general meetings and extraordinary general meetings. An annual general meeting shall be held once every year and shall be held within six months after the end of the previous accounting year. The Company's general meeting shall be held at the Company's residence or any other place designated by the Board of Directors. A general meeting will be held at a place in a way combining on-site meeting and online voting. In addition, the Company holds general meetings by safe, economic and convenient internet and other means to facilitate the participation of shareholders, and the shareholders are deemed to have attended the general meeting if they participate in such meetings effectively through the above means. The availability of voting through the internet for the participation of shareholders shall be in accordance with the relevant provisions stipulated by China Securities Regulatory Commission and the Shenzhen Stock Exchange.

The general meeting shall be held on a trading day of the stock exchange(s).

In the event of any of the following, the Company should convene an extraordinary general meeting within two months upon the occurrence of such circumstances:

- (1) the number of directors is less than the number prescribed by the Company Law or less than two-thirds as required under these Articles;
- (2) when the Company has not recovered losses equivalent to one-third of its total paid-up capital;
- (3) at the request of the shareholders who are holding more than 10% of the Company's shares, either individually or collectively;
- (4) where the Board considers necessary;
- (5) when proposed by the supervisory committee;
- (6) other circumstances prescribed by the laws, administrative regulations, departmental rules or these Articles.

Article 62 In the event of convening a general meeting, the Company shall appoint a lawyer to provide legal opinion on the following issues and make an announcement:

- (1) whether the calling or convening of a meeting complies with the laws, administrative regulations, these Articles;
- (2) the validity of the qualifications of personnel who are present at a meeting, and the convener;
- (3) the validity of the voting procedure and results at the meeting;
- (4) the issue of legal opinion on any other matters at the Company's request.

Article 63 In respect of the convening of general meetings, a written notice of at least 20 days shall be given for annual general meeting and a written notice of at least 15 days shall be given for an extraordinary general meeting, to notify all of the shareholders in the share register of the matters to be considered, the date and the place of the meeting. When calculating the time for the issuance of notices, the intended date of the meeting shall be excluded. For the purpose of the notice to be issued to the shareholders of overseas listed foreign shares under this Article, the issuance date thereof shall be the date on which the Company or the share registrars appointed by the Company has delivered the notice to the postal office for posting or any other date as provided by these Articles.

Should the regulatory rules in the PRC and the rules of procedures of the Company's general meetings have otherwise specified the share registration date and due date for serving written reply regarding the attendance of an annual general meeting for shareholders of A shares who attend the annual general meeting, those clauses shall prevail.

Notice of the general meeting shall include the following:

- (1) time, place and duration of the meeting;
- (2) matters and proposals to be submitted to the meetings for consideration;
- (3) an explanation in conspicuous words: all shareholders are entitled to attend the general meeting, and may in writing appoint a proxy to attend and vote at such meeting, such proxy may not necessarily be a shareholder of the Company;
- (4) share registration date for shareholders who are entitled to attend the meeting;
- (5) name and telephone number of the contact person for general meetings;
- (6) the timing and procedure for voting online or otherwise.

Article 64 The contents of the general meeting motions shall be within the scope of powers of the general meeting and such motions shall have precise agenda and specific matters to be resolved, and comply with the relevant provisions of the laws, administrative regulations and these Articles.

Article 65 The Board of Directors, the supervisory committee or shareholders who hold, individually or collectively, more than 3% of the Company's shares shall have the right to propose a motion to the Company for consideration at the general meeting of the Company.

Shareholders who hold, individually or collectively, more than 3% of the Company's shares may propose a provisional motion in writing to the convenor 10 days prior to the general meeting. Within 2 days upon the receipt of the proposed motion, the convenor shall issue a supplementary notice of the general meeting to announce the content of the provisional motion.

Except for the situation provided in the previous clause, the convenor shall not amend any proposed motion specified in the notice of the general meeting or add any new motion after the issue of the notice of the general meeting.

The convenor shall review the provisional motion proposed by the shareholders. Should the motion not conform with the aforementioned principles, the convenor may choose not to submit the shareholders' motion to the general meeting for approval, but the relevant reasons and explanations should be given at such general meeting.

During the recess period of the meeting of the Board, the Company's chairman shall form a provisional audit committee with no less than two other directors to review the shareholders' provisional motion. Should the matter related to the provisional motion be deemed significant to the provisional audit committee, an extraordinary Board meeting may be convened and directors may be notified of such meeting in less than two days prior to the meeting.

In the event that the shareholder who has proposed an extraordinary motion does not agree with the proposed motion being excluded from the agenda of the general meeting by the convenor, an extraordinary general meeting may be convened in accordance with the relevant procedures and requirements stipulated in these Articles.

Article 66 The matters discussed and determined at a general meeting shall be determined according to the provisions of the Company Law and the Articles of Association. The general meeting may decide any matter stipulated in the Articles of Association.

The general meeting shall not vote or resolve on the proposed motions which are not stated in the notice of the general meeting or which are not in compliance with the requirements set out in these Articles.

Article 67 Notice of general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting) by way of notice in the manner as specified in these Articles or in any other manner permitted by the stock exchange where the Company's securities are listed. For the shareholders of A shares, the notice of general meeting may also be published by way of public announcement. The public announcement referred to in the above shall be published in media and the website(s) of the stock exchange(s) that comply with requirements of CSRC; upon issue of such announcement, the shareholders of A shares shall be deemed to have received the notice of the relevant general meeting.

Article 68 Unless there is a justifiable reason, any general meeting shall not be adjourned or cancelled after the issue of notice of the general meeting and the motions stated in the notice of the general meeting shall not be cancelled. In the circumstances of the adjournment or cancellation of the meeting, the convenor shall issue an announcement of the relevant reasons at least 2 business days before the original date of meeting.

Article 69 All ordinary shareholders whose name were entered in the register of shareholders on the share registration date or their proxies shall have the right to attend the general meeting and exercise their voting rights and the right to speak at the general meeting in accordance with relevant laws, regulations and these Articles.

A shareholder may attend the general meeting and vote personally or appoint its proxy to attend the general meeting and exercise the right to speak and the right to vote on his/her behalf.

Article 70 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporate entity, either under corporate seal or under the hand of a director or attorney duly authorised. If the appointer is a Recognised Clearing House, either under corporate seal or signed by its director or another employee internally authorised with the relevant power or a duly authorised attorney.

Article 71 If the instrument appointing a voting proxy is signed by a person on behalf of the appointer, the power of attorney or other authorisation documents thereof shall be notarized, and such notarized power of attorney or other documents shall be deposited at the residence of the Company or at such other place as specified for that purpose in the notice convening the meeting together with the instrument appointing a voting proxy.

If the appointer is a corporate entity, its legal representative or such person as authorised by resolution of its Board or other governing bodies may attend at the general meetings of the Company as a representative of the appointer. In respect of shareholders of overseas listed foreign shares, where the relevant shareholder is a Recognised Clearing House, such Shareholder may authorise company representative(s) or one or more persons as it thinks fit to attend and act on its behalf at any general meeting or any other class meetings or any creditors' meeting; whereas one or more person are so authorised, the power of attorney shall specify the number and class of shares of each of such persons so authorised. Such persons so authorised may exercise the rights on behalf of the Recognised Clearing House as if such person was a shareholder of the Company.

Article 72 Individual shareholders participating in the meeting in person shall present their identification cards or other valid documents or evidence or stock account cards which can show their identities; the proxies attending the meeting shall present their identification documents and instruments of proxy of the shareholders.

Corporate shareholders shall be represented by their legal representatives or their proxies when attending the meeting. The legal representatives attending the meeting shall present their identification cards and valid evidence proving their qualifications as legal representative; the proxies attending the meeting shall present their identification cards and the written instruments of proxy of such corporate shareholders in accordance with the law.

Article 73 The instruments of proxy of shareholders appointing other persons to attend general meetings and the proxy forms issued by the Board of Directors to the shareholders for their appointment of other persons to attend the general meetings shall set out the following information:

- (1) name of the proxy;
- (2) whether or not it has voting rights;
- (3) instructions to vote for, against or abstain from voting on each matter to be included in the agenda for consideration at the general meeting;
- (4) date of issue of the instrument of proxy and the valid period;
- (5) the signature (or seal) of the appointer. In the case of a corporate shareholder, the instrument of proxy must be affixed with the corporate seal.

The instrument of proxy must state that failure to indicate any voting instruction shall entitle the proxy to cast the vote in his/her discretion.

Article 74 The Company shall be responsible for the preparation of the register of personnel attending of the general meeting. Such register shall set out the names of the attending individuals (or names of the entities), identification card numbers, addresses of residence, number of shares with voting rights held or represented and names of the individuals or entities represented by proxies, etc.

Article 75 The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities depository and clearing body, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their voting shares held.

Article 76 When matters about connected transactions are discussed at a general meeting, the connected shareholders should not participate in the voting of the resolution, and the shares with voting rights of such shareholders will not be counted as valid votes. The announcement of a resolution passed at a general meeting should disclose sufficient details of voting by non-connected shareholders.

Article 77 The above connected shareholders refer to the following shareholders: connected party, or (if not a connected party) individuals or their associates who have substantial interests in the transaction to be voted pursuant to the listing rules as may be amended from time to time.

Article 78 The Board, independent directors, those shareholders holding more than 1 per cent of voting rights, or investor protection organizations established according to the laws, administrative regulations or requirements stipulated by securities-supervision bodies under the State Council may, as collector(s) by itself/themselves or appoint securities firm(s) or securities service agency(ies) to, openly seek the Company's appointment of him/her/it/them as representative(s) to attend general meetings and exercise shareholders' rights including right to propose motion and right to vote.

Where shareholders' rights are collected pursuant to the preceding paragraph, the collector(s) shall disclose the documents on the collection and the Company shall cooperate in such disclosure.

Consideration or de facto consideration for collecting shareholders' voting rights is prohibited. Any open collection of shareholders' rights in violation of the laws, administrative regulations or relevant requirements stipulated by securities-supervision bodies under the State Council resulting in losses to be suffered by the Company or its shareholders shall be liable for compensation according to the laws.

Article 79 Resolutions of general meetings shall be categorised into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by over one-half of the voting rights of the shareholders (including their proxies) present at the general meeting.

Unless otherwise specified in these Articles, a special resolution shall be passed by more than two-thirds of the voting rights of the shareholders (including their proxies) present at the general meeting.

Article 80 When the shareholders (including proxies) vote at a general meeting, they shall exercise their voting rights based on the number of voting shares held by them. Save for the adoption of a cumulative voting mechanism for the election of directors and supervisors pursuant to the provisions of these Articles, each share carries one vote. The shares held by the Company itself do not attach any voting rights, and such shares are not counted as part of the voting shares of those shareholders who attend the meeting.

If the purchase of the voting shares of the Company by a shareholder violates the provisions of clauses 1 and 2 of Article 63 of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised within thirty-six months after the purchase, and such shares shall not be counted towards the total number of voting shares held by the shareholders attending the general meeting.

If any shareholders are required to abstain from voting any resolution pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, or are restricted by such requirements to the extent that they could only vote for or against the resolution, for the purposes of determining whether the necessary quorum is present or whether sufficient votes are obtained to pass the resolution, any vote that is in breach of the above provisions or restrictions will not be counted. In the course of voting, any privilege or restriction attached to the voting right of any class of shares for the time being should be complied with. In addition, the provisions of laws, regulations and these Articles should be complied with.

Article 81 Voting on proposals at a general meeting shall be conducted by registered poll.

Article 82 Other than voting by way of the cumulative voting mechanism, all the proposals shall be voted item by item at the general meeting, and different proposals concerning the same matter shall be voted in chronological order of their respective dates of submission. Unless a general meeting is suspended or no resolution can be adopted due to special reasons such as force majeure, no proposal shall be set aside or rejected for voting at the general meeting.

Article 83 Motions shall not be amended when being considered at the general meeting. Otherwise, the relevant amended motion shall be deemed to be a new motion which shall not be put forward to be voted in the same shareholders' meeting.

Article 84 Only one of the following means of voting: at the meeting venue, through the internet or by other means, shall be chosen for the same vote. In the event that repeated votes are cast for the same voting share, the first vote shall prevail.

Article 85 Prior to the voting on any motion at the general meeting, two representatives of the shareholders shall be appointed to participate in the vote counting and scrutinizing. Shareholders and their proxies shall not participate in the vote counting and scrutinizing if they have a connected relationship with the matters to be considered.

During the voting on any motion in the general meeting, a lawyer, the shareholder representatives, supervisor representatives and representatives designated by the stock exchange on which the Company's shares are listed (or as required by its listing rules) shall be jointly responsible for vote counting and scrutinizing and the voting results shall be declared at the meeting. The voting results shall be entered in the minutes of the meeting.

Shareholders or their proxies who vote through the internet or by other means shall have the right to check their voting result through the relevant voting system. Where significant matters that would affect the interests of minority investors are put forward for consideration and approval at a general meeting, the voting details of minority shareholders other than the Directors, supervisors, senior management and those which individually or collectively hold(s) more than 5% of the shares of the listed company shall be counted and disclosed separately.

Article 86 The ending time of the general meeting at the meeting venue shall not be earlier than that of the meeting through the internet or by other means. The chairman of the meeting shall declare the voting situation and results of each motion, and announce whether the motion is approved according to the voting results.

Before the formal announcement of the voting results, the Company, vote counters, scrutineers, substantial shareholders, suppliers of the internet services and other related parties involved in the meeting venue, voting through the internet or by other means, shall have the duty of confidentiality in respect of the voting results.

Article 87 Shareholders attending the general meeting shall express one of the following opinions as to the motions put forward for voting: for, against or abstain. The securities depository and clearing body shall be the holder (in the capacity of a nominee) of shares under the stock connect mechanism covering the stock markets of the PRC and of Hong Kong, except for those to be declared at the intention of the de-facto holder.

Votes in respect of ballots which are not filled or wrongly filled, or contain unidentifiable handwriting, and ballots which are not put into the vote box, shall be deemed to be abstained from voting, and the number of shares representing such votes shall be regarded as “abstained from voting”.

Article 88 The following matters shall be resolved by an ordinary resolution at the general meeting:

- (1) Work reports of the Board and the supervisory committee;
- (2) Plans formulated by the Board for profits distribution and for recovery of losses;
- (3) Appointment and removal of the members of the Board and of the supervisory committee, their remuneration and method(s) of payment;
- (4) Annual final financial report and financial budget report of the Company;
- (5) Annual report of the Company;
- (6) Matters other than those specified by laws, administrative regulations or these Articles to be resolved by special resolutions.

Article 89 The following matters shall be resolved by a special resolution at the general meeting:

- (1) the increase or reduction in share capital of the Company;
- (2) the demerger, spin-off, merger, dissolution, liquidation or change in type of the Company;
- (3) the amendments to these Articles;
- (4) any purchase or sale of substantial assets or any guarantee provided by the Company in an aggregate amount in a year of over 30% of the latest audited total assets of the Company;
- (5) share options incentive scheme;
- (6) such other matters as required by laws, administrative regulations or these Articles, and decided by the general meeting by way of an ordinary resolution to be of a nature which may have a material impact on the Company and required to be resolved by a special resolution.

Article 90 The list of director candidates or supervisor candidates shall be submitted as motions to the general meeting for voting. Accumulative voting shall apply to the election of directors or supervisors at general meetings of the Company. In the election of more than two directors or supervisors, the number of votes of each shareholder shall equal the multiple of the number of shares he holds and the number of directors or supervisors he is entitled to appoint. Each shareholder shall be entitled to cast all his votes for a single nominee or distribute his votes at his discretion or cast all his votes for two or more nominees. The nominee with the highest number of votes shall be elected.

Article 91 For motions of election for directors and supervisors passed by the general meeting, the appointment of new directors and supervisors shall be effective on the date of election.

Article 92 Independent directors, the supervisory committee or shareholders holding more than 10% of the shares of the Company either individually or collectively requesting the convening of an extraordinary general meeting or a class meeting shall proceed in accordance with the procedures set forth below:

- (1) sign one or more written requests of identical form and contents requesting the Board of Directors to convene an extraordinary general meeting or a class meeting and stating the agenda of the meeting. The Board of Directors shall make a written response of agreeing or disagreeing to convene the extraordinary general meeting within 10 days upon receipt of the abovementioned written request.
- (2) Where the Board of Directors agrees to convene an extraordinary general meeting, a notice of the general meeting shall be despatched within 5 days after the resolution of the Board of Directors. Any change to the original motion stated in the notice shall be agreed by the original proposer.
- (3) Where the Board of Directors disagrees with the motion of the independent directors to convene an extraordinary general meeting, it should state its reasons and make an announcement.

- (4) Where the Board of Directors disagrees with the motion of the supervisory committee to convene an extraordinary general meeting, or fails to make a response within 10 days after the receipt of the request, the Board of Directors shall be considered as being unable to or failing to perform its duties of convening a general meeting and the supervisory committee shall convene and preside over such meeting. The procedures for convening shall be identical, to the extent possible, to those procedures adopted by the Board of Directors in convening a general meeting.
- (5) Where the Board of Directors disagrees with the motion of shareholders to convene an extraordinary general meeting, shareholders should request the supervisory committee in writing to convene an extraordinary general meeting.

Where the supervisory committee agrees to convene an extraordinary general meeting, a notice of the general meeting shall be despatched within five days upon receipt of the request. Any change to the original motion stated in the notice shall be agreed by the original proposer.

Where the supervisory committee fails to despatch the notice of the general meeting within the stipulated period, it shall be considered that the supervisory committee will not convene or preside over the general meeting, and after 90 consecutive days, shareholders holding more than 10% of the shares of the Company either individually or collectively may convene and preside over the general meeting. Prior to the announcement of the resolutions of a general meeting, the shareholding percentage of the requisitioning shareholders shall not be less than 10%. The procedures for convening shall be identical, to the extent possible, to those procedures adopted by the Board of Directors in convening a general meeting.

Where the general meeting is convened and held by the supervisory committee or the shareholders in accordance with the previous paragraph, the Board of Directors should be duly informed in writing and the filing procedures in accordance with the applicable requirements be made with the relevant competent authorities. The Board of Directors and the secretary to the Board should cooperate with the meeting and the Board of Directors shall provide the register of shareholders. Reasonable expenses incurred by the meeting shall be borne by the Company.

Article 93 A general meeting shall be chaired and presided over by the chairman of the Board. Where the chairman of the Board is unable to or fails to perform his duties, the meeting shall be presided over by the vice chairman of the Board. Where the vice chairman of the Board is unable to or fails to perform his duties, a majority of the directors may jointly designate a director to preside over the meeting as chairman.

The chairman of the supervisory committee shall preside over a general meeting convened by the supervisory committee. Where the chairman of the supervisory committee is unable to or fails to perform his duties, a simple majority of the supervisors may jointly designate a supervisor to preside over the meeting as chairman.

The convenor shall elect a representative to preside over a general meeting convened by the shareholders.

Where a general meeting is unable to continue due to the breach of the rules of proceedings by the chairman, the general meeting may elect a person to preside over and continue the meeting with the agreement of a majority of the shareholders with voting rights present at the general meeting.

Article 94 At annual general meetings, the Board and the supervisory committee shall report to the shareholders in respect of their work done over the previous year, and each independent director shall also submit his performance report.

Article 95 The chairman of the meeting shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of their voting shares, with the number of attending shareholders and their proxies and the total number of their voting shares being subject to those registered at the relevant general meeting.

Article 96 Minutes of general meetings should be kept and the secretary to the board of directors shall be responsible for keeping such minutes.

The convenor shall ensure that the contents of the minutes are true, accurate and complete. The minutes of meeting shall be signed by the chairman of the meeting and directors, supervisors, secretary to the Board, convenor or his representative attending the meeting.

The minutes of the meeting and the attendance records signed by the attending shareholders and the proxy forms of proxies, valid record on internet voting and other means of voting, shall be kept for not less than 10 years.

Article 97 Minutes of the meeting shall contain the following contents:

- (1) The time, place, agenda and name of the convenor of the meeting;
- (2) the chairman of the meeting and the names of directors, supervisors, general manager and other senior management officers appearing in or attending at the meeting;
- (3) the number of shareholders and their proxies attending the meeting, the total number of shares with voting rights held by them and as a percentage to the total number of shares in the Company;
- (4) the total number of shares with voting rights held by respective shareholders of A shares (including their proxies) and of overseas listed foreign shares (including their proxies) attending the meeting, and their respective percentages to the total number of shares in the Company;
- (5) the process of discussion, main points of speakers and result of voting of each motion and details of the voting by shareholders of A shares and of domestic listed foreign shares of each resolution;

- (6) details of the queries or recommendations of the shareholders and the related responses and explanations;
- (7) the names of the lawyers, vote counters and scrutineers;
- (8) other contents which shall be entered in the minutes of the meeting in accordance with the provisions of these Articles.

Article 98 The convenor shall ensure that the general meeting is being conducted continually until final decisions are made. Where special reasons such as force majeure have led to the suspension of the general meeting or failure to pass the resolution, necessary measures shall be taken to resume the general meeting as soon as possible, or to end the present general meeting directly and make an announcement timely. At the same time, the convener shall deliver a report to the branch office of the CSRC at the place where the Company resides and the stock exchange.

Article 99 The resolutions of general meetings shall be announced in a timely manner, and the announcement shall specify the number of shareholders and proxies attending the meeting, the number of voting shares held by them and the percentage of such shares to the total number of voting shares of the Company, voting methods, the voting result of each proposal and the details of the resolutions passed. Where a proposal is not passed, or if a resolution of the previous general meeting is changed by the present general meeting, a special note shall be made in the announcement on the resolutions of the general meeting.

Chapter 10 SPECIAL PROCEDURES FOR VOTING BY A CLASS OF SHAREHOLDERS

Article 100 Shareholders holding different classes of shares are shareholders of different classes.

A class of shareholders shall, in accordance with laws, administrative regulations and these Articles, enjoy rights and assume obligations.

Article 101 Rights conferred on any class of shareholders in the capacity of shareholders may not be varied or abrogated unless approved by a special resolution at the general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Article 113 to 117.

Article 102 The following circumstances shall be deemed to be variations or abrogation of the rights of a class of shareholders:

- (1) To increase or reduce the number of shares of such class, or to increase or reduce the number of shares of a class having voting rights or rights of distribution or other privileges equal or superior to those of the shares of such class;
- (2) To effect an exchange of all or part of the shares of such class into shares of another class, or to effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class;
- (3) To remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of such class;
- (4) To reduce or remove a dividend preference attached to shares of such class, to receive dividends or to the distribution of assets in the event of the Company is liquidated;
- (5) To add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to shares of such class;
- (6) To remove or reduce rights attached to shares of such class to receive payment payable by the Company in particular currencies;
- (7) To create a new class of shares having voting or equity rights or other privileges equal or superior to those of the shares of such class;
- (8) To restrict the transfer or title of the shares of such class or add to such restriction;
- (9) To issue rights to subscribe for, or convert into, shares of such class or another class;
- (10) To increase the rights and privileges of shares of other classes;
- (11) To restructure the Company in such way so as to result in the disproportionate distribution of obligations between the various classes of shareholders;
- (12) To vary or abrogate the provisions of this Chapter.

Article 103 Shareholders of the affected class, whether or not otherwise having the voting right at general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning Clauses (2) to (8), (11) to (12) of the preceding Article, but interested shareholder(s) shall not be entitled to vote at class meetings.

The meaning of “interested shareholder(s)” as mentioned in the preceding paragraph refer to:

- (1) in the case of a repurchase of shares by offers to all shareholders on a pro rata basis or public dealing on a stock exchange under Article 30, a “controlling shareholder” shall have the meaning as ascribed to it under Article 65;
- (2) in the case of a repurchase of share by an off-market agreement under Article 30, a shareholder to which the proposed agreement relates;
- (3) in the case of a restructuring of the Company, a shareholder within a class who bears a relatively lower proportion of obligation than the obligations imposed on the shareholders of that class and those having an interest different from the general interest of shareholders of that class.

Article 104 Resolutions of a class of shareholders shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class who, according to Article 113, are entitled to vote at class meetings.

According the applicable listing rules as amended from time to time, any shareholder is required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution at the class meeting, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 105 Written notice of the convening of a class meeting shall be given in accordance with the timeline for giving notice in respect of the convening of a general meeting under the Articles of Association, to notify all of the shareholders in the share register of such class of the matters to be considered, the date and the place of the class meeting.

Article 106 Notice of class meetings needs to be served only on shareholders entitled to vote thereat.

Any meeting of a class of shareholders shall be conducted in a manner as similar as possible to that of a general meeting. The terms of these Articles relating to the proceedings to conduct any general meeting shall apply to any meeting of a class of shareholders.

Article 107 Apart from the shareholders of other classes, the shareholders of A shares and of overseas listed foreign shares shall be deemed to be different classes of shareholders. The special procedures for voting at a class meeting shall not apply to the following circumstances:

- (1) where the Company issues, upon approval by a special resolution at a general meeting, A shares and overseas listed foreign shares once every 12 months, either separately or concurrently, and the number of A shares and overseas listed foreign shares proposed to be issued does not exceed 20% of each of the issued shares of relevant classes respectively;
- (2) where the Company's plan to issue A shares and overseas listed foreign shares at the time of its incorporation shall be carried out within 15 months from the date of obtaining approval from CSRC.

Chapter 11 BOARD OF DIRECTORS

Article 108 The Company shall establish a Board of Directors, and the Board shall comprise no more than 18 directors, one of whom shall be the chairman, and amongst whom the vice chairman may be appointed.

No less than half of the members of the Board of the Company shall be external directors (directors not holding office in the Company). External directors shall have sufficient time and necessary knowledge and ability to perform their duties. External directors shall be provided with necessary information by the Company in performing their duties. External directors shall include independent directors of not less than one-third of the total number of directors, and at least one of the independent directors must be an accounting professional (independent directors shall mean directors who do not take up any position in the Company other than as a director, do not have any direct or indirect interest with the Company, its substantial shareholder or its de facto controller, and have no relationship that may affect such directors' independence and objectiveness, and the same shall apply to these Articles below).

Article 109 Directors are elected or replaced at the general meeting, and may be removed by way of an ordinary resolution at a general meeting before the expiry of his term of office. The term of office of a director shall be three years and upon the expiration of his term, a director is eligible for re-election.

The term of office of a director shall commence from the date on which the relevant resolution is passed at a general meeting and end at the expiration of the term of the current session of the Board. If the term of office of a director expires but re-election is not made responsively, the original director shall continue to fulfill the duties as director pursuant to laws, departmental rules and these Articles until a new director is elected. The period for service of notices in writing by shareholders to the Company of the intention to propose a candidate for election as a director in accordance with these Articles and of such candidate's consent to be elected shall be at least 7 days, which shall commence from the day after the dispatch of the notice convening the general meeting for the election of directors and shall end on the date which is 7 days prior to the date of such general meeting.

Any shareholder who, by itself or jointly, holds shares representing more than 3% of the voting rights of the Company shall have the right to nominate a candidate of director. The number of shares directly or indirectly held by each shareholder cannot be further subdivided in order to propose a motion by himself or jointly with other persons.

The Board of Directors shall have the right to examine the qualifications of directors and resolutions in respect of the qualifications of directors shall be passed by over one-half of the Board.

The chairman and vice chairman of the Board are elected by more than half of the total number of directors, and shall serve for a term of three years and are eligible for re-election.

A director may concurrently act as a general manager or other senior management officer, provided that the aggregate number of the directors who concurrently serve as general manager or other senior management officers shall not exceed one half of the total number of directors of the Company. A director needs not to hold any share in the Company.

Article 110 The Company shall disclose detailed information on candidates for election as directors prior to the convening of the general meeting to ensure that shareholders are sufficiently informed about the candidates upon voting.

Candidates for election as directors shall give an undertaking in writing prior to the date of notice to convene the general meeting which states their consent to accept nomination, warrants that the information of candidates for election as directors disclosed to the public is true and complete, and assures diligent performance of the duties of directors after being elected.

Article 111 In the absence of special reasons, the directors and chairman of the Board shall not change their positions randomly and shall maintain relatively stable as required by the Articles of Association. Any position changes shall proceed in accordance with the statutory formalities and procedures shall be disclosed to the public.

Article 112 The Board of Directors shall be accountable to the general meeting and shall exercise the following functions and powers:

- (1) to be responsible for convening general meetings and reporting its work in general meetings;
- (2) to implement resolutions passed by general meetings;
- (3) to determine operational plans and investment proposals of the Company;
- (4) to formulate annual financial budget and final accounts proposals of the Company;
- (5) to formulate proposals for profit distribution and for recovery of losses of the Company;
- (6) to formulate proposals for increase or reduction of registered capital of the Company, issue of bonds or other securities and their listing;
- (7) to draw up proposals for material acquisition, purchase of the Company's shares or merger, demerger, dissolution and conversion in respect of the Company;
- (8) to determine external investments, acquisitions and disposals of assets, charges on assets, guarantees to external parties, entrustment of financial management, connected transactions and financial assistance to external parties of the Company within the scope authorised by general meetings;
- (9) to determine the establishment of internal management authority of the Company;

- (10) to decide on the appointment or removal of the general manager of the Company, secretary to the Board and other senior management officers and determine their remunerations, rewards and punishments; to appoint or remove deputy general managers of the Company, financial controllers and other senior management officers of the Company based on the nominations of the general manager, and to decide on their remunerations, rewards and punishments;
- (11) to formulate the basic management system of the Company;
- (12) to formulate proposals for amendments to these Articles;
- (13) to manage the information disclosure of the Company;
- (14) to propose to the general meeting the appointment or change of the accounting firm which performs audit of the Company;
- (15) to exercise the power to raise fund and borrow money and determine the mortgage, leasing, subcontracting and transfer of the assets of the Company, subject to the relevant laws, regulations, these Articles and the relevant rules;
- (16) to implement other functions and powers conferred by laws, administrative regulations, departmental rules, general meetings and these Articles.

Except for those matters which shall require the affirmative vote of more than two-thirds of the directors as stipulated by the laws, administrative regulations, departmental rules and these Articles, resolutions of the Board shall be passed by more than a half of all the directors.

The director of the Company connected with the enterprise involved in the resolutions of the Board meeting shall not exercise his own, or represent other directors to exercise voting right on such resolutions. Such Board meeting may be held if more than half of the unconnected directors to be present. The resolution made by the Board of Directors shall be passed by more than half of all such directors. Matters requiring the affirmative vote of more than two-thirds of the directors shall be passed by more than two-thirds of all such directors. Where there are fewer than three unconnected directors present at the Board meeting, the relevant matters shall be forwarded to a general meeting of the Company for consideration.

The Board of Directors may exercise any power not stipulated in these Articles to be exercised by general meetings. The Board of Directors should comply with the provisions of the Articles and the requirements set by general meetings from time to time. However, the requirements set by general meetings of the Company shall not render any prior valid action made by the Board of Directors invalid.

Article 113 The Board of the Company shall give explanations to the shareholders' general meetings in respect of the non-standard opinion in the auditors' report issued by the certified public accountants in respect of the financial reports of the Company.

Article 114 Where the Board of Directors is making decisions in respect of market development, mergers and acquisitions, and investments in new sectors, and the value of investment project or the mergers and acquisition project exceeds a certain percentage (which percentage shall be decided by general meeting) of the total assets of the Company, it should engage consultative organisations in providing professional opinions as key basis of the decision of the Board of Directors.

Article 115 Unless otherwise required by applicable laws, regulations and/or relevant listing rules, the Board of Directors shall have the right to make decision on any investment (including risk investment) or acquisition project within the scope authorised by shareholders. Where the material investment or acquisition project exceeds the limit approved by the Board of Directors, it should organise assessment and examination by relevant experts and professionals and submit to the general meetings for approval.

Article 116 When the Company is being acquired in accordance with the provision of Article 183, for the protection of the stable development of the Company and the interest of the shareholders as a whole, the directors of the Company shall engage professional organisations including independent financial adviser to analyse the financial condition of the Company and make recommendations on matters such as the fairness and reasonableness of the conditions of the acquisition and the impact of the acquisition on the Company and to issue the relevant announcement.

The directors may report to the relevant competent authority or bring an action against the acquiring party to the Court when the acquiring party is in breach of the relevant obligations of disclosure provided in the Administrative Rules for Listed Companies Acquisition (《上市公司收購管理辦法》) or other provisions of the relevant laws and regulations.

When the Company is being acquired and merged or any material adjustment is being made by the acquirer to the Company's management, the Board of Directors of the Company shall seek and take advice from the labour union and the employee representatives meeting of the Company.

Article 117 The chairman of the Board shall exercise the following functions and powers:

- (1) To preside over the general meetings, and to convene and preside over the Board meetings;
- (2) To review and supervise the implementation of the Board's resolutions;
- (3) To sign the securities issued by the Company;
- (4) To preside the daily operation of the Board during the recess period of the Board;
- (5) To exercise other powers vested by the Board.

When the chairman of the Board is unable to or fails to perform his duties, the vice chairman of the Board shall perform the relevant duties of the chairman, and where the vice-chairman of the Board is unable to or fails to perform his duties, the members of the Board may appoint a director by a simple majority of votes to perform the duties of the chairman.

Article 118 The Board of Directors may, in accordance with its needs, authorise the chairman of the Board to exercise part of the functions and powers of the Board during its recess period.

Article 119 Board meetings shall be held at least twice a year (regular meetings). Such meetings shall be convened by the chairman of the Board by giving notice in writing to all Directors and supervisors 14 days before the convening of the meetings.

Extraordinary Board meetings should be convened by the chairman of the Board under any one of the following circumstances within 10 days and not subject to the aforesaid limitation on the notice period of meetings:

- (1) proposed by shareholders representing more than 10% of the voting rights;
- (2) proposed by more than one-third of the directors;
- (3) proposed by the supervisory committee.

Article 120 The notification method, notification period and form of meeting of the Board of Directors (including the extraordinary Board meetings) shall satisfy the requirements as follows:

- (1) If the time and location of regular Board meetings have been specified by the Board in advance, no notice shall be required. If the time and location of regular Board meetings has not been specified by the Board in advance, the chairman of the Board shall order the secretary to the Board to notify all directors and supervisors the time and location of the meeting by way of telex, telegraph, fax, express post, registered mail or by hand no less than 14 days prior to such meeting, unless otherwise provided in the aforementioned clauses of these Articles.
- (2) When convening an extraordinary Board meeting, the chairman shall authorise the secretary to the Board to notify all directors and supervisors the time and location of the meeting by way of telex, telegraph, fax, express post, registered mail or by hand with no less than 2 days prior to the extraordinary Board meeting.
- (3) Directors may participate in regular Board meetings or extraordinary meetings by telephone or other communication equipment. If all participants are able to hear others' speeches clearly, communicate and exchange views with each other through the aforementioned equipment, such Directors shall be deemed to be attending such meeting in person.

Except for regular Board meetings, the Company's Board meetings may also be convened by way of written resolutions whereby a resolution may be passed through delivering or circulating a pending resolution separately. A director shall indicate clearly his approval of, abstaining from or objection to the resolution. Such written resolution may consist of several documents. A resolution which is signed by one or more directors or their proxies, by the number of directors required for passing a resolution according to these Articles, shall be deemed legal and effective. A resolution signed by a director or his proxy and delivered by way of telex, telegraph or fax shall be deemed to be signed by such director.

Article 121 The notice of meetings of the Board of Directors shall include the following:

- (1) the time and venue of the meeting;
- (2) the mode through which the meeting is to be held;
- (3) the matters proposed to be considered (draft resolutions for the meeting);
- (4) the convener and chairman of meeting, the proposer(s) of the extraordinary meeting and his/her written proposals;

- (5) the meeting materials necessary for the directors' voting;
- (6) the requirement that a director shall attend the meeting in person or appoint other directors to attend the meeting on his/her behalf;
- (7) the contact person and contact method.

Article 122 All executive directors and external directors must be informed of any significant matter decided by the Board of Directors within the time stipulated in Article 131 and be provided with sufficient information at the same time in strict compliance with the stipulated procedures. Directors may request for the provision of supplementary information. Where one-fourth of the directors or more than two external directors are of the opinion that the information is inadequate or the argument is uncertain, they may jointly request for an adjournment in convening the Board meeting or that part of the agenda of the Board meeting and the Board of Directors shall accept the request.

A notice of meeting shall be deemed to have been despatched to a director who has attended the meeting and did not propose a dissent regarding the non-receipt of the notice of the meeting prior to or at the meeting.

Board meetings may be held only if attended by more than one-half of the directors (including directors who have appointed in writing other directors to attend the Board meeting on his behalf under Article 134). Each director shall be entitled to one vote. Resolutions of the Board of Directors must be passed by the affirmative vote of more than one-half of all directors. In the equality of votes, the chairman of the Board shall have a casting vote.

Article 123 Directors shall attend any Board meeting in person. Where a director is unable to attend, he may, by way of a written power of attorney, authorise another director to attend the Board meeting on his behalf. The power of attorney shall state the name of the attorney, the subject matter, scope and duration of validity, and shall be signed or sealed by the appointer.

A director failing to attend in person and appointing other directors to attend Board meetings for two consecutive times shall be deemed to be unable to perform his/her duties. The Board shall propose to the general meeting to remove such director.

The director attending the meeting for another director shall exercise the rights of such director within the scope of authorisation. Any director who is unable to attend a particular Board meeting and has not authorised a proxy to attend on his behalf shall be deemed as waiving the right to vote at such meeting.

Article 124 Reasonable expenses incurred by the directors in attending Board meetings shall be borne by the Company. Such expenses include travelling expenses from the location of the directors to the places of the meetings (if different from the location of the director), food and lodging expenses during the duration of the meetings, rental of the premises of meetings and local travelling expenses.

Article 125 The Board of Directors shall keep minutes of decisions on matters considered at the meetings, which shall be signed by the directors attending the meeting, the secretary to the Board and the person preparing the minutes. Minutes of each Board meeting should be available for review by all directors as soon as possible. Any director who wishes to make amendments to the minutes should submit his amendments to the chairman of the Board within one week after receipt of the minutes. Minutes of the Board meetings shall be kept at the Company's residence in China with a full copy being issued to each director as soon as possible. Minutes of the Board meeting shall be kept for not less than 10 years.

Article 126 The minutes of meeting shall include the following matters:

- (1) the date, venue and the name of the convenor of the meeting;
- (2) the name of the director present and name of director (attorney) being appointed to attend on the other director's behalf;
- (3) the agenda;
- (4) the main points of directors' speeches;
- (5) the voting method and the result of each proposal (with the numbers of votes casting for and against a proposal as well as abstention votes specified).

Article 127 The directors shall be responsible for resolutions of the Board of Directors. Where a resolution of the Board is in breach of laws, administrative regulations or these Articles, thereby causing serious losses to the Company, those directors who voted for the resolution shall bear direct responsibility. Provided that, if a director is proven to have dissented at the voting of such resolution and such dissension was noted in the minutes of the meeting, then the director may be relieved from such liability. Those directors who abstained from voting or were absent but did not entrust another director to attend on his behalf may not be relieved from such liability. Those directors who dissented in the discussion but did not vote against the resolution may not be relieved from such liability.

Article 128 Directors may resign prior to the expiration of their term of office. A resigning director shall submit a written notice of resignation to the Board of Directors.

Where the resignation of a director results in the Board of Directors having less than the statutory minimum number of directors required by laws, his notice of resignation shall not take effect until a replacement director fills the causal vacancy created by the resignation. Where the resignation of an independent director would result in the number of independent directors in the Board or the relevant designated committees to fall short of the proportion of independent directors required pursuant to the relevant laws and regulations, the rules of the stock exchange at the place where the Company is listed or the Articles of Association, or where none of the independent directors is an accounting professional, such independent director's notice of resignation shall not take effect until a replacement independent director fills his causal vacancy. The Company shall complete the replacement and election of a director within 60 days of the submission of notice of registration by the resigning director, in order to ensure that the Board and the relevant designated committees satisfy the requirements under the relevant laws, regulations and these Articles. Prior to the resignation taking effect, such resigning director shall continue to perform his duties in accordance with the relevant laws, regulations and these Articles, other than where the relevant laws, administrative procedures or other regulations require that such director immediately cease to perform his obligations and that the Company shall pursuant to the relevant requirements remove such director from his positions.

If any other director believes that the directors' resignation before the expiration of their term will harm the interests of the Company, the Board may vote on whether to agree to his resignation, and the director who tendered his resignation shall abstain from voting. If the Board does not agree with such resignation, these directors shall continue to perform their duties until the expiration of their term. If they leave without authorisation, the Company has the right to hold them accountable.

Save for the aforesaid circumstances, the resignation of a director shall take effect from the date on which the notice of resignation is submitted to the Board of Directors.

Chapter 12 SECRETARY TO THE BOARD OF THE COMPANY

Article 129 The Company shall have a secretary to the Board, who is a senior management officer of the Company.

Article 130 The secretary to the Board of the Company shall have financial, management and legal professional knowledge required for performing his/her duties, and shall also possess good professional and personal ethics.

Article 131 The Secretary to the Board is accountable to the Company and the Board of Directors and shall perform the following duties:

- (1) To be responsible for matters related to information disclosure of the Company, coordinate information disclosure of the Company, organise and formulate information disclosure management system of the Company, and urge the Company and relevant information disclosure obligors to comply with the relevant provisions concerning information disclosure.
- (2) To be responsible for organising and coordinating the investor relations management of the Company and coordinating communication and liaison between the Company and parties such as the securities regulatory authorities, shareholders and de facto controllers, intermediaries and the media.
- (3) To coordinate and organise meetings of the Board of Directors and general meetings, attend general meetings, meetings of the Board of Directors, meetings of the supervisory committee and meetings related to senior management, and maintain and sign the minutes of meetings of the Board of Directors.
- (4) To be responsible for the maintenance of confidentiality of information disclosure of the Company and report to the stock exchange and make announcements in a timely manner in the event of leakage of material undisclosed information.
- (5) To pay attention to the rumours about the Company and take the initiative to verify the authenticity of such rumours, and urge the Board of Directors and other relevant entities to timely respond to the enquiries of the stock exchange.
- (6) To organise trainings for Directors, supervisors and senior management personnel as required by relevant laws and regulation and normative documents and assist them in understanding their respective responsibilities in information disclosure.
- (7) To urge the Directors, supervisors and senior management personnel to observe the laws and regulations, regulations of the stock exchange and the Articles, and earnestly fulfil their commitments; when becoming aware that the Company, Directors, supervisors and senior management personnel has made or may have possibly made a decision in violation of the relevant provisions, he/she shall remind the related personnel and immediately report it to the stock exchange.
- (8) To be responsible for the management of changes in the Company's shares and derivatives, etc.

- (9) To perform other duties delegated by the Board of Directors and as required by domestic and overseas regions on which the Company's shares are listed.

Article 132 In the event that the shares of the Company are listed on the Hong Kong Stock Exchange, the Company may have a company secretary qualified under the requirements of the Hong Kong Stock Exchange to handle the relevant matters.

Chapter 13 SENIOR MANAGEMENT OFFICERS OF THE COMPANY

Article 133 The Company shall have a general manager, who shall be employed or dismissed by the Board of Directors; the Company shall also have deputy general manager(s) and financial controller(s) who shall be nominated by a general manager and employed or dismissed by the Board of Directors. The term of office of any general manager, deputy general manager and financial controller shall be the same as that of the Board of Directors. Any general manager, deputy general manager and financial controller shall have such professional ethics and standards to perform his duties.

General manager, deputy general manager and financial controller shall be the senior management officers of the Company.

Article 134 The term of office of the general manager shall be 3 years and may be re-appointed.

Article 135 The general manager shall be accountable to the Board and exercise the following functions and powers:

- (1) To preside over the Company's production, operation and management, to organise the implementation of the resolutions of the Board and to report his/her work to the Board;
- (2) To organise the implementation of the Company's annual business plans and investment proposals;
- (3) To draft proposals for the establishment of the Company's internal management structure;
- (4) To establish the Company's basic management system;
- (5) To formulate the basic rules of the Company;
- (6) To propose the appointment and dismissal of the Company's deputy general manager(s) and financial controller(s) to the Board;
- (7) To decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board;
- (8) To convene and preside over the office meeting of general manager;
- (9) To determine the awards and punishments, promotion and demotion, increase or reduction of salaries, appointment, employment, dismissal, and discharge of the staff and workers of the Company with the authorisation of the Board or within the scope required by the Company;

(10) To exercise the right of security, leasing or subcontracting of the Company's assets with the authorisation of the Board or within the scope required by the Company;

(11) Other powers conferred by these Articles and the Board.

The deputy general manager shall assist the work of the general manager.

Article 136 The general manager shall report to the Board of Directors and the supervisory committee at their request on the signing and implementation of material contracts, the application of funds and loss of the Company. The general manager shall ensure the truthfulness of his report.

Article 137 The general manager may be present at Board meetings. The general manager has no voting rights at the Board meetings unless he is also a director.

Article 138 The general manager and other senior management officers shall give 3 months prior notice of resignation to the Board before the expiry of their terms of office, save as provided otherwise in the contract. The Board shall have the right to approve his resignation. In the event that such Director leaves the position without approval by the Board, the Company shall have the right to take legal action against him.

Chapter 14 SUPERVISORY COMMITTEE

Article 139 The Company shall have a supervisory committee.

Article 140 The supervisory committee shall consist of 3 supervisors, one of which shall be the chairman of the supervisory committee. The term of office of a supervisor shall be 3 years and they shall be eligible for re-election. The chairman of the supervisory committee shall be elected by more than half of all the supervisors.

Article 141 The members of the supervisory committee shall consist of 2 representatives of shareholders and 1 representative of staff and workers of the Company. The representatives of shareholders shall be elected and removed at the general meeting while the representative of staff and workers shall be elected and removed through democratic election by the staff and workers of the Company.

The supervisory committee of the Company shall have more than one-half of their members as external members (those members not holding office in the Company).

Article 142 Directors, general manager, and other senior management officers of the Company shall not act concurrently as supervisors.

Article 143 The Supervisory Committee Meetings are divided into regular meetings and extraordinary meetings. Meetings of the supervisory committee shall be held at least once every six months and supervisors may propose to convene an extraordinary supervisory committee meeting. The chairman of the Supervisory Committee shall be responsible for convening and presiding over the meetings. Where the chairman of the supervisory committee is unable to or fails to perform his duties, a majority of the supervisors may jointly designate a supervisor to convene and preside over the meeting of the supervisory committee.

Article 144 The notice of a supervisory committee meeting, when convening regular and extraordinary Supervisory Committee meetings, shall be delivered to all supervisors by email or notification from specified person 10 days and 2 days, respectively, before a meeting. The notice of meeting shall include the following contents:

- (1) the date, place and duration of the meeting;
- (2) the reasons for and the agenda of the meeting;
- (3) the date of the notice.

Article 145 Where a replacement supervisor is not elected timely upon expiration of the term of a supervisor or the resignation of a supervisor during his term resulting in the supervisory committee having less than the minimum number of supervisors required by laws, such supervisor must continue to perform his duties pursuant to the laws, administrative regulations and the provisions of the Articles of Association until the replacement supervisor takes office.

Article 146 The supervisory committee shall be accountable to general meetings and exercise the following functions and powers in accordance with the laws:

- (1) to review the periodic reports of the Company prepared by the Board of Directors and to submit their review opinions in writing, supervisors shall sign the written opinions for confirmation;
- (2) to monitor the Company's financial affairs;
- (3) to supervise the directors and senior management officers in carrying out duties of the Company and to propose the removal of directors and senior management officers who are in breach of any law, administrative regulation, the Articles of Association or the resolutions of general meetings;
- (4) to demand any relevant parties to rectify the act of any director, senior management officer, shareholder or de facto controller which is harmful to the Company's interests;
- (5) to propose the convening of extraordinary general meetings and to convene and preside over general meetings when the Board of Directors fails to perform the duties of convening and presiding over general meetings as required by law;
- (6) to propose motions to general meetings;
- (7) to initiate legal actions against any director and senior management officer in accordance with the provisions of Section 151 of the Company Law;
- (8) to conduct investigation if there is any unusual circumstances in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work, at the cost of the Company;
- (9) other functions and powers provided in the laws, administrative regulations, departmental rules or the Articles of Association.

External supervisors of the Company shall report on the integrity and diligence of the senior management officers of the Company independently to general meetings.

Supervisors shall attend Board meetings as non-voting attendees and make queries or recommendations in respect of resolutions of the Board of Directors.

Article 147 Supervisors may attend the supervisory committee meetings by telephone or other communication facilities. So long as through the aforementioned facilities, all participants of the meeting are able to clearly hear the speech of the others and are able to talk or communication with each other, such supervisors shall be deemed to have attended the meeting in person.

The supervisory committee meetings may also be held by written resolutions, i.e. by resolving on the resolutions delivered separately for review or circulated for review, and the supervisors writing on the resolutions for their for, against or abstention opinions. Such written resolution may consist of several counterparts (each counterpart may be signed by one or more or other Supervisor with one's proxy) and shall be valid and effective when the number of signatories satisfies the quorum stipulated under the Articles of Association of the Company to come to a resolution. A resolution signed by a supervisor or his/her proxy and delivered by means including email or fax shall be deemed as duly signed by the relevant supervisor.

Article 148 The supervisory committee meetings shall only be held with the attendance of not less than one-half of the supervisors.

Resolutions of the supervisory committee shall be approved by more than half of its members.

Article 149 The supervisory committee may request the Directors, general manager and other senior management officers, internal and external auditing officers of the Company to attend the supervisory committee's meetings and answer the questions of its concern.

Article 150 The supervisory committee shall take minutes of the resolutions of the meetings. Supervisors attending the meeting and the person taking the minutes shall sign the minutes. Supervisors shall have the right to require explanatory statements of their speeches made during the meetings be recorded in the minutes. Minutes of the meetings of the supervisory committee shall be kept in the Company's files for at least over 10 years.

Article 151 Reasonable expenses incurred by the supervisory committee in the engagement of professionals such as lawyers, certified public accountants and practicing auditors in the exercise of its functions and powers shall be borne by the Company. The Company shall pay for reasonable expenses incurred by supervisors in attending meetings of the supervisory committee. Such expenses include travelling expenses from the location of the supervisor to the places of the meetings (if different from the location of the supervisor), food and lodging expenses during the duration of the meetings, rental of the premises of meetings and local travelling expenses.

Article 152 Supervisors are required to faithfully perform their supervisory duties in accordance with laws, administrative regulations and these Articles.

Chapter 15 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OFFICERS OF THE COMPANY

Article 153 A person shall not serve as a director, supervisor, general manager or other senior management officer upon the occurrence of any of the following events:

- (1) the person is without civil capacity or with restricted civil capacity;
- (2) the person has been convicted for offence(s) due to corruption, bribery, taking of property, misappropriation of property or destruction of the social economic order, and has been sentenced to criminal punishment, where less than 5 years have elapsed since the date of completion of the sentence; or has been deprived of their political rights due to criminal offence, where less than 5 years have elapsed since the date of the completion of implementation of this deprivation;
- (3) the person is a former director, factory director or managers of a company or corporate entity which has become bankrupt and been liquidated and be personally liable for the bankruptcy of such company or corporate entity, where less than 3 years have elapsed since the date of the completion of the bankruptcy and liquidation of such company or corporate entity;
- (4) the person is a legal representative of a company or corporate entity which had its business license revoked and has been ordered to close down due to violation of the laws and be personally liable, where less than 3 years have elapsed since the date of the revocation of the business license of such company or corporate entity;
- (5) the person has a large amount of debt due and outstanding;
- (6) the person is under a penalty of prohibited access to the securities market imposed by the CSRC, which penalty still remains effective;
- (7) such other matters stipulated by the laws, administrative regulations or departmental rules.

Article 154 A person who holds an executive position other than as a director and supervisor in the controlling shareholder of the Company shall not act as a senior management officer of the Company. The senior management officers of the Company shall receive salaries only from the Company and not from the controlling shareholder on its behalf.

Article 155 Directors shall comply with the laws, administrative regulations and these Articles, and owe the following fiduciary obligations to the Company:

- (1) not to abuse his/her functions and powers to accept bribery or other illegal income, or misappropriate the Company's assets;
- (2) not to misappropriate the Company's funds;
- (3) not to set up accounts in his/her own name or in the names of others, for depositing the assets or funds of the Company;

- (4) not to violate the provisions of these Articles, and not to lend the Company's funds to others or provide guarantees for others with the Company's assets without the approval of the general meeting or the board of directors;
- (5) not to enter into any contract or transaction with the Company in violation of the provisions hereof and without the approval of the shareholders' general meeting;
- (6) not to, without the consent of the general meeting, abuse his/her position to seize business opportunities for himself/herself or for other parties which should otherwise belong to the Company, or operate a business, whether by himself/herself or for other parties, in the same nature of businesses operated by the Company;
- (7) not to keep commissions derived from transactions entered into by the Company;
- (8) not to disclose confidential information of the Company without authorisation;
- (9) not to prejudice the interests of the Company by taking advantage of his/her connected relationship;
- (10) other fiduciary obligations as required by the laws, administrative regulations, departmental rules and these Articles.

Any income gained by the directors in violation of this provision shall belong to the Company; if any losses are caused to the Company due to such violation, the directors shall bear the liability for compensation.

Article 156 Directors shall abide by the laws, administrative regulations and these Articles, and owe the following diligence obligations to the Company:

- (1) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure that the business operations of the Company comply with the state's laws, administrative regulations and economic policies, and shall not go beyond the scope of business specified in the Company's business license;
- (2) to treat all shareholders fairly;
- (3) to obtain knowledge on the business operation and management of the Company in a timely manner;
- (4) to sign the written confirmation of regular reports of the Company and ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
- (5) to provide the relevant details and materials in truth to the supervisory committee, and not to interfere with the supervisory committee or supervisors in their exercise of powers;
- (6) other diligence obligations imposed by laws, administrative regulations, departmental rules and these Articles.

Article 157 Supervisors shall abide by the laws, administrative regulations and these Articles, and shall owe fiduciary and diligence duties to the Company. They shall not abuse their authority of office to obtain bribes or other illegal income and shall not misappropriate the assets of the Company. Supervisors shall not use their connected relationship to prejudice the Company's interests, and shall be liable for any loss so caused to the Company.

Article 158 The provisions on fiduciary obligations of directors in Article 155 and the provisions on diligence obligations of directors set out in sub-paragraphs (4), (5) and (6) of Article 156 of these Articles are also applicable to senior management officers.

Article 159 The senior management officers of the Company shall fulfill their duties faithfully, and protect the best interests of the Company and all the shareholders. Should the senior management officers of the Company fail to faithfully fulfill their duties or violate their fiduciary duty, thereby causing damage to the interests of the Company and the public shareholders, they shall bear the liability for compensation in accordance with the laws.

Article 160 No director may act in his own name on behalf of the Company or of the Board of Directors unless pursuant to the provisions of the Articles of Association or with the lawful authorisation of the Board of Directors. In the course of acting in his own name, a director shall state his position and identity insofar as a third party may reasonably believe that such director is acting on behalf of the Company or the Board of Directors.

Article 161 Where a general meeting is convened, all of the Company's directors, supervisors and the secretary to the board shall attend the meeting, and the general manager and other senior management officers shall be present at the meeting. The directors, supervisors and senior management officers shall give explanations and statements in respect of the shareholders' enquiries and recommendations.

Article 162 The fiduciary obligations borne by the directors, supervisors, general manager and other senior management officers of the Company to the Company and shareholders shall not necessarily cease before his/her resignation becomes effective, or within a reasonable period after his/her resignation becomes effective or after expiry of the term of his/her tenure. Their obligations to maintain confidentiality of the Company's business confidential information shall remain effective after their resignation, until such confidential information becomes public information, and they shall also strictly abide with the obligations of non-competition within the same industry as agreed with the Company. The period of continuance of the other obligations shall be decided in accordance with the principles of fairness and shall depend on the length of the period between the departure and the happening of the relevant event, and the circumstances and terms under which their relationships with the Company are terminated.

Article 163 Any director, supervisor, general manager and other senior management officer of the Company who are in breach of laws, administrative regulations, departmental rules or the provisions of these Articles in carrying the duties of the Company and thereby causing losses to the Company, shall bear the responsibility for compensation. Any director, supervisor, general manager and other senior management officers of the Company whose term of office are not yet expired shall bear the responsibility for the compensation of the losses of the Company caused by his desertion of duties.

Article 164 A director shall not vote nor shall he be counted in the quorum present at the relevant Board meeting in respect of any contract, arrangement or any other proposal in which he or any of his associate has a material interest.

"Associate" in this Article shall have the meaning set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

Chapter 16 FINANCIAL AND ACCOUNTING SYSTEM

Article 165 The Company shall formulate its own financial and accounting system in accordance with the relevant requirements of laws, administrative regulations and the PRC accounting standards formulated by the finance regulatory department of the State Council.

Article 166 The financial and accounting reports in the Company's annual report shall be audited by an accounting firm.

Article 167 The Company shall file and disclose its annual report to the CSRC and the stock exchange within four months from the end of each financial year; and shall file and disclose its interim report to the regional office of CSRC and the stock exchange within two months from the end of the first half of each financial year.

The aforesaid annual reports and interim reports shall be prepared in accordance with the relevant laws, administrative regulations, requirements of the CSRC and the stock exchange.

Where the regulatory authority of the place where the Company's overseas shares are listed stipulates otherwise, such provisions shall prevail.

Article 168 The Company shall not keep financial accounts other than those required by laws.

The Company's assets shall not be deposited in an account maintained in the name of any individual.

Chapter 17 PROFIT DISTRIBUTION

Article 169 The after-tax profits of the Company shall be distributed in the following order:

- (1) making up for losses;
- (2) allocating to statutory common reserve fund;
- (3) allocating to discretionary common reserve fund;
- (4) paying dividends on ordinary shares.

The detailed distribution percentages in a certain year under clauses (3) to (4) of this Article shall be determined by the Board of Directors in accordance with the operational conditions and development needs of the Company and the resolution of general meeting.

Article 170 In distributing its after-tax profits, the Company shall allocate 10% of the profit to its statutory common reserve fund. Allocation to the Company's statutory common reserve fund may cease once the cumulative amount of reserves therein exceeds 50% of the company's registered capital.

Where the statutory common reserve fund of the Company is insufficient to cover the Company's losses from prior years, the current year profit shall be used to cover such losses before allocation is made to the statutory common reserve fund pursuant to the preceding paragraph.

Subsequent to the allocation of after-tax profits to the statutory common reserve fund by the Company, and a resolution of the general meeting, allocation may be made to the discretionary common reserve fund.

Subsequent to making up for losses and allocations to the common reserves fund, the residual profit shall be distributed to the shareholders in proportion to their shareholdings. Profit shall not be distributed in respect of the Company's shares held by the Company.

Article 171 The Company shall not distribute any dividends or make other distributions in the form of bonus before its deficit is balanced and the allocation of statutory common reserve fund has been made. If the general meeting violates the provisions of the preceding paragraph, the shareholders must return to the Company the profits distributed in violation of the provisions. No interest shall be payable by the Company to the shareholders in respect of dividends, other than in respect of due dividends that have yet to be paid by the Company.

Article 172 Capital common reserve fund includes the following:

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

Article 173 The statutory common reserve fund of the Company shall only be applied for the following purposes:

- (1) to recover the Company's losses;
- (2) to expand the production operation of the Company; and
- (3) to be converted into additional capital.

However, the Company must not apply the capital common reserve fund to cover its deficit. When the Company converts its statutory common reserve fund into its capital upon a resolution being adopted at a general meeting, the Company shall distribute new shares in proportion to the number of shares held by the shareholders. However, when the statutory common reserve fund is converted into capital, the balance of such common reserve fund must not fall below 25% of the registered capital.

Article 174 Profit distribution plan of the Company shall be drafted by the Board of Directors and submitted to the general meeting for consideration and approval. The supervisory committee shall give their opinions on the profit distribution plan. When the profit distribution plan is considered at the general meeting, a variety of channels shall be provided for communications and exchanges with shareholders (in particular, the minority shareholders), whose opinions and demands shall be fully heard.

Notwithstanding the aforesaid provisions, pursuant to the authorisation given by the shareholders of the Company to the Board of Directors at the general meeting of each year, the Board of Directors may, prior to the next annual general meeting, distribute the interim dividend, in the amount as they may think fit in view of the Company's earnings, to shareholders of the Company from time to time without prior approval from the general meeting.

Subsequent to the passing of the resolution in respect of a profit distribution plan by a general meeting, or subsequent to formulation by the Board of Directors the Company of a specific plan in accordance with the conditions and cap of the interim dividend distribution for the following year as considered and approved at the annual general meeting, the distribution of dividends (or shares) shall be completed within two months.

Article 175 The Company may distribute dividend in cash or in specie (or both), and, provided that the conditions of distribution of dividend in cash as required under this provision are met, priority shall be given to distribution of dividend in cash.

The conditions of distribution of dividend in cash are: (1) the Company recording a profit for the year and the distributable profit (i.e. the after-tax profit of the Company after making up for losses, allocation to the common reserve fund) for the year is positive in value; (2) the Company having no major investment plan or significant cash expenditure (excluding fund-raising activities). Such major investment plan or significant cash expenditure refers to the proposed external investment by the Company with accumulated expenditure within the next twelve months amounting to or exceeding 50% of the latest audited net assets of the Company, or the proposed asset acquisition or facilities procurement by the Company with accumulated expenditure within the next twelve months amounting to or exceeding 30% of the latest audited total assets of the Company; and (3) the Company's funding needs for normal production and operation having been satisfied.

The conditions of distribution of dividend in specie are: provided that reasonable scale of share capital of the Company is ensured, the Company may distribute dividend in specie according to its accumulated distributable profit, common reserve fund and cash flow position.

The Company shall distribute profit at least once a year, and the accumulated profit distribution made in cash by the Company in the latest three years shall not be less than 30% of the average annual distributable profit realised in the latest three years.

If the audited financial report of Company for the most recent year is not unqualified or contains qualified opinion on material uncertainties related to continuous operations, or there occurs any circumstances that the Company considers render a distribution of profit inappropriate, the Company may choose not to distribute profit.

Dividends or other distributions for ordinary shares shall be denominated in Renminbi. The profit distribution policy of the Company should focus on the reasonable investment return of the investors while ensuring the Company's sustainable development and maintaining sustainability and stability.

Dividends or other cash distributions for A shares shall be paid in Renminbi.

Dividends or other cash distributions for overseas listed foreign shares shall be paid in Hong Kong dollar in accordance with the requirements of the state administration of foreign exchange of the PRC. The exchange rate to be used for the conversion shall be the average closing exchange rate of Hong Kong dollars against Renminbi for each of the business days during the week prior to the declaration date as quoted by the People's Bank of China or other exchange rates required or permitted by others laws or regulations decided by the Board of Directors.

Article 176 If, due to significant changes in the Company's operating conditions, investment planning and needs for long-term development, it is necessary to adjust the profit distribution policy as set out in these Articles, the Board of Directors of the Company shall submit a proposal for adjustment to the profit distribution policy based on actual circumstances. The adjusted profit distribution policy shall focus on protecting the interests of the shareholders and shall not violate the relevant requirements of the China Securities Regulatory Commission and the Stock Exchange. The adjustment of profit distribution policy shall be subject to consideration and approval by more than two-thirds of the voting rights represented by the shareholders present at the general meeting.

Article 177 When distributing dividends to the shareholders, the Company shall withhold the tax payable on dividend income of the shareholders in accordance with the PRC tax law.

Article 178 The Company shall appoint a receiving agent for shareholders of overseas listed foreign shares. The receiving agent shall, on behalf of the relevant shareholders, receive the dividends distributed and other amounts payable to the shareholders in respect of overseas listed foreign shares.

The receiving agent appointed by the Company shall comply with the relevant requirements of the laws of the place where the Company's shares are listed or the relevant requirement of such stock exchange.

The receiving agent appointed by the Company for shareholders of overseas listed foreign shares listed in Hong Kong shall be a company registered as a trust company under the Trust Ordinance of Hong Kong.

Article 179 The Company shall establish an internal audit system by employing professional audit personnel, who shall conduct internal audit and supervision over the financial income and expenses and the economic activities of the Company.

The Company's internal audit system and the responsibilities of the audit personnel shall become effective after the approval of the Board. The internal audit department is accountable to the audit committee and shall report to the audit committee.

Article 180 Subject to the relevant laws and regulations of the PRC, the Company may exercise its right of forfeiture over unclaimed dividends which shall be used for any purpose of the Company, but such right shall not be exercised prior to the expiration of the applicable statute of proceedings.

The Company shall have the right to terminate the despatch of dividend warrants to holders of overseas listed foreign shares by mail, but such right shall only be exercised unless the dividend warrants are not cashed for two consecutive occasions. However, where the dividend warrant is undelivered to the recipient and returned, the Company may also exercise such right.

The Board of Directors may determine that any payment for shares prior to the calls on shares shall be entitled to interest. However, shareholders shall not be entitled to receive dividends declared subsequently in respect of the calls on shares.

Chapter 18 APPOINTMENT OF ACCOUNTING FIRM

Article 181 The Company shall engage accounting firms that complies with the requirements of the Securities Law to conduct the auditing of accounting statements, verification of net assets and other related consultation services, and the term of appointment is one year which shall be renewable.

Article 182 The appointment of the accounting firm by the Company shall be resolved by the general meeting. The Board of Directors shall not engage any accounting firm prior to the decision of the general meeting.

Article 183 The Company shall warrant to provide true and complete accounting evidence, books, financial and accountant reports and other accounting information to the accounting firm it engaged and shall not refuse to provide or hide such information or provide false information.

Article 184 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined in general meeting.

Article 185 Prior to the removal or the non-reappointment of the accounting firm, the Company shall give the accounting firm 10 days notice and such accounting firm shall be entitled to make representation at the general meeting. Where the accounting firm resigns its post, it shall make clear to the general meeting whether there has been any circumstances of impropriety on the part of the Company.

Chapter 19 MERGER AND DEMERGER OF THE COMPANY

Article 186 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 event of a merger of the Company, 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 10 days from the date of the resolution of the merger and issue an announcement on the China Securities Journal and/or other national newspapers and magazines designated by the relevant administrative authorities for securities under the State Council and other newspapers and magazines designated by the Board of Directors within 30 days from the date of the resolution. The creditors may require the Company to pay its debts or provide the corresponding guarantee within 30 days from the receipt of notice, or within 45 days from the date of announcement if it does not receive the notice.

After the merger of the Company, rights in relation to debts and liability of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.

Article 187 Where there is a demerger of the Company, its assets shall be divided accordingly.

In the event of a demerger of the Company, the parties to the demerger shall execute a demerger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors of the demerger resolution within 10 days from the date of the demerger resolution and make the relevant public announcements on the China Securities Journal and/or other national newspapers and magazines designated by the relevant administrative authorities for securities under the State Council and other newspapers and magazines designated by the Board of Directors within 30 days from the date of the demerger resolution.

The liabilities of the Company prior to the demerger shall be assumed on a joint and several basis by the companies formed following the demerger, unless otherwise agreed in writing in respect of debt settlement by the Company prior to the demerger with the creditors.

Article 188 Changes in registration particulars of the Company caused by merger or demerger must be registered with the relevant administrative authorities for securities under the State Council in accordance with laws. Cancellation of a company shall be registered in accordance with the laws when a company is dissolved. Incorporation of a company shall be registered when a new company is incorporated in accordance with laws.

Chapter 20 DISSOLUTION AND LIQUIDATION

Article 189 The Company shall be dissolved and liquidated according to laws upon occurrence of any one of the following events:

- (1) the term of operation prescribed by the Articles of Association has expired, or any other cause for dissolution prescribed by the Articles of Association;
- (2) the general meeting has resolved for a dissolution;
- (3) the dissolution is necessary as a result of merger or demerger of the Company;
- (4) the business license of the Company is revoked by laws, and the Company is ordered to close down or be cancelled;
- (5) there are serious difficulties in the operation and management of the company and the Company's continuance will definitely cause significant losses to shareholders' interests and cannot be solved through other channels. Shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the People's Court to dissolve the Company.

Article 190 In the event of the clause (1) of the preceding Article, the Company shall continue to exist by amendment to these Articles.

The amendment to these Articles in accordance with the previous paragraph shall be passed by the shareholders present at the meeting representing more than two-thirds of the voting rights.

Article 191 If the Company is dissolved pursuant to clauses (1), (2), (4), (5) of Article 217, a liquidation group shall be formed and liquidation shall commence within 15 days upon the occurrence of the event causing the dissolution. The liquidation group shall consist of personnel designated by the directors or general meeting. If the liquidation group is not formed at the expiry of the said period, the creditors may apply to the People's Court to designate the relevant personnel to form the liquidation group to conduct liquidation.

Article 192 The liquidation group shall notify the creditors within 10 days from its formation, and shall issue an announcement on China Securities Journal and/or other national newspapers and magazines designated by the relevant administrative authorities for securities under the State Council and other newspapers and magazines designated by the Board of Directors within 60 days.

Creditors shall declare their debts to the liquidation group within thirty days upon the receipt of the notice or, in case no notice has been received, within forty-five days upon the date of the first announcement.

Creditors shall explain matters relevant to the debts and provide evidences when declaring debts. The liquidation group shall arrange for registration of the debts.

During the period of declaration of debts, the liquidation group shall not pay any debt to the creditors.

Article 193 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 announcement;
- (3) to dispose of and liquidate any relevant unfinished business of the Company;
- (4) to pay all outstanding taxes and pay all taxes incurred in the process of liquidation;
- (5) to settle debts and liabilities;
- (6) to deal with the assets remaining after the Company's debts have been repaid;
- (7) to represent the Company in any civil litigation proceeding.

Article 194 The liquidation group shall, after examining the assets and preparing the balance sheet and an inventory of assets of the Company, formulate a liquidation proposal and submit to the general meeting or relevant governing authority for confirmation.

After settling the liquidation expenses, wages of employees, social insurance expenses and statutory compensation, the outstanding taxes and the debts of the Company, the residual assets of the Company shall be distributed in proportion to shareholding of the shareholders.

During the course of liquidation, the Company shall continue to exist but shall not conduct any business activity irrelevant to the liquidation.

The assets of the Company shall not be distributed to its shareholders before repayment according to the preceding provision.

Article 195 The members of the liquidation group shall devote themselves to their duties and perform their obligations of liquidation according to the laws.

No member of the liquidation group may take advantages of his position to accept bribes or other illegal proceeds, nor may he embezzle assets of the Company. Where members of the liquidation group cause any loss to the Company or its creditor due to the deliberate acts or significant fault of such members, they shall be liable to pay compensation.

Article 196 If after sorting out the Company's assets and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company resulting from dissolution, the liquidation group discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation group shall immediately apply to the People's Court for a declaration of bankrupt.

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

Article 197 Following the completion of liquidation, the liquidation group shall present a report on liquidation, which shall be submitted to the general meeting or the relevant governmental authorities for confirmation, and submit the aforesaid documents to the relevant companies registration authorities and apply for cancellation of the Company's registration and publish a public announcement of the termination of the Company.

Article 198 If the Company announces bankrupt according to laws, it shall be liquidated in accordance with the relevant laws of enterprise bankrupt.

Chapter 21 PROCEDURES FOR AMENDMENTS TO THE ARTICLES

Article 199 The Company may amend its Articles in accordance with the requirement of laws, administrative regulations and these Articles.

Article 200 The Directors shall amend these Articles in accordance with the resolution of general meeting in relation to the amendments to the Articles and the opinion for examining and approving of the relevant regulatory authorities.

Article 201 The Company shall amend the Articles under any of the following circumstances:

- (1) Subsequent to the amendments to the Company Law or the relevant laws and administrative regulations, the matters provided for in the Articles of Association are in conflict with the provisions of the amended laws and administrative regulations;
- (2) Changes in the state of the Company are inconsistent with the matters provided for in the Articles;
- (3) The general meeting has decided to amend the Articles.

Article 202 Where any amendment(s) to these Articles involve(s) the registration of the Company, an application shall be made for registration of the changes according to laws.

Article 203 The amendment to the Articles of Association as required by laws and administrative regulations shall be announced in accordance with the relevant provisions.

Chapter 22 NOTICES AND ANNOUNCEMENTS

Article 204 Notices of the Company shall be issued by the following means:

- (1) by hand;
- (2) by post;
- (3) by fax, email or other electronic means;
- (4) by publication on the website of the Company and the website designated by The Stock Exchange of Hong Kong Limited, to the extent permitted under the laws and regulations and the listing rules of the stock exchange in the place(s) where the Company's shares are listed;
- (5) by way of public announcement;
- (6) by other means agreed in advance between the Company and the recipient or such other means as approved by the recipient after being notified;
- (7) by any other means approved by the relevant regulatory authority in the place where the Company's shares are listed or as provided for in the Articles.

Where a notice is given by way of public announcement, all relevant personnel shall be deemed to be served when the announcement is made.

Article 205 Whether or not these Articles has otherwise provided for the delivery methods of any notice, communication or any other written material, regarding the despatch or provision of any corporate communications by the Company to its holders of the overseas listed foreign shares according to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that it is in accordance with the laws and regulations and relevant listings rules at the place(s) where the Company's shares are listed, the Company may despatch or provide corporate communications to its holders of the overseas listed foreign shares by electronic means or by publication on websites.

“Corporate communications” shall mean any documents issued or to be issued by the Company for the information or action of the holders of any of its securities, including but not limited to annual reports (including directors' reports, annual financial statements of the Company, auditors' reports, summary financial reports, etc.), interim reports (including interim financial statements of the Company, summary interim reports, etc.), notices of meeting, listing documents, circulars, proxy forms, and other communication documents.

Article 206 If the notice of the Company is given by hand, the recipient shall sign (or seal) on the acknowledgement slip, which date shall be deemed to be the date of delivery;

If the notice of the Company is issued by way of public announcement, the date of the first public announcement shall be deemed to be the date of delivery;

If the notice of the Company is sent by post, the third working day after delivery to the post office shall be deemed to be the date of delivery.

If the notice of the Company is issued by fax or email or publication on websites, the date of issuance shall be deemed to be the date of delivery.

Article 207 The meeting and the resolutions resolved thereat shall not be invalidated by the accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice.

Article 208 China Securities Journal and/or other national newspapers and magazines designated by the relevant administrative authorities for securities under the State Council and other newspapers and magazines designated by the Board of Directors shall be the media for publication of the Company's announcement and disclosure of other information.

Article 209 If the listing rules of the place where the shares of the Company are listed require the Company to send, mail, despatch, deliver, issue or in any other way provide the relevant corporate documents in both Chinese and English, and if the Company has made appropriate arrangements to confirm whether its shareholders wishes to receive the Chinese or English copy only, and to the extent permitted by and in accordance with the applicable laws and regulations, the Company may (in accordance with the wishes of the relevant shareholders) provide only the Chinese or English copy to the relevant shareholders.

Chapter 23 SETTLEMENT OF DISPUTES

Article 210 The Company shall act according to following principles to settle disputes:

- (1) Whenever any dispute or claim of rights arising between shareholders of overseas listed foreign shares and the Company, between shareholders of overseas listed foreign shares and the Company's directors, supervisors, general manager or other senior management officers, or between shareholders of overseas listed foreign shares and shareholders of A shares based on these Articles, any rights or obligations conferred by the Company Law and other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims of rights shall be referred by the relevant parties to arbitration.

Where a dispute or claim of rights mentioned above is referred to arbitration, the entire claim of rights or dispute must be referred to arbitration, and all parties who have a cause of action based on the same facts giving rise to the dispute or claim of rights or whose participation is necessary for the resolution of such dispute or claim shall abide by the arbitration, provided that such parties shall be the Company or the Company's shareholder, director, supervisor, manager or other senior management officer.

Disputes in relation to the definition of shareholders and the register of shareholders need not be resolved by arbitration.

- (2) A claimant shall elect arbitration either at the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules, the place of arbitration shall be Beijing. Once a claimant refers a dispute or claim of rights to arbitration, the other party must submit to the above arbitration body and place of arbitration.

- (3) If any dispute or claim of rights are settled by way of arbitration in accordance with clause (1) above, the laws of the People's Republic of China (for the purposes of these Articles, excludes Hong Kong, Macao and Taiwan regions) shall apply, save as otherwise provided by laws and administrative regulations.
- (4) The award of an arbitration body shall be final and conclusive and binding on all parties.

Chapter 24 INTERPRETATION

Article 211 These Articles may have English version. If there is any inconsistency between the English version and that in Chinese, the Chinese version shall prevail.

Article 212 In these Articles, the following expressions shall have the following meanings unless the context otherwise requires:

“Articles”: Articles of the Company

“Board of Directors”: Board of Directors of the Company

“The chairman of the Board”: the chairman of the Board of the Company

“Directors”: Directors of the Company

“General manager”: the general manager of the Company or person delegated by the Board to perform duties of the general manager or duties in a similar nature as those performed by the general manager

“Deputy general manager”: a deputy general manager of the Company or person delegated by the Board to perform duties of a deputy general manager or duties in a similar nature as those performed by a deputy general manager

“Legal address”: 197, Section A, Fu Shou East Street, High Technology Industrial Development Zone, Weifang City, Shandong Province, the PRC

“RMB”: the lawful currency of the People's Republic of China

“The secretary to the Board”: the secretary to the Board appointed by the Board of Directors

“Hong Kong Stock Exchange”: The Stock Exchange of Hong Kong Limited

“Recognised Clearing House”: refer to the definition in Article 45 of these Articles

“The State”, “PRC”: the People's Republic of China

Controlling shareholder: shareholders holding shares that account for more than 50% of the total share capital of the Company; shareholders whose shareholdings are entitled to voting rights that could have a material impact on resolutions of general meetings, even though such shareholdings account for less than 50%.

De facto controller: persons who are not shareholders of the Company but who could effectively dominate the acts of the Company through investment relationships, agreements or other arrangements.

Connected relationships: relationships between the controlling shareholders, de facto controllers, directors, supervisors, senior management officers and companies directly or indirectly controlled by them and other relationships that might result in the transferral of the Company's interests, provided that companies controlled by the State shall not be deemed as connected to one another merely because they are subject to common control by the State.

Any notice issued in the form of "announcement" under the Articles, or any term which requires or designates the publish of announcement in newspapers and/or magazines, must comply with the rules of the stock exchange on which the shares of the Company are listed and the publication must be made in/on the designated newspapers.

Article 213 In these Articles, the meaning of an accounting firm shall be the same as that of "auditors".

Article 214 The Board of Directors may formulate by-laws pursuant to the provisions of the Articles. Such by-laws shall not be in conflict with the provisions of the Articles.

Article 215 These Articles are drafted in Chinese. The latest Chinese version approved by the company registration body for registration and filing shall prevail in the case of inconsistency between the version in Chinese and other languages or versions.

Article 216 For the purposes of these Articles, the term "not less than", "within", "not more than" are all inclusive terms while "not exceeding", "above", "less than" and "more than" are exclusive terms.

Article 217 The Board of Directors of the Company shall be responsible for the interpretation of these Articles.

Article 218 These Articles include the rules for proceedings for the general meetings, the Board meetings and the meetings of the supervisory committee.

(Important notice: This Articles of Association is published in Chinese and English version. In case of inconsistency, the Chinese version shall prevail.)