福萊特玻璃集團股份有限公司

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(a joint stock company incorporated in the People's Republic of China with limited liability)

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(with effect from 6 June 2023)

Note: The original version of the Articles of Association of the Company is in Chinese, and the English version of the Articles of Association is the translation from the Chinese original. Should there be any discrepancy between the Chinese and English versions of the Articles of Association, the Chinese version shall prevail.

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A 1 The Articles of Association are formulated in accordance with the Company *Law of the People's Republic of China* (hereinafter referred to as the "Company Law"), the *Securities Law of the People's Republic of China* (hereinafter referred to as the "Securities Law"), the *Special Provisions of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies* (hereinafter referred to as the "Special Provisions"), the Reply of the State Council on the Adjustment of the Provisions Applicable to the Notice Period for Holding Shareholders' Meeting of Overseas Listed Companies (hereinafter referred to as the "Adjustment Reply"), the *Mandatory Provisions for Articles of Association of Companies Listed Overseas* (hereinafter referred to as the "Mandatory Provisions"), *Guidance for the Articles of Association of Listed Companies* (hereinafter referred to as the "Guidance for Articles of Association"), *Letter of Opinions on Supplementary Amendments to the Articles of Association of Companies to be Listed in Hong Kong* (hereinafter referred to as the "Opinions on Supplementary Amendments"), *Rules Governing the Listing of Securities* on *The Stock Exchange of Hong Kong Limited* (hereinafter referred to as the "Listing Rules of the Stock Exchange"), *The Stock Listing Rules of the Shanghai Stock Exchange* (hereinafter referred to as the "Listing Rules of SSE", together with the Listing Rules of the Stock Exchange, are referred to as the "Listing Rules"), and other relevant requirements, with an aim to safeguard the legal interests of Flat Glass Group Co., Ltd. (福萊特玻璃集團股份有限公司) (hereinafter referred to as the "Company" or "the Company"), its shareholders and creditors and regulate the organization and conduct of the Company.

The Company is incorporated as a joint stock limited company in accordance with the Company Law, Special Provisions and other relevant PRC laws and administrative regulations.

The Company is a joint stock limited company established on 29 December 2005 by the promoters under the overall restructuring of the original Zhejiang Flat Glass & Mirror Ltd. (浙江福萊特玻璃鏡業有限公司). The Company was registered with the Zhejiang Provincial Administration for Market Regulation. The promoters of the Company are: Ruan Hongliang, Jiang Jinhua, Ruan Zeyun, Zheng Wenrong, Shen Fuquan, Zhu Quanming, Wei Yezhong, Shen Qifu, Tao Hongzhu and Wei Shutao. The Company's unified social credit code is 913300007044053729.

A 2 Registered name of the Company:

Chinese name: 福萊特玻璃集團股份有限公司

English name: FLAT GLASS GROUP CO., LTD.

A 3 Address of the Company: No. 1999, Yunhe Road, Xiuzhou District, Jiaxing City, Zhejiang Province;

Postal Code: 314001;

Telephone number: (86573) − 82793999;

Facsimile number: (86573) − 82793015.

A 4 The legal representative of the Company is the chairman of the board of directors.

A 5 The Company is a joint stock limited company having perpetual existence (Listed Company).

A 6 The Articles of Association shall be put into force upon the consideration and approval at the general meeting of the Company. Upon the effective day of the Articles of Association, the existing Articles of Association of the Company will lapse automatically.

Upon the effective day of these Articles of Association, the Articles of Association shall become the legal document regulating the Company's organization and activities, and the rights and obligations between the Company and its shareholders and among the shareholders interest.

A 7 The Articles of Association shall also be legally binding on the Company and its shareholders, directors, supervisors, president and other senior management, who shall have the right to make any claims and propositions regarding the Company's affairs in accordance with the Articles of Association.

Pursuant to the Articles of Association, shareholders may pursue actions against the Company, other shareholders and the Company's directors, supervisors, president and other senior management; and pursuant to the Articles of Association, the Company may pursue actions against the shareholders, directors, supervisors, president and other senior management. The other senior management as stated hereof refers to the Company's deputy president, Secretary to the board of directors, Chief Financial Officer and other senior management appointed by the board of directors. (In the Company Law, the manager of the Company is referred to as the president, and the deputy manager of the Company is referred to as the vice president, the same below)

The actions, as referred to in the preceding paragraph, include the imitating of legal proceedings with a court or filing with an arbitral authority for arbitration.

A 8 The Company may invest in other limited liability companies and companies limited by shares and is liable to such companies to the extent of its capital contribution.

Unless otherwise specified by laws, the Company shall not be the capital contributor bearing joint liability associated with the debts of the invested enterprises.

A 9 Pursuant to the requirements of the Constitution of the Communist Party of China, the Company shall establish an organization of the Communist Party of China, and carry out the activities of the Party. The Company shall provide necessary support to facilitate the activities of the Party.

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A 10 The business objective of the Company is to achieve customer orientation, faithful cooperation and mutual benefit.

A 11 The business scope of the Company shall be pursuant to the projects as approved by the relevant registration authority.

The business scope of the Company includes: general projects including manufacturing of glass, manufacturing of technical glass product, manufacturing of mirrors and processing of similar products, provision of loading, unloading and handling services, manufacturing of metal structure, manufacturing of construction material and manufacturing of specialized machinery, provision of metal cutting and processing services, manufacturing of industrial control computers and system, sales of machinery and equipment (except for projects that are subject to approval in accordance with the relevant laws, business operation shall be conducted independently with the business licence(s) in accordance with the laws); and licensed project including import and export of goods (for projects subject to approval according to the relevant laws, operating activities shall only be carried out upon approval from relevant authority(ies), and specific licensed projects shall be subject to the results of approval).

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A 12 The Company shall have ordinary shares at all times; with the approval of the company examination and approval authority authorized by the State Council, the Company may have other classes of shares when needed.

A 13 All shares issued by the Company shall have nominal values, with each share having a nominal value of RMB0.25.

RMB referred to in the preceding paragraph refers to the statutory currency of the PRC.

A 14 The stock of the Company shall take the form of shares. The Company may offer its shares to both domestic and foreign investors with the approval of the relevant securities regulatory authority under the State Council. The Company shall issue shares in a fair and just manner, and each share of the same class shall have the same rights. All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share.

Foreign investors referred to in the preceding paragraph shall mean those investors in foreign countries, Hong Kong, Macau or Taiwan who subscribe for shares of the Company. Domestic investors shall mean those investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Company.

A 15 Shares that the Company issues to domestic investors for subscription in RMB shall be referred to as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies as well as shares holding by foreign investors and shares transferred by shareholders holding domestic shares in the Company shall be referred to as foreign shares. Foreign shares offered and listed overseas shall be named overseas-listed foreign shares.

Foreign currency referred to in the preceding paragraph refers to the statutory currency, other than RMB, of another country or region, which is recognized by the foreign exchange authority of the People's Republic of China ("the PRC") and can be used to pay the Company for the shares.

The domestic shares issued by the Company shall be named A shares. The overseas-listed foreign shares offered by the Company on the Hong Kong Stock Exchange shall be named H shares, i.e., shares which have been admitted for listing on the Hong Kong Stock Exchange, the nominal value of which is denominated in RMB and which are subscribed for and traded in Hong Kong dollars. Upon approval by the State Council or the securities regulatory authority under the State Council and agreed by the Hong Kong Stock Exchange, the A shares may be converted into H shares which may be circulated on the Hong Kong Stock Exchange.

Both holders of domestic shares and holders of foreign shares are ordinary shareholders and shall have the same rights and obligations. The domestic shares issued by the Company and the foreign shares listed overseas shall have the same right with respect of any part dividend or any other form.

A 16 Approved by the company-approval department authorized by the State Council, the Company issued 70,000,000 shares (with nominal value of RMB1 per share), all of which have been subscribed and held by the promoters at the time of the Company's incorporation.

The promoters of the Company comprise of ten natural persons including Mr. Ruan Hongliang. When the Company was set up as a joint stock company, the registered capital of the Company was RMB70 million and the total number of shares was 70,000,000 shares, the shareholdings of the promoters were as follows:

A 17 The Company has a total of 2,146,893,254 issued shares. The capital structure of the Company comprises of 2,146,893,254 ordinary shares, including 1,696,893,254 domestic shares (A shares), accounting for 79.04% of the total issued shares of the Company and 450,000,000 overseas-listed foreign shares (H shares), accounting for 20.96% of the total issued shares of the Company.

A 18 The domestically-listed domestic shares issued by the Company shall be under depository by the relevant organ satisfying the relevant provisions. The H-shares

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(IV) Offer of new shares to specified investors;

(V) Conversion of capital reserve into share capital;

(VI) Conversion of the Company's issued convertible bonds into shares;

(VII) Other means stipulated by laws and administrative regulations and approved by the securities authority under the State Council.

Issuance of new shares by the Company shall be subject to approval as specified in the Articles of Association and follow the procedures specified in the relevant laws and administrative regulations of the PRC and the place of listing for the shares of the Company.

When the Company issues convertible corporate bonds, the procedures and arrangement for the issuance and conversion of convertible corporate bonds, as well as the changes in the Company's share capital resulting therefrom, shall be dealt with in accordance with the provisions of laws, administrative regulations, departmental rules and other documents and the provisions of the Company's listing document for convertible corporate bonds.

The Company shall register the change of registered capital after a capital increase or reduction with the Market Regulation authority and make an announcement thereof.

A 23 Save as otherwise specified by laws, administrative regulations and as required by the Hong Kong Stock Exchange, the Company's shares may be transferred freely and shall not be subject to any lien.

Transfer of the Company's shares shall be registered with a securities registry entrusted by the Company. The Company shall make instruction and procure for the stock transfer registration; refuse the subscription, purchase or transfer of shares under the name of any individual holder for registration, unless such individual holder submits the transfer form bearing signatures to the stock transfer registration agency.

A 24 Where any director, supervisor and senior management or any shareholder who holds more than 5% of the shares of the Company sells the stocks of the Company as held within 6 months after purchase, or purchases any stock as sold within 6 months thereafter, the proceeds as generated therefrom shall be part of the profits of the Company. The board of directors of the Company shall take back the proceeds. However, it shall not be applicable to any sale of shares by securities companies holding over 5% of the shares of the Company as a result of acquiring the remaining of the underwritten shares as an underwriter, and other circumstances as stipulated by the CSRC.

For the purpose of the preceding paragraph, shares or other securities with the nature of equity held by Directors, Supervisors, senior management and natural person shareholders include those held by their spouse, parents, and children and held under accounts opened by others.

A **28** The Company may purchase its shares in any of the following ways:

The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital, and apply to the original registration authorities for registration of changes in registered capital.

A 31 Unless the Company is under liquidation, the Company shall observe the following regulations when buying back its outstanding shares:

(I) If the Company repurchases shares at nominal value, the payment shall be deducted from the book balance of its distributable profit and the proceeds from issuance of new shares for buying back old shares;

(II) If the Company repurchases shares above nominal value, the portion equivalent to the nominal value shall be deducted from the book balance of its distributable profit and the proceeds from issuance of new shares for buying back old shares; the portion exceeding the par value shall be processed as follows:

1. Deducted from the book balance of distributable profit of the Company if the shares repurchased were issued at par value;

2. Deducted from the book balance of distributable profit of the Company and the proceeds from issuance of new shares for buying back old shares if the shares repurchased were issued at above par value; but the amount deducted from the proceeds from issuance of new shares shall not exceed the total premium obtained at the time of issuance of the shares repurchased and shall not exceed the amount (including premium from issuance of new shares) in the premium account (or capital reserve account) of the Company at the time of repurchase;

(III) The monies paid by the Company for the following purposes shall be deducted from the distributable profits of the Company:

1. Acquiring the right to repurchase its shares;

2. Changing the share repurchase contract;

3. Cancelling its obligations under the share repurchase contract.

(IV) After the par value of the cancelled shares is deducted from the registered capital of the Company pursuant to relevant regulatia892 -1.25 d the (or capital reserve accoofits ofs

The Company or its subsidiaries shall not at any time or in any form provide any financial assistance to the aforesaid obligors for the purpose of reducing or discharging their obligations.

The provisions herein do not apply to the circumstances set out in Article 34 of this Chapter.

A 33 Financial assistance referred to in this Chapter shall include (but not limited to) the following:

(I) Gift;

(II) Guarantee (including the case where the guarantor undertakes liability or provides property to ensure fulfillment of obligations by the obligor), compensation (excluding compensation for the Company's own fault), termination or waiver of rights;

(III) Provision of loan or execution of contract under which the Company fulfils obligations prior to other parties, change of the said loan and the parties to the contract, and transfer of the said loan and rights under the contract;

(IV) Provision of any other form of financial assistance when the Company is insolvent, has no net assets or its net assets are likely to decrease significantly.

Obligations referred to herein shall include the obligations undertaken by the obligor for entering into a contract or making an arrangement (regardless whether the said contract or arrangement is enforceable or whether it is undertaken by the obligor individually or jointly with others) or for changing his financial position in any other form.

A 34 The following acts are not deemed as prohibited under Article 32 of this Chapter:

(I) The Company provides the relevant financial assistance faithfully in the interest of the Company and the said financial assistance is not mainly intended for the repurchase of the Company's shares or the said financial assistance is part of a general plan of the Company;

(II) The Company distributes its properties as dividends in accordance with the law;

(III) The Company distributes shares as dividends;

(IV) The Company reduces the registered capital, buys back shares and adjusts the shareholding structure in accordance with the Articles of Association;

(V) The Company, within its business scope, provides loan for its normal business operations (but such financial assistance shall not give rise to a decrease in net assets of the Company, or despite of causing a decrease, such financial assistance is given out of the distributable profit of the Company);

(VI) The Company provides loan for the employee stock ownership plan (but such financial assistance shall not give rise to a decrease in net assets of the Company, or despite of causing a decrease, such financial assistance is given out of the distributable profit of the Company).

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A 35 A Share certificate refers to the certificate evidencing that the shares issued by the Company are held by the shareholder concerned. The Company's shares are all registered shares.

Matters specified in the Company's share certificates shall include:

(I) Company name;

(II) Date of incorporation of the Company;

(III) Shareholder's name and address;

(IV) Class of shares held by each shareholder, par value and the number of shares represented;

(V) Serial number of the share certificate held by each shareholder and the date on which the shares are acquired;

(VI) Other matters to be specified pursuant to the Company Law, Special Provisions, Rule 19A.52 of the Listing Rules of the Stock Exchange and as required by the stock exchange on which the Company's shares are listed.

During the period when the overseas-listed foreign shares are listed on the Hong Kong Stock Exchange, the Company shall ensure all listing documents and ownership certificates of all its shares listed on the Hong Kong Stock Exchange (including overseas-listed foreign shares which are listed on the Hong Kong Stock Exchange) shall include the following statements, and shall instruct and promote its share registrar to reject any subscription, purchase or transfer of the shares registered in the name of any individual holder, unless and until the said individual holder has submitted to the said share registrar the signed relating to the said shares, which shall include the following statements:

(I) The share purchaser agrees with the Company and each of its shareholders, and the Company agrees with each shareholder to observe and comply with the Company Law, Special Provisions, other relevant laws, administrative regulations and the Articles of Association.

(II) The share purchaser agrees with the Company and each of the Company's shareholders, directors, supervisors, president and senior management, and the Company acting on its behalf and for each director, supervisor, president and senior executive agrees with each shareholder, to refer all disputes or claims arising from the Articles of Association or from the rights or obligations specified in the Company Law or other relevant laws or administrative regulations with respect to the Company's affairs to arbitration in accordance with the Articles of Association, and that any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct a public hearing in open session and to publish its arbitration award, and the arbitration award shall be final and conclusive.

(III) The share purchaser agrees with the Company and each of its shareholders that the shares of the Company can be transferred freely by the holders.

The share purchaser authorizes the Company to conclude contract on his behalf with each director, president and senior executive, who shall undertake to observe and fulfill duties for shareholders as specified in the Articles of Association.

A 36 The Company's shares may be transferred, given as a gift, inherited and pledged pursuit to the relevant laws, administrative regulations, departmental rules and the Articles of Association.

The transfer of shares requires registration at the shares registration organ entrusted by the Company.

A 37 The Company does not accept shares of the Company as the subject of any pledge.

A 38 Share certificates shall be signed by the chairman of the board of directors. Other relevant senior management of the Company shall also sign the share certificates if required by the stock exchange with which the Company's shares are listed. The share certificates shall come into effect after stamping or printing of the corporate seal thereon. The share certificates shall only be stamped with the corporate seal under the authorization of the board of directors. The signature of the chairman or other relevant senior executive of the Company may also be printed on the share certificates.

A 39 The Company shall maintain a shareholders' register recording the following matters:

(I) Names (titles), addresses (domiciles), occupations or features of the shareholders;

(II) Class and number of shares held by the shareholders;

(III) Monies paid or payable for the shares held by the shareholders;

(IV) The serial numbers of the shares held by the shareholders;

(V) Date on which the shareholders are registered as shareholders; and

(VI) Date on which the shareholders terminate as shareholders.

The shareholders' register is sufficient evidence of the shareholders' shareholdings in the Company unless there is evidence to the contrary.

A 40 The Company may keep the register of holders of overseas-listed foreign shares overseas and entrust it to the care of an overseas agency in accordance with the

If the application for reissuing share certificate is not approved by the registered holder of the relevant shares, the Company shall send a copy of the draft announcement to the said shareholder.

(V) If, after expiry of the 90-day period of announcement and display specified in (III) and (IV) of this Article, the Company has not received any objection to reissuance of share certificate, the Company may reissue new share certificate as requested by the applicant.

(VI) When the Company reissues new share certificate pursuant to this Article, the Company shall immediately cancel the original share certificate, and record such cancellation and reissuance in the shareholders' register.

(VII) All the expenses for cancellation of the original share certificate and reissuing new share certificate shall be borne by the applicant. The Company may refuse to take any action before the applicant provides any reasonable guarantee.

A 49 After the Company reissues new share certificate in accordance with the Articles of Association, the name (title) of the bona fide purchaser of the aforesaid new shares or the shareholder later registered as owner of the said shares (if he is a bona fide purchaser) shall not be deleted from the shareholders' register.

A 50 The Company shall have no obligation to compensate any person for any loss arising from cancellation of the original share certificate or reissuance of new share certificate, unless the said person can prove that the Company has committed any fraud.

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A 51 Shareholders of the Company are persons lawfully holding shares of the Company, with names (titles) recorded in the shareholders' register.

Shareholders enjoy the rights and fulfill the obligations as per the class and number of shares they hold; shares of the same class enjoy the same rights and assume the same obligations.

The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his shareholding to the Company.

Where two or more persons are registered as joint shareholders of any shares, they shall be deemed as the joint holders of the said shares subject to the following restrictions:

(I) The Company shall not have to register more than four persons as joint shareholders of any shares;

(II) The joint shareholders of any shares shall jointly and severally assume the responsibility for amounts of fees payable for the relevant shares;

(III) In the event that any one of the joint shareholders deceases, only the other remaining joint shareholders shall be deemed by the Company as the owners of the relevant shares. However, the board of directors may, for the purpose of modifying the shareholders' register, require the presentation of a death certificate of the relevant shareholder as it deems appropriate; and

(IV) Among the joint shareholders of any shares, only the joint shareholder listed first in the shareholders' register has the right to take the relevant share certificate from the Company and receive notices of the Company, and any notice served to the said person shall be deemed as having been served to all the joint shareholders of the relevant shares.

A 52 The ordinary shareholders of the Company shall be entitled to the following rights:

(I) To receive dividends and other profit distributions in proportion to the shares they hold;

(II) To request, call, convene and attend general meetings either in person or by proxy in accordance with laws and exercise the voting right;

(III) To supervise, give suggestions on or make inquiries about the business operation of the Company;

(IV) To transfer, give as gift or pledge shares in accordance with the laws, administrative regulations and the Articles of Association;

(V) The shareholders shall have the right to obtain relevant information in accordance with the laws, administrative regulations and the Articles of Association upon providing written documents with respect to the class of shares held in the Company and number of shares held and after verification of the status of the shareholders by the Company, including:

1. Obtaining a copy of the Articles of Association upon payment of production cost;

2. Being entitled to access and copy upon payment of reasonable expenses;

(1) Copies of all shareholders' registers;

(2) Personal information of the Company's directors, supervisors, president and other senior management, including:

(a) Present and former names and aliases;

(b) Principal address (domicile);

(c) Nationality;

(d) Full-time and all part-time occupations and duties;

(e) Identity certificates and numbers thereof.

(3) Report of status of the issued share capital of the Company;

(4) Reports of the total par value, number of shares, and the highest and lowest prices of each class of shares repurchased by the Company since the last fiscal year, and the total expenses paid by the Company for this purpose;

(5) Counterfoils of corporate bonds;

(6) The latest audited financial statements of the Company, and the reports of the board of directors, auditors and board of supervisors;

(7) Copy of the latest annual inspection report filed with the industry and commerce authority of China or other competent authorities;

(8) Minutes of the general meetings (for inspection of shareholders only).

The Company shall keep at its Hong Kong address the documents as referred to in (1) to (8) above (excluding (2)) and any other applicable documents as per the requirements of the Listing Rules of the Stock Exchange for free inspection of the public and shareholders.

(VI) In the event of termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to their shareholding;

(VII) For shareholders objecting to resolutions of the general meeting concerning merger or division of the Company, to require the Company to buy their shares;

(VIII) The shareholders separately or in aggregate holding more than three percent of the shares of the Company shall have the right to submit provisional proposals in writing to the board of directors ten days in advance;

(IX) To exercise other rights specified by the laws, administrative regulations and the Articles of Association.

A 53 In the event that a shareholder wants to access the relevant information as described in Article 52 of the Articles of Association or to obtain information, he shall provide a written document to the Company proving the class and number of shares of the Company he holds. Such information shall be provided to the shareholder at his request after the Company verifies the identity of the shareholder.

All shareholders shall fulfill their confidentiality obligation to the Company's trade secret while exercising the above mentioned right to know and reasonably use such information. The shareholders shall bear the liability for compensation in case of any damage caused to the Company.

A 54 In the event that the particulars of a resolution passed at a shareholders' general meeting or a board meeting are in violation of laws or administrative regulations, the shareholders shall have the right to petition a people's court to establish such particulars as invalid.

In the event that the procedures for convening a shareholders' general meeting or a board meeting, or the voting methods thereof are in violation of laws, administrative regulations or the Articles of Association, or the particulars of a resolution are in violation hereof, the shareholders shall have the right to petition a court to make revocation within sixty days from the date of the resolution.

A 55 In the event that a director or a senior management officer violates laws, administrative regulations or the Articles of Association when performing his duties for the Company, thus causing losses to the Company, the shareholders who either alone or jointly having been holding more than one percent of voting shares of the Company for one hundred and eighty consecutive days or more shall have the right to request in writing that the board of supervisors bring legal action before a court. In the event that the board of supervisors violates laws, administrative regulations or the Articles of Association when executing its duties for the Company, thus causing losses to the Company, shareholders may request in writing that the board of directors bring legal action before a people's court.

(IV) Shall not abuse his rights as a shareholder to damage the interests of the Company or other shareholders, nor abuse the legal person status of the Company and the limited liability of the shareholders to damage the interests of creditors;

A shareholder who abuses his shareholder's rights, resulting in losses to the Company and other shareholders should be liable for compensation in accordance with law.

Shareholders who abuse the legal person status of the Company and limited liability of shareholders, in order to escape from liability and seriously damaging the interests of creditors, should be jointly and severally held liable to the Company.

(V) To fulfill other obligations stipulated by the laws, administrative regulations and the Articles of Association.

A shareholder does not have the obligation to contribute to any increase in share capital unless being a subscriber under the conditions accepted by him at the time of subscription.

A 58 If a shareholder holding 5% or more voting rights of the Company pledges his shares, he should report to the Company in writing on the day of such occurrence.

A 59 The controlling shareholder or actual controller of the Company shall not use his associated relationship to damage the Company's interests. If such provision is violated resulting in damage to the Company, he should be responsible for compensation.

The controlling shareholders and actual controllers have fiduciary duty towards the Company and shareholders holding public community shares of the Company. The controlling shareholders should strictly exercise their rights as capital contributors. The controlling shareholders shall not make use of methods such as distribution of profits, restructuring of assets, external investment, misappropriation of assets, borrowing or providing guarantee for damaging the legal interests of the Company and shareholders of public community shares. They shall not make use of their controlling position to damage the legal interests of the Company and shareholders of public community shares.

A 60 Save for the obligations under the laws, administrative regulations or the Listing Rules of the Stock Exchange, the controlling shareholders, in exercising their rights as shareholders, shall not make any decision detrimental to the interests of all or some shareholders as a result of the exercise of their voting rights on the following issues:

(I) Exempting directors and supervisors from the obligation to act honestly in the best interest of the Company in good faith;

(II) Allowing directors and supervisors (for the interests of their own or others) to seize from the Company its asset in any way, including (but not limited to) any opportunity in favour of the Company;

(III) Allowing directors and supervisors (for the interests of their own or others) to seize from other shareholders their personal rights and interests, including (but not limited to) any right to profit distribution and right to vote, but excluding corporate reorganization submitted for adoption at the general meeting pursuant to the Articles of Association.

A 61 A controlling shareholder, as referred to in the preceding article, is a person fulfilling any of the following conditions:

(I) When acting alone or acting in concert with other persons, such a person can select more than half of the Company's directors;

(II) When acting alone or acting in concert with other persons, such a person can exercise more than 30% (inclusive) of the voting rights of the Company or control the exercising of more than 30% (inclusive) of the voting rights of the Company;

(III) When acting alone or acting in concert with other persons, such a person holds more than 30% (inclusive) of the outstanding shares of the Company;

(IV) When acting alone or acting in concert with other persons, such a person has de facto control of the Company by other methods.

The term "acting in concert" means that two or more persons conclude an unanimously consent in mode of agreement (regardless of oral or written form) to acquire the Company's right to vote via one of the two persons in order to achieve or enhance the aim to control the Company.

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A 62 The general meeting shall be the organ of authority of the Company and shall exercise its functions and powers according to law.

A 63 A general meeting shall exercise the following functions and powers:

(I) To decide on the business operation guideline and investment plan for the Company;

(II) To elect and replace directors and to decide on matters relating to remuneration of the directors;

(III) To elect and replace supervisors who are not employee representative and to decide on matters relating to remuneration of the supervisors;

(IV) To examine and approve reports of the board of directors;

(V) To examine and approve reports of the board of supervisors;

(VI) To examine and approve the annual financial budgets and final accounting plans of the Company;

(VII) To examine and approve the Company's profit distribution plan and loss recovery plan;

(VIII) To resolve on the increase or reduction of the registered capital of the Company;

(IX) To resolve on the merger, division, dissolution, liquidation or transformation of the Company;

(X) To resolve on the issuance of corporate bonds;

(XI) To resolve on the appointment, removal or termination of appointment of the accounting firm by the Company;

(XII) To amend the Articles of Association;

(XIII) To examine proposals made by shareholders severally or jointly representing more than 3% (inclusive) of the voting shares of the Company;

(XIV) To consider and approve other guarantee matters as prescribed in Article 64;

(XV) To examine the Company's purchase or disposal of major assets within one year in an amount exceeding 30% of the total assets of the Company;

(XVI) To examine and approve changes in the use of proceeds;

(XVII) To examine and approve equity incentive plan and employee shareholding plan;

(XVIII) To decide on matters where the Company purchase its shares under the circumstances as mentioned in (I) & (II) of Article 27 of these Arti 1hese reholding pla

In any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two months upon occurrence of such circumstance if:

(I) When the number of directors falls short of the minimum number required by the Company Law or is less than two-thirds of the number required by the Articles of Association;

(II) When the accrued losses of the Company amount to one-third of its total share capital;

(III) When shareholder(s) individually or jointly holding 10% or more of the Company's issued and outstanding shares carrying voting rights request(s) in writing for the convening of an extraordinary general meeting;

(IV) When the board of directors deems it necessary or the board of supervisors proposes to convene an extraordinary general meeting;

(V) In any other circumstances stipulated by the laws, administrative regulations, departmental regulations, the Listing Rules and the Articles of Association.

The venue of the general meeting shall be the domestic of the Company or the venue explicitly notified in the notice of the general meeting. After issuing the notice of a general meeting, the venue of the physical general meeting shall not be changed without any justifiable causes. If there is a need to change, the convener shall make an announcement and explain the reasons at least two working days prior to the physical meeting date. A general meeting shall be conducted in the form of a physical meeting at the designated venue for meeting. In addition, the Company will provide online and other means for the convenience of participation by the shareholders. A shareholder who participates in a general meeting in the aforesaid means shall be deemed as being present.

During the general meeting, the Company will retain an attorney to issue legal opinion on the following matters and publish the same:

(1) Whether the procedures of convening and holding the meeting comply with relevant laws or administrative regulations and the Articles of Association;

(2) Whether the qualifications of the attendants and the convener are lawful and valid;

(3) Whether the voting procedure and results are lawful and valid;

(4) Other relevant issues as required by the Company.

A 67 A written notice convening the annual general meeting shall be given by the convener not less than 21 days before the date of the meeting to notify all shareholders of the meeting; whereas a written notice of the extraordinary general meeting shall be given not less than 15 days before the date of the meeting to notify all shareholders of the meeting.

The calculation of the abovementioned period shall not include the date of publishing the announcement and that of the meeting is convened.

A 68 Notice of general meeting shall meet the following requirements:

(I) Is in written form;

(II) Specifies the venue, date and time of the meeting;

(III) States matters and proposals to be considered at the meeting;

(IV) Provides such necessary information and explanations for shareholders to make an informed judgment on the matters to be considered. Without limitation to the generality of the foregoing, where a proposal is made with respect to the merger of the Company with another company, the repurchase of shares, restructuring of share capital, or other reorganization of the Company, the terms of the proposed transaction must be provided in detail along with copies of the proposed contract (if any), and the reason(s) and effect of such proposal must be properly explained;

(V) Contains a disclosure of the nature and extent of the material interests of any director, supervisor, president or other senior management in the proposed transaction and the effect which the proposed transaction will have on them in their capacity as shareholders insofar as it is different from the effect on the interests of shareholders of the same class;

(VI) Contains the full text of any special resolution to be proposed at the meeting;

(VII) Contains a clear statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that such proxy need not be a shareholder of the Company;

(VIII) Specifies the time and venue for serving the power of attorney for the voting proxy for the meeting;

(IX) The time between the date of registration of shareholding of the shareholders for determining those shareholders entitled to attend the shareholders' meeting, the date of registration and the date of the meeting shall comply with the requirements of the relevant supervisory authorities of the place where the shares of the Company are listed; and

(X) The names and telephone numbers of the standing contact persons for the meeting.

(XI) Specifies the voting time and voting procedure for voting on the network or otherwise.

A 69 The notice of general meeting shall be delivered to shareholders (whether or not they are entitled to vote at the general meeting) by any modes agreed by the local securities exchange where the Company's shares are listed (including but not limited to mailing, e-mail, fax, public announcement and website of local securities exchange where the Company or the Company's shares are listed). The address of the recipient is that as shown in the shareholders' register. For shareholders of domestic shares, the notice of general meeting shall be delivered by mode of public announcement.

Public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities authority under the State Council. Once the announcement has been published, all holders of domestic shares shall be deemed to have received the notice of the relevant general meeting.

A 70 When the Company issues notice of shareholders' meetings in the manner as required by the relevant stock exchange(s) or regulatory authority(ies) of the place where the shares are listed, the accidental omission to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions made at the meeting.

A 71 After a notice of shareholders' general meeting is given, the shareholders' general meeting shall not be postponed or canceled, and the proposals set out in the notice of shareholders' general meeting shall not be canceled without due reason. Once the meeting is postponed or cancelled, the convener shall make an announcement and explain the reasons at least two working days prior to the scheduled meeting date.

A 72 Any shareholder entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one or more persons (whether a shareholder or otherwise) as his proxy/proxies to attend and vote on his behalf. The said proxy may exercise the following rights as granted by the said shareholder:

(I) The shareholder's right to speak at the general meeting;

(II) To severally or jointly request to vote on a poll;

(III) To exercise the right to vote by a show of hand or on a poll. Where there is more than one proxy, the said proxy shall only vote on a poll.

A 73 The instrument appointing a proxy shall be in writing under the hand of the principal or his proxy duly authorized in writing or, if the principal is a legal person, it shall be under seal or under the hand of a director or a proxy duly authorized. Such instrument shall specify the number of shares to be represented by the proxy.

A 74 The power of attorney for voting shall be deposited at the domicile of the Company or such other place as specified in the notice of meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours before the scheduled voting time. Where the relevant stock exchange(s) or regulatory authority(ies) in the place where the shares of the Company are listed provide otherwise, such provisions shall be followed.

Where such power of attorney is signed by a person authorized by the principal, the power of attorney authorizing signature or other authorization documents shall be notad by a person .the m

A 78 The board of supervisors has the right to propose to the board of directors to convene an extraordinary general meeting in writing. The board of directors shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, submit, within 10 days of receiving the proposal, written reply on his/her consent or disagreement to the convening an extraordinary general meeting.

If the board of directors agrees to convene an extraordinary general meeting, it shall issue a meeting notice within 5 days after the decision of the board of directors is made, which shall obtain the consent of the board of supervisors fo decisAssociTJin y.03 Tw3 Tw 2hs)g an ext

(IV) If the board of supervisors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within 5 days of the decision of the board of supervisors. If there are changes to the original request in the notice, they should be agreed by the relevant shareholders. If the board of supervisors does not issue the notice of shareholders' meeting within the prescribed period, this is treated as the board of supervisors not convening and not holding the shareholders' meeting. Then shareholders who individually or together hold more than 10% of the shares for more than 90 consecutive days can convene and hold the meeting by themselves, the procedure for covering such meeting shall, to the extent possible, be the same as the procedure for convening a general meeting by the board of directors.

Where the shareholders convene and preside over a meeting because the board of directors and the board of supervisors fail to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred shall be borne by the Company.

A 80 When the Company convenes a shareholders' meeting, the board of directors, the board of supervisors and shareholder(s) individually or jointly holding more

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A 82 General meetings shall be convened by the board of directors and the chairman of the board of directors shall preside over the meeting. If the chairman of the board of directors is unable or fails to perform his duties, the vice chairman of the board of directors shall preside over the meeting; if the vice chairman is unable or fails to perform his duties, more than half of the directors may elect a director to convene and act as the chairman of the meeting.

If the board of directors cannot or fails to convene a general meeting, the board of supervisors shall duly convene and preside over such meeting; if even the board of supervisors cannot or fails to convene and preside over a general meeting, the shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days may by themselves convene and preside over a general meeting. If for any reason the shareholders cannot elect a chairman for the meeting, the shareholder (including proxy thereof) holding the most voting shares among the attending shareholders shall preside over the meeting.

A 83 Shareholders (including proxies thereof) who vote at a general meeting shall exercise their voting rights as per the number of voting shares they represent. Each share carries the right to one vote.

When material issues affecting the interests of small and medium-sized investors are being considered by the A share shareholders at the shareholders' meeting, the votes by

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A 84 When the board of supervisors or shareholders decides to convene a shareholders' meeting by themselves, they should inform the board of directors in writing and at the same time, prepare a filing at the stock exchange.

Before publicly announcing the resolutions of the shareholders' meeting, the convening shareholders should not hold less than 10% of the shares.

When the board of supervisors or the convening shareholder issues the notice for shareholders' meeting and publicly announce the resolutions of the shareholders' meeting, he should submit the relevant proof to the stock exchange.

A 85 When a shareholders' meeting is convened by the board of supervisors or by the shareholders, the board of directors and the secretary to the board of directors should assist. The board of directors should provide the register of shareholders on the date of registration of shareholding.

A 86 Voting at general meetings shall be conducted by show of hands, unless the following persons require voting by poll before or after voting by show of hands:

(I) Chairman of the meeting;

(II) At least two shareholders with voting rights or their proxies;

(III) One or more shareholders present in person or by proxy and representing 10% or more of all shares carrying the right to vote, individually or jointly, at the meeting.

Unless the said persons require voting by poll according to the applicable securities listing rules or other regulations as prescribed in other securities laws and regulations, the chairman shall announce the result of voting by show of hands on proposals which voting shall be recorded in the minutes as concluding evidence, without specifying the number or percentage of voting for or against the resolutions passed at the meeting.

The Company shall disclose relevant votes cast as required by the laws, administrative regulations, relevant regulatory authority or the Listing Rules of the Stock Exchange and the Listing Rules of SSE.

The request for voting by poll can be withdrawn by the proposer.

A 87 If the issue required to be voted by poll relates to election of chairman or termination of meeting, voting by poll shall be conducted immediately; in respect of other issues required to be voted by poll, the chairman may decide the time of voting by poll, and the meeting may proceed to consider other issues. The voting results shall still be deemed as resolutions passed at the said meeting.

A 88 Registered vote is used by the Company for A-shares meeting. At a poll taken at the meeting, a shareholder (including the proxy thereof) entitled to two or more votes need not cast all his votes in the same manner.

A 89 The list of candidate of directors and supervisors shall be submitted to the shareholders' meeting as a proposal for voting. The method and procedures for nomination of directors and supervisors are as follows:

(I) The board of directors and shareholder(s) holding or jointly holding more than 3% of the Company's shares shall nominate candidate(s) for director(s);

(II) The board of directors, the board of supervisors and shareholder(s) independently or jointly holding more than 1% of the Company's shares shall nominate candidate(s) for independent director(s);

(III) The board of supervisors and shareholder(s) holding or jointly holding more than 3% of the Company's shares shall nominate candidate(s) for supervisor(s) who is/are not employees' representative(s);

(IV) The supervisor(s) representing employees in the board of supervisors shall be elected from the general meeting of employee representative(s); and

(V) When the shareholders nominate director(s), independent director(s) or supervisor(s), the nomination proposal, details of the nominated candidates, declaration or undertaking of the candidate shall be submitted to the board of directors 10 days before convening the general meeting.

The board of directors shall issue an announcement or a circular on the biography and basic information of the candidate for director(s) and supervisor(s) to the shareholders, and the notice period for the announcement and circular shall comply with the regulations and requirements of the relevant stock exchanges or regulatory authorities at the place where the shares of the Company are listed.

When voting on the election of director(s) and supervisor(s) at the shareholders' meeting, the cumulative voting system may be used in accordance with the requirements of the regulatory authorities of the place where the shares are listed, provisions of the Articles of Association or the resolutions at the general meeting. Under the cumulative voting system, the election of independent directors shall be conducted separately from that of other members of the board of directors. When electing two or more directors or supervisors, the cumulative voting system shall be implemented. Where the cumulative voting system is implemented in electing directors, the voting of the independent directors shall be conducted separately form that of the non-independent directors.

Cumulative voting mentioned in the preceding paragraph means that when directors or supervisors are being elected at a shareholders' meeting, each share has the same voting rights as the number of candidates for directors or supervisors, and the shareholders' voting rights may be used in a centralized manner.

Save as those under the cumulative voting system, the shareholders' meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the shareholders' meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the shareholders' meeting.

A 90 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

A 91 Resolutions of a general meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions shall be approved by votes representing more than half of voting rights held by shareholders (including proxies thereof) present at the general meeting.

Special resolutions shall be adopted by shareholders representing 2/3 or more of the

A 93 The following matters shall be approved by special resolutions at a general meeting:

(I) Increase or reduction in share capital of the Company and the issue of shares of any class, warrants and other similar securities;

(II) Issue of bonds of the Company;

(III)

A 95 The chairman of the meeting shall be responsible for determining whether a resolution has been passed pursuant to the voting results. His decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes.

A 96 If the chairman has any doubt as to the result of a resolution which has been put to vote at the general meeting, he may have the ballots counted. If the chairman has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman may, immediately after the declaration of the voting result, demand that the ballots be counted and the chairman shall have the ballots counted immediately.

A 97 If ballots are counted at a general meeting, the counting result shall be recorded in the meeting minutes.

The minutes together with the attendance record of shareholders and the powers of attorney of the proxies shall be kept at the domicile of the Company.

A 98 Minutes of the general meeting of shareholders shall be prepared by the Secretary to the board of directors and the following shall be recorded therein:

(I) the time, the venue, the agenda and the name or the designation of the convener of the meeting;

(II) the names of the chairman of the general meeting of shareholders, and names of the directors, the supervisors, president and other senior management officers who are present at or attend the meeting;

(III) the number of shareholders (including the holders of domestic shares and the holders of overseas listed foreign shares) and proxies, the total number of shares carrying voting rights held by them and the percentage to the total number of the shares of the Company;

(IV) the process of consideration, the summary of speeches and the voting results for each proposal;

(V) the enquiries or recommendations raised by the shareholders and the corresponding explanations or clarification;

(VI) the names of the lawyer, the vote counters and the vote scrutinizers;

(VII) any other matters that shall be recorded in the minutes as required by the Articles of Association of the Company.

A 99 The convener shall ensure that the contents of the minutes are true, accurate and complete. The directors, the supervisors, the secretary to the board of directors, the convener or his/her representative and the chairperson shall sign on the minutes. The minutes shall be kept, together with other valid information such as the book of signatures of the shareholders present at the meeting and the power of attorney for the proxies, and the valid information regarding the voting via the Internet or other means, for no less than 10 years.

A 100 The convener shall ensure the general meeting of shareholders is held without adjournment until the final resolution is reached. Where special reasons such as force majeure and so on cause a suspension of the meeting or non-adoption of resolution, necessary measures shall be taken to resume the meeting, or to end the meeting directly and the same shall be stated in an announcement in a timely manner. Meanwhile, the convener shall report the same to CSRC sub-office and the stock exchange where the Company is located. If the listing rules of the stock exchange(s) on which the Company's shares are listed have special provisions on the termination and extension of the general meeting, such provisions shall be complied with.

A 101 Shareholders may examine photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder requests for a photocopy of the relevant minutes of meetings, the Company shall send such photocopies within 7 days upon receipt of the payment for reasonable charges.

A 102 The on-the-spot General Meeting shall not end earlier than the end of the meeting held online or by any other means, and the chairperson of the meeting shall announce the voting results on each proposal at the on-the-spot meeting and whether the proposal is adopted based on the voting results.

All parties involved in the voting on the spot, online or by any other means at the General Meeting, including the Company, vote counters, scrutineers, major shareholders and network service providers, shall be obliged to keep confidential the voting before the voting results are formally announced.

A 103 Resolutions passed at the meeting shall be immediately announced in accordance with the listing rules of the stock exchange where the Company's shares are publicly traded. The announcement should list the number of shareholders or their agents appearing at the meeting, the total number of voting shares of such shareholders or agents, the ratio of such voting shares to total voting shares at the Company, the means by which votes were cast, the voting result for each proposal, and the particulars of each resolution passed. Statistics on the attendance and the voting of domestic shareholders and foreign shareholders shall be kept on an individual basis, and announced accordingly.

A 104 Where a proposal has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.

A 105 Where a proposal on election of directors or supervisors is passed at the general meeting, the term of office of a new director or supervisor shall commence on the date on which resolutions of the shareholders' general meeting are approved.

A 106 Where a proposal on cash dividends, bonus shares or increase of share capital by way of transfer from capital reserves, the Company shall implement the specific scheme within two months after conclusion of the general meeting.

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A 107 Holders of different classes of shares are class shareholders.

Class shareholders shall enjoy the rights and fulfill the obligations pursuant to the laws, administrative regulations and the Articles of Association.

If the share capital of the Company includes shares without voting rights, then the said shares shall be specified as “non-voting shares”.

If the share capital includes shares with different voting rights, then each class of shares (except those with most preferential voting right) shall be specified as “restricted voting” shares or “limited voting” shares.

A 108 Rights conferred on any class of shareholders in the capacity of shareholders may not be varied or abrogated unless approved by a special resolution of

(VII) To create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of the said class;

(VIII) To restrict the transfer or ownership of the shares of the said class or to impose additional restrictions;

(IX) To issue rights to subscribe for, or to convert into, shares of the said class or another class;

(X) To increase the rights and privileges of the shares of another class;

(XI) To restructure the Company in such a way as to cause shareholders of different classes to bear liabilities disproportionately during the restructuring;

(XII) To vary or abrogate provisions in this chapter.

A 110 The class shareholders so affected, whether or not otherwise entitled to vote at a general meeting, shall nevertheless be entitled to vote at any class meetings with respect to matters set forth in (II) to (VIII), (XI) to (XII) of Article 109, but interested shareholder(s) shall not be entitled to vote in class meetings.

The meaning of "interested shareholder" in the preceding paragraph is:

(I) in the case of a repurchase of shares by offers to all shareholders pro rata according to Article 28 under the Articles of Association or public dealing on a stock exchange, a "controlling shareholder" within the meaning of Article 61 stipulated in the Articles of Association;

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The quorum required by class meeting (adjourned meeting excluded) convened for the purpose of any class equity right must be at least one-third of the holders of issued shares of such class.

A 113 Notices of class meetings need only be served on shareholders entitled to vote thereat.

Class meetings shall be conducted in a manner as similar as possible to that of general meetings. Provisions in the Articles of Association concerning the procedure for convening of general meetings also apply to class meetings.

A 114 Apart from holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed as shareholders of different classes.

Special voting procedures for class shareholders shall not apply in the following circumstances:

(I) With the approval by special resolutions at a general meeting (acquired unconditioned authorization or restrained by all terms and conditions through resolution), the Company recognizes, distributes or issues domestic shares and overseas-listed foreign shares, at one or more occasions, the total number of shares not exceeding 20% of each of its existing issued and outstanding domestic shares and overseas-listed foreign shares in every 12 months;

(II) Where the Company's plan to issue domestic shares and overseas-listed foreign shares at the time of its establishment is carried out within 15 months from the

The Board of the Company shall establish the audit committee, and establish special committees such as the strategic committee, the nomination committee, the remuneration & evaluation committee, etc. Each special committee shall be accountable to the board of directors and perform the duties prescribed by these Articles of Association and the board of directors. Any proposals shall be submitted to the board of directors for consideration and approval. All member of the special committees shall be directors, among which, the majority of the members of the audit committee, the nomination committee, the remuneration & evaluation committee shall be independent directors who also convene the meeting of such committees. The convenor of the audit committee shall be an accounting professional.

A 116 Directors shall be elected at general meetings for a term of three years, which is renewable upon re-election. The re-election term of independent directors shall not exceed six years.

The term of office of a director shall commence from the date of appointment until the expiry of the current session of the board of directors. If the term of office of a director expires but re-election is not made, the existing director shall continue to perform their duties in accordance with the laws, administrative regulations, departmental rules and the provisions of the Articles of Association until a new director is elected and assumes office.

Prior to the maturity of his term, a director shall not be removed without reason from his office by a general meeting. Subject to all relevant laws and administrative regulations and without prejudice to any potential claim which may be made under any contract, the shareholders' general meeting may by ordinary resolution remove any director before the expiration of his term of office.

If a director fails to attend meeting of the board of directors in person and fails to appoint any other director to attend on his behalf for two consecutive times, he shall be deemed to be unable to perform his duties, and the board of directors shall propose to the general meeting for replacement.

A director may resign prior to the expiry of his term of service. When a director intends to resign, he shall submit a written resignation to the board of directors. The independent directors shall explain their resignation or the situations that may cause the attention of the Company's shareholders and creditors at their discretion. Where the resignation of a director results in the number of directors falls below the minimum number prescribed in the regulations of the Company Law or two-thirds of the number as prescribed in the Articles of Association, or the independent directors fall below the number as prescribed in the Articles of Association, the resignation of such director shall come into effect only upon filling the vacancy by the succeeding director. Where the board of directors fails to convene a general meeting for the purpose of re-election within two months after resignation of an independent director, such independent director shall not have further obligation to perform his duties.

Without violation of relevant laws and regulations and the regulatory rules of the place where the Company is listed, any director appointed to fill a casual vacancy or as an addition to the board of directors should hold office only until the next following annual general meeting of the Company and should then be eligible for re-election at the meeting.

Except under the aforesaid circumstances, the resignation of a director shall become effective when the report of resignation is served on the board of directors.

The chairman shall be elected and removed by more than half of all the directors, shall serve a term of three years and is eligible for re-election.

A 117 The directors shall be natural persons and need not hold shares of the Company.

A 118 The board of directors shall be accountable to the general meeting and exercise the following functions and powers:

(I) To be responsible for convening general meetings and reporting its work to the general meetings;

(II) To implement resolutions of general meetings;

(III) To resolve on the Company's business plans and investment plans;

(IV) To prepare the Company's annual financial budgets and final accounting plans;

(V) To prepare the Company's profit distribution plans and loss recovery plans;

(VI) To formulate the plan for increase or reduction of the Company's registered capital, and the plan for issue of the Company's bonds or other securities and listing plans;

(VII) To prepare plans for the material acquisitions, purchase of shares of the Company or Company's merger, division, dissolution and change of the Company form;

(VIII) To decide on the internal management structure of the Company;

(IX) To appoint or dismiss the Company's president; to appoint or dismiss the Company's deputy president(s), chief financial officer and secretary to the board of directors and determine their remunerations;

(X) To work out the basic management system of the Company;

(XI) To formulate the plan for any amendment to the Articles of Association;

(XII) To decide on the consolidation, division and restructuring of the Company's wholly-owned subsidiaries and controlled subsidiaries;

(XIII) To decide on the structure of the special committees of the board of directors and to recruit and dismiss the person-in-charge of the committees;

(XIV) To propose the candidates of independent directors to the general meeting and suggest removal and replacement of independent directors;

(XV) To suggest appointment, renewal or dismissal of the accounting firm to the general meeting;

(XVI) To receive the work report of the president and examine his work;

(XVII)

If the uninterested directors who attend the meeting are less than three, the board of directors shall timely submit the relevant proposals to the shareholders' meeting for approval. The board of directors shall state the relevant situation of approval of such proposal when submitting and recording the opinion of the uninterested directors.

A 119 The board of directors shall explain to the general meeting any non-standard audit opinions issued by the registered accountant on the Company's financial statements.

A 120 The board of directors shall formulate the Rules of Procedures of the Board in order to ensure that the board of directors can implement resolutions approved at the general meeting of shareholders, improve working efficiency and carry out scientific decision-making.

A 121 The independent directors shall attend the meeting of the board of directors in a timely manner; understand the Company's production and business situation; actively investigate and access to information and data needed to make decisions; submit the annual report of all independent directors to the Company's annual general meeting and explain the performance of their duties.

A 122 The Company shall establish the working system of independent directors. The secretary to the board of directors shall actively cooperate with the independent directors to perform his duties. The Company should guarantee that the independent directors shall enjoy the same right of information; provide relevant materials and information to the independent directors in a timely manner; regularly report the Company's business operation to the independent directors and organize on-site inspection for them when necessary.

A 123 The independent directors shall also exercise the following special powers in addition to the functions and power as prescribed in the Company Law, other relevant laws, administrative regulations and as granted in the Articles of Association.

(I) All major related party transaction (as determined in accordance with the effective rules issued by the stock exchange where the Company's shares are listed from time to time) subject to approval by the board of directors or general meeting shall be submitted to the board of directors for discussion after approval by the independent directors. When the board of directors makes any resolution on the Company's related party transactions, such resolution shall enter into force upon signature by the independent directors. Prior to making judgment by the independent directors, an intermediary institution shall be appointed to issue independent financial consultant report as the basis for judgment;

(II) To propose appointment or dismissal of the accounting firm to the board of directors;

(III) To submit an application to the board of directors for holding an extraordinary general meeting;

(IV) To propose the convening of meeting of the board of directors;

(V) To publicly solicit proxies from shareholders before general meetings;

(VI) To independently retain external auditing and consulting institutions to audit or to be advised on specific matters concerning the Company.

When the independent directors exercise the functions and powers as prescribed in paragraph (I) and (II) of this Article, the matter shall be submitted to the board of directors for discussion only upon consent by more than half of the independent directors; for paragraph (I) to (V), it shall be approved by more than half of all independent directors; and for paragraph (VI), it shall be approved by all independent directors. All fees arising from exercising the aforesaid functions and powers by the independent directors shall be borne by the Company. If the above mentioned proposals are refused or the functions and powers are unable to be exercised, the Company shall disclose the information concerned.

For requirements prescribed in the laws, regulations, regulatory documents and relevant provisions of the stock exchange where the Company is listed and regulatory authority, those requirements shall prevail.

A 124 In addition to the functions and powers as mentioned above, the independent directors shall issue their independent opinions to the board of directors or the shareholders' meeting with respect to the matters below:

(I) To nominate, appoint or remove directors;

(II) To appoint or dismiss senior management;

(III) To determine on the remuneration of the Company's directors and senior management;

(IV) When the total amount (as determined in accordance with the effective rules issued by the stock exchange where the Company's share are listed from time to time) of the existing or new loan or other money transactions between the Company's shareholders, de facto controller or other related enterprises is equal to the amount that must be approved by the board of directors or shareholders' meeting, and whether or not effective measures have been taken by the Company to recover those debts;

(V) Matters that might prejudice the interests of minority shareholders as deemed by the independent directors;

(VI) Other matters prescribed by the law, regulations, CSRC and Articles of Association of the Company.

The independent directors shall present one of the following comments on the aforesaid issues in writing:

(1) Consent;

(2) Reservation and reasons thereof;

(3) Objection and reasons thereof;

(4) Inability to make comments and reasons thereof.

If some of the issues shall be disclosed, the Company shall announce the opinions of the independent directors. Where consensus opinion cannot be obtained, the Company shall disclose the opinion of each independent director respectively.

A 125 The board of directors shall not dispose of or agree to dispose of any fixed assets without approval by the general meeting if the sum of the expected value of the fixed assets to be disposed of and the value derived from the disposal of fixed assets within four months before such proposal to dispose of the fixed assets exceeds 33% of the value of the fixed assets as shown on the latest audited balance sheet considered and approved by the general meeting.

Disposals of the fixed assets mentioned herein include transfer of certain asset interests, but do not include guarantee provided by pledge of fixed assets.

The effectiveness of the Company's disposal of the fixed assets shall not be affected by any breach of the foregoing provisions in Paragraph 1 herein.

A 126 The chairman of the board of directors shall exercise the following functions and powers:

(I) To preside over general meetings and to convene and preside over meetings of the board of directors;

(II) To examine the implementation of the resolutions of the board of directors;

(III) To sign the share certificates issued by the Company;

(IV) To exercise other functions and powers conferred by the board of directors.

The vice chairman shall assist the chairman's work, if the chairman is unable or fails to perform his duties, the vice chairman shall perform the duties on his behalf, if the vice chairman is unable or fails to perform his duties, such duties shall be performed by a director who is nominated and elected by more than half of the directors.

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A **127** Regular meetings of the board of directors shall be held at least four

A 130 Directors shall attend meetings of the board of directors in person. In the event that a director is unable to attend a meeting for any reason, he may appoint another director by a written power of attorney to attend the meeting on his behalf. The power of attorney shall set out the scope of the authorization.

The director attending the meeting as proxy shall exercise rights within the scope of authorization. Where a director is not present at a meeting of the board of directors and fails to authorize a proxy to act on his behalf, the said director shall be deemed to have waived his rights to vote at the meeting.

A 131 Unless under the exceptional circumstances specified in laws and regulations and in respect of the following matters, a director shall not vote on any resolution of the board of directors which approves any contract, transaction or arrangement or any other relevant proposals where he or his close associates (as defined in the Listing Rules of the Stock Exchange) own a material interest; and shall not be included for determining whether there is a quorum for the meeting:

(I) For directors or their close associates (as defined in the Listing Rules of the Stock Exchange) lending money to the Company or any of its subsidiaries or Directors or their close associates, or inducing or assuming obligation under the requirements of the Company or any of its subsidiaries or for their benefit, the provision of any mortgage or indemnity guarantee for such director or his close associates;

(II) For the Company or any of its subsidiaries providing any mortgage or indemnity guarantee for third party in respect of the debts or obligations; the directors or their close associates providing a mortgage according to an assurance or indemnity guarantee or warranty, having assumed all or part of such debt or obligation (whether alone or jointly);

(III) For any related proposals of offer made by others or the Company for subscription or procurement of shares, bonds or other securities of the Company or other company (initiated and established by the Company or the Company has interests therein), the directors or their close associates having or will have rights and interests by participating in the underwriting or sub-underwriting of offer;

(IV) Any proposals or arrangements related to employee benefits of the Company or any of its subsidiaries, including:

(1) Adoption, revision or implementation of employee share scheme or any share awards or stock option plan, from which any directors or their close associates can benefit; or

(2) Adoption, revision or implementation of pension plan, retirement plan, and death or disability benefit plan related to the directors, their close associates and employees of the Company or any of its subsidiaries and generally the directors (or their close associates) and persons concerned with the plan or fund are not granted any special privileges or benefit; or

(III) To ensure that the shareholders' register of the Company is properly maintained and that the persons who have the right of access to the relevant documents and records of the Company can obtain the same in due time.

A 135 A director or other senior management of the Company may serve concurrently as secretary to the board of directors. Any accountant of the accounting firm engaged by the Company shall not act in the capacity of the secretary to the board of directors.

In the event a director also acts in the capacity of the secretary to the board of directors, where any act requires to be made by the director and the secretary to the board of directors separately, such director who also acts in the capacity of the secretary to the board of directors shall not make such actions in both capacities.

C 12 P C

A 136 The Company shall have one president, who shall be nominated by the directors and appointed and dismissed by the board of directors. The Company shall have five deputy presidents, who shall be appointed or dismissed by the board of directors after being nominated by the president.

A 137 The president of the Company shall be accountable to the board of directors and exercise the following functions and powers:

(I) To manage the production and business operations of the Company and arrange for the implementation of the resolutions of the board of directors;

(II) To arrange for the implementation of the Company's annual business plans and investment plans;

(III) To formulate proposals for the establishment of the Company's internal management organs;

(IV) To formulate plans for the setup of the Company's branches;

(V) To formulate the fundamental management system of the Company;

(VI) To formulate the Company's specific rules and regulations;

(VII) To propose to appoint or dismiss the deputy president(s), chief financial officer and other senior management of the Company;

(VIII) To appoint or dismiss executives other than those appointed or dismissed by the board of directors;

(IX) To formulate system for employees' wages, welfare and rewards and determine their recruitment and dismissal;

(X) To propose for the convening of extraordinary meeting of the board of directors;

(XI) To exercise other functions and powers conferred in the Articles of Association and by the board of directors.

A 138 The president shall be present at meetings of the board of directors, senior management who are not directors shall also be present at meetings of the board of directors and shall have the right to receive the meeting notice and relevant documents; but they have no right to vote at the meetings of the board of directors.

A 139 In exercising his functions and powers, the president of the Company shall fulfill the obligation of honesty and diligence in accordance with the laws, administrative regulations and the Articles of Association and shall not change the resolutions made by the shareholder meeting and the board of directors or act beyond the scope of authorization.

C 13 B

A 140 The Company shall have the board of supervisors.

A 141 The board of supervisors shall comprise five members, including a chairman. The term of office of a supervisor shall be three years, and is eligible for reelection.

The chairman shall be appointed or removed by votes of more than two-thirds of the members of the board of supervisors.

A 142 The members of the board of supervisors shall comprise three shareholder representatives and two employee representatives. The shareholder representatives shall be elected and removed by the shareholders' meeting; and the employee representatives shall be elected and removed by the employees of the Company democratically.

A 143 A director, the president, the secretary to the board of directors, chief financial officer and other senior management shall not serve as supervisors concurrently.

Regular meetings of the board of supervisors shall be held at least once every six months, and shall be convened and presided over by the chairman of the board of supervisors. Any supervisor may propose that an extraordinary meeting of the board of supervisors be held. If the chairman of the board of supervisors fails to or is unable to perform and exercise his functions and powers, a meeting of the board of supervisors shall be convened and presided over by a supervisor jointly nominated by more than half of all supervisors.

(VII) a person who is not a natural person;

(VIII) a person convicted of the contravention of provisions of relevant securities regulations by a relevant government authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than 5 years has elapsed since the date of the conviction;

(IX) other circumstances as prescribed in laws, administrative regulations or departmental rules.

(V) A person who provides financial, legal or consulting services for the Company or its subsidiaries;

(VI) A person who is an independent director serving five listed companies;

(VII) A person who cannot act as independent director according to the securities regulatory authority under the State Council.

Article 152 The validity of an act of a director, the president or other senior management on behalf of the Company for a bona fide third party is not affected by any incompliance in the appointment, election or qualification thereof.

Article 153 In exercising the powers conferred by the Company, directors, supervisors, the president and other senior management of the Company shall fulfill the following obligations to each shareholder in addition to the obligations under the laws, administrative regulations, the Listing Rules of the Stock Exchange or the Listing Rules of SSE on which the shares of the Company are listed:

(I) Not to let the Company operate beyond the business scope specified in its business license;

(II) To sincerely act in the best interest of the Company;

(III) Not to seize from the Company the property in any form, including (but not limited to) opportunity favorable to the Company;

(IV) Not to seize from any shareholder any personal interests, including (but not limited to) right to profit distribution and right to vote, but excluding corporate reorganization submitted for adoption at the general meeting pursuant to the Articles of Association.

Article 154 In exercising rights or fulfilling obligations, the directors, supervisors, the president and other senior management of the Company have the duty to act with due care, diligence and skill as a reasonably prudent person should do in similar circumstances.

Article 155 In fulfilling duties, directors, supervisors, president and other senior management of the Company shall observe the principle of honesty and shall not place themselves in a position where their own interests may conflict with their obligations. The principle includes (but is not limited to) the following obligations:

(I) To sincerely act in the best interest of the Company;

(II) To exercise their powers within their terms of reference and not to act beyond such powers;

(III) To exercise personally the discretion vested in them and not to allow themselves to be manipulated by others and, save as permitted by laws, administrative regulations or the Listing Rules or with the informed consent of shareholders at a general meeting, not to delegate the exercise of their discretion to others;

(IV) To treat shareholders of the same class equally and shareholders of different classes fairly;

(V) Not to conclude any contract, conduct any transaction or make any arrangement with the Company saved as specified in the Articles of Association or the Listing Rules or unless approval is otherwise with the informed consent of shareholders at a general meeting;

(VI) Not to seek personal gains by using the property of the Company in any form without the informed consent of shareholders at a general meeting;

(VII) Not to exploit their positions and powers to accept bribes or other unlawful income, and not to expropriate the Company's property in any form, including (but not limited to) opportunity favorable to the Company;

(VIII) Not to accept commissions in connection with the Company's transactions without the informed consent of shareholders at a general meeting;

(IX) To observe the Articles of Association, fulfill duties honestly, protect the interests of the Company, and not to seek personal gains by using their positions and powers in the Company;

(X) Not to compete with the Company in any form without the informed consent of shareholders at a general meeting;

(XI) Not to embezzle the funds of the Company or lend the same to others, not to deposit the Company's assets in accounts in his own name or in any other name, and not to use the Company's assets as security for the personal debts of the shareholders of the Company or others;

(XII) Not to disclose any confidential information related to the Company acquired by them during their term of office without the informed consent of shareholders at a general meeting; not to use the said information save for the interest of the Company; however, they may disclose such information to a court or other government authorities in the following circumstances:

1. Required by law;

2. Public interest so warrants;

3. The interests of the relevant directors, supervisors, the president and other senior management so require.

Gains derived by any director, president, vice president and other senior management in violation of this Article shall be belong to the Company; the relevant executive shall indemnify the Company for its losses caused by such violation.

A 156 Directors, supervisors, president and other senior management of the Company shall not cause the following persons or institutions ("connected persons") to do anything that the directors, supervisors, president and other senior management is prohibited to do:

(I) Spouses or minor children of directors, supervisors, president and other senior management of the Company;

(II) Trustees of directors, supervisors, president and other senior management of the Company or persons set out in (I) herein;

(III) Partners of directors, supervisors, president and other senior management of the Company or persons set out in (I) and (II) herein;

(IV) Companies over which a director, supervisor, president and other senior management of the Company, alone or jointly with any person set out to in (I), (II) and (III) herein or any other directors, supervisors, president and other senior management of the Company have de facto control;

(V) Directors, supervisors, president and other senior management of the companies as set out in (IV) herein.

A 157 The honesty obligation of directors, supervisors, president and other senior management of the Company shall not necessarily end with the expiry of their terms of office, and their confidentiality obligation to the Company in respect of trade secrets shall continue after expiry of their terms of office. Other obligations may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances under which the relationship between the Company and them was terminated.

A 158 The liability of directors, supervisors, president and other senior management of the Company for breaching a given obligation may be released by the informed consent of shareholders at a general meeting, save for the circumstances specified in Article 60 of the Articles of Association.

A 159 If directors, supervisors, president and other senior management of the Company have any direct or indirect material interests in any contract, transaction or arrangement already concluded or planned by the Company (exclusive of engagement contract with the Company), they shall disclose the nature and extent of the said interests to the board of directors as soon as possible regardless whether the relevant matters are subject to approval by the board of directors in normal circumstances.

A director shall not vote on any resolution of the board of directors which approves the contract, transaction or arrangement or any other relevant proposals where he or his

(III) If the normal business scope of the Company includes provision of loan and loan guarantee, the Company may provide loan and loan guarantee to relevant directors, supervisors, president and other senior management and their connected persons, but the conditions for providing loan or loan guarantee shall be normal commercial conditions.

Article 163 If the Company provides loan in violation of the preceding article, the recipient of the loan shall repay the same immediately to the Company regardless of the conditions of the loan.

Article 164 A loan guarantee provided by the Company in violation of Paragraph 1 of Article 162 shall not be enforceable except in the following circumstances:

(I) The lender does not know that it has provided loan to the connected persons of the directors, supervisors, president and other senior management of the Company or its parent company;

(II) The collateral provided by the Company has been sold by the lender lawfully to a bona fide purchaser.

Article 165 The guarantee as referred to in the preceding articles of this Chapter includes the act of the guarantor to undertake the responsibility or provide property to ensure that the obligor fulfils the obligations.

Article 166 If the directors, supervisors, president or other senior management fail to fulfill the obligations to the Company, the Company shall have the right to take the following actions in addition to the rights and remedial measures under the relevant laws and administrative regulations:

(I) Require the relevant directors, supervisors, president or other senior management to compensate the Company for the losses arising from their neglect of duty;

(II) Cancel the contracts or transactions concluded between the Company and the relevant directors, supervisors, president or other senior management, or between the Company and a third party (if the third party knows or is supposed to know that the directors, supervisors, president or other senior management representing the Company have breached their obligations to the Company);

(III) Require the relevant directors, supervisors, president or other senior management to surrender gains derived as a result of the breach of obligations;

(IV) Recover monies, including (but not limited to) commissions, received by the relevant directors, supervisors, president or other senior management which should have been received by the Company;

(V) Require the relevant directors, supervisors, president or other senior management to surrender interests earned or may be earned from monies which should have been paid to the Company.

A 167 The Company shall conclude written contracts with its directors and supervisors in relation to their remunerations, subject to prior approval at a general meeting. The aforesaid remunerations include:

(I) Remunerations as directors, supervisors or senior management of the Company;

(II) Remunerations as directors, supervisors or senior management of subsidiaries of the Company;

(III) Remunerations for providing other services in connection with the management of the Company and its subsidiaries;

(IV) Compensations for the said directors or supervisors for lost of office or for retirement.

Save as pursuant to the aforesaid contracts, the directors or supervisors shall not pursue legal action against the Company for anything due to them in respect of the aforesaid matters.

The above mentioned written contract shall cover at least the following matters:

(I) Directors, supervisors or senior management shall undertake to the Company to observe Company Law, Special Provisions, the Articles of Association, and Code on Takeovers and Mergers and Code on Share Repurchase and other requirements of the Hong Kong Stock Exchange, and agree that the Company is entitled to remedial measures under the Articles of Association and that the said contracts and their positions as director, supervisor or senior executive shall not be transferred;

(II) Directors, supervisors or senior management shall undertake to the Company to fulfill their due obligations for the shareholders as specified in the Articles of Association; and

(III) Arbitration clauses specified in Chapter 21 of the Articles of Association.

A 168 The Company shall specify in the contracts concluded with the directors or supervisors in relation to remunerations that if the Company is being taken over, the directors or supervisors of the Company have the right to seek compensations or other payment for lost of office or for retirement, subject to prior approved at the general meeting. The aforesaid takeover of the Company includes any of the following:

(I) An offer made by any person to all the shareholders;

(II) An offer made by any person with the aim of causing the offeror to become a controlling shareholder of the Company. The definition of a controlling shareholder is the same as that in Article 61 of the Articles of Association.

Any monies received by the relevant directors or supervisors in violation of this Article shall belong to those who accept the said offer and sell their shares, and the said directors or supervisors shall bear the expenses for distributing the said monies in proportion, which shall not be deducted from the said monies.

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A 169 The Company shall formulate its financial accounting system in accordance with relevant laws, administrative regulations and the PRC accounting standards formulated by the competent financial authority of the State Council.

A 170 The fiscal year of the Company is Gregorian calendar year, beginning on 1 January and ending on 31 December of each year.

The Company shall use Renminbi as the recording currency and the accounts shall be prepared in Chinese.

The Company shall prepare financial reports at the end of each fiscal year, which shall be audited according to law.

A 171 The board of directors of the Company shall, at each annual general meeting, submit to the shareholders the financial reports prepared by the Company in accordance with the relevant laws, administrative regulations, normative documents issued by local governments and competent authorities.

A 172 The financial reports of the Company shall be made available for shareholders' inspection at the Company 20 days before convening of the annual general meeting. Every shareholder of the Company shall have the right to access the aforesaid financial reports.

The Company shall, at least 21 days before convening of the annual general meeting, send by prepaid mail to all holders of overseas-listed foreign shares the aforesaid reports, including directors' reports and the balance sheet (including each document required by laws and regulations to be attached to the balance sheet) and income statement or income and expenditure statement; and the addresses of addressees shall be those recorded in the shareholders' register.

A 173 The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas listing place. If there is any material difference between the financial statements prepared under the two accounting standards, such difference shall be stated in the notes to the financial statements. The Company shall distribute the after-tax profit of the relevant fiscal year based on the smaller amount shown in the aforesaid two financial statements.

A 174 The interim results or financial data announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas listing place.

A 175 The Company shall release the annual results announcement within three months after the end of a fiscal year and release the interim results announcement within two months after the end of the first six months of each fiscal year; publish annual report within four months after the end of a fiscal year, and publish interim report within three months after the end of the first six months of each fiscal year.

A 176 The Company shall not establish account books other than the statutory account books.

A 177 When the Company distributes its after-tax profits of the current year, it shall withdraw 10% of the profits as its statutory common reserve fund. Such allocation may be stopped when the statutory common reserve fund of the Company has accumulated to over 50% of the registered capital of the Company.

If the statutory common reserve fund is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up for the said losses before any statutory common reserve fund is withdrawn as per the preceding paragraph.

After statutory common reserve fund is withdrawn out of the after-tax profits, discretionary common reserve fund may also be withdrawn out of the same as per a resolution made at a general meeting.

After the Company has made up its losses and made allocations to its statutory reserve fund, the remaining profits are distributed in proportion to the number of shares held by the shareholders.

If the shareholders' general meeting violates the above provisions by distributing profits to the shareholders before the Company makes up losses and allocates funds to the statutory reserves, then the profits so distributed must be returned to the Company by the shareholders.

The shares of the Company held by the Company shall not participate in to profit distribution.

A 178 Capital reserve includes the following:

(I) Premium arising from issue above the par value of shares;

(II) Other revenues required by the competent financial authority under the State Council to be appropriated to capital reserve.

A 179 The Company's reserve fund shall be used to make up the Company's losses, to expand the production and operation of the Company or to increase the capital of the Company by means of conversion. However, the Company shall not use its capital reserve fund to make up its losses.

When the statutory reserve fund is converted into share capital, the amount remaining in the reserve shall not be less than 25% of the Company's registered capital prior to the conversion.

A 180 The Company may distribute dividends in the following forms:

(I) Cash;

(II) Shares;

(III) Other forms permitted by laws, administrative regulations, departmental rules or Listing Rules.

A 181 The policy of profits distribution of the Company is:

(I) The Company implements continuous and stable profit distribution policy. The profit distribution of the Company emphasizes on providing reasonable and stable return on investment of the investors while giving consideration to the Company's long term and sustainable development. The distribution of profit shall not exceed the scope of cumulative distributable profit.

(II) The Company's profit distribution policy and the specific dividend distribution plan shall be formulated, considered and approved by the board of directors and then reported to the general meeting of shareholders for approval; when the board of directors formulates the profit distribution policy and dividend distribution plan, it shall take full consideration of the opinions of the independent directors, the board of supervisors and the public investors.

The Independent Directors may solicit the opinions from minority shareholders and make a dividend distribution proposal to be submitted directly to the board of directors for deliberation.

Prior to the consideration of detailed cash dividend proposals by the general meeting of the Company, the Company may communicate and exchange opinions with shareholders and especially minority shareholders by different ways, thereby fully listening to opinions and appeals of minority shareholders and responsively answering questions that minority shareholders concern.

(III)

(IV) The Company distributes its distributable profits (being the after-tax profit after the Company makes up the loss and withdraws the common reserve funds) on an annual basis. According to the profitability, the Company may distribute interim cash dividend which does not need to be audited.

(V) The Company should actively distribute the profit in cash. The profit distributed in form of cash annually shall not be less than 20% of the distributable profits realized in that year. For cash-based distribution, the Company must consider whether its cash is able to meet the needs of the Company's normal operation

(III) To be present at general meetings, receive notice of general meeting that any shareholder has the right to receive or other information relating to general meetings, and deliver speeches at any general meeting in relation to the matters concerning its role as the Company's accounting firm.

A 188 In the event of vacancy of accounting firm, the board of directors may appoint an accounting firm to fill the said vacancy before convening of a general meeting. During duration of the said vacancy, if the Company has any incumbent accounting firm, the said accounting firm may continue to act.

A 189 Regardless of the terms in the contract concluded between the accounting firm and the Company, the general meeting may, through an ordinary resolution, dismiss the said accounting firm before expiry of the term thereof. In the event of any rights claimed by the accounting firm against the Company, the said rights shall not be affected.

A 190 The remunerations of the accounting firm or the method for determining the same shall be subject to the decision of the general meeting. The remunerations of the accounting firm appointed by the board of directors shall be determined by the board of directors.

A 191 Appointment, dismissal or non-reappointment of accounting firm by the Company shall be subject to decision at the general meeting and shall be filed with the securities regulatory authority under the State Council.

The general meeting shall comply with the following provisig bngenn bisraroral o1eeting in relation r
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(IV) The accounting firm about to terminate service have the right to attend the following meetings:

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A 193 In respect of the merger or division of the Company, the board of directors shall propose a plan and have it adopted following the procedures specified in the Articles of Association, and go through relevant examination and approval formalities pursuant to law. Any shareholder objecting to merger or division of the Company shall have the right to require the Company or the shareholders approving merger or division of the Company to buy his shares at a fair price. Resolution on merger or division of the Company shall be archived as special document for made available for shareholders' inspection.

The aforesaid document shall also be served by post to holders of overseas-listed foreign shares.

A 194 Merger of the Company may be in two forms: merger by absorption and merger by consolidation.

In the event of merger of the Company, the parties concerned shall conclude a merger agreement and prepare the balance sheet and the property inventory. The Company shall notify all creditors within 10 days after adoption of the merger resolution and shall make announcements in newspapers within 30 days. Creditors should, within 30 days of being notified, or if they do not receive the notice, then within 45 days of the public announcement, request the Company to pay off its debts or provide corresponding guarantees.

The creditor's rights and debts of the parties concerned after merger of the Company shall be inherited by the company subsisting after merger or by the newly established company.

A 195 Where the Company is divided, its properties shall be divided accordingly.

In the event of division of the Company, the parties concerned shall conclude a division agreement and prepare balance sheet and property inventory. The Company shall notify all creditors within 10 days after adoption of the division resolution and shall make announcements in newspapers within 30 days.

The companies after division shall bear joint liability for the debts of the Company before division. However, if before the division the Company and its creditors have entered into a written contract concerning the repayment of debts, then the former provision does not apply.

A 196 Change to registered particulars arising from a merger or division of the Company shall be registered with the company registration authority according to law. If the Company is dissolved, a cancellation of its registration shall be effected according to law. If a new company is established, registration of such establishment shall be established and registered according to law.

A 200 If the board of directors decides to liquidate the Company (save for liquidation when the Company is declared bankrupt), the notice of general meeting to be held therefor shall contain a statement that the board of directors has made a thorough investigation on the conditions of the Company and that the Company may repay all its debts within 12 months after commencement of liquidation.

After the resolution on liquidation is adopted at the general meeting, the functions and powers of the board of directors shall terminate immediately.

The liquidation committee shall, as per the instructions of the general meeting, report to the general meeting at least once a year about the revenues and expenses of the liquidation committee, the businesses of the Company and the progress of liquidation, and deliver a final report to the general meeting at the end of liquidation.

A 201 The liquidation committee shall notify all creditors within 10 days after its establishment and shall make announcements in newspapers within 60 days. The creditors shall declare their creditor's rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after announcement if the creditors have not received the notice.

To declare their creditor's rights, the creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation committee shall register the creditor's rights according to law.

During the period of declaration, the liquidation committee shall not make repayment to creditors.

A 202 During liquidation, the liquidation committee shall exercise the following functions and powers:

(I) To examine and take possession of the assets of the Company and prepare a balance sheet and a property inventory;

(II) To inform creditors by notice or announcement;

(III) To deal with the outstanding businesses of the Company relating to liquidation;

(IV) To pay off the outstanding taxes;

(V) To settle creditor's rights and debts;

(VI) To dispose of the remaining assets of the Company after repayment of debts;

(VII) To represent the Company in civil proceedings.

A 203 After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the general meeting or the relevant competent authority for confirmation.

The assets of the Company shall be applied in the following order of priority:

Liquidation expenses, employees' salaries, social insurance expenses, statutory compensations, outstanding taxes, and the Company's debts. The assets of the Company remaining after application for settlement in accordance with the foregoing provisions shall be distributed to the shareholders as per the types of their shares and their shareholding percentages.

During the liquidation, the Company shall not carry out any new business operation.

A 204 In the event of liquidation due to dissolution of the Company, after the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the people's court to declare the Company bankrupt.

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

A 205 After completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and income and expenditure statements and account books in respect of the liquidation period and, after auditing by a Chinese certified public accountant, shall submit the same to the general meeting or the relevant competent authority for confirmation.

The liquidation committee shall, within 30 days after obtaining confirmation from the general meeting or the relevant competent authority, submit the aforesaid documentation to the company registration authority, and apply to cancel registration of the Company and announce termination of the Company.

A 206 Members of the liquidation committee should be loyal to their duties and perform liquidation duties according to the law.

Members of the liquidation shall not take advantage of his position to receive bribes or other illegal income, and shall not embezzle the Company's assets.

If a member of the liquidation committee causes losses to the Company or creditors, deliberately or due to gross negligence, he shall be liable for compensation.

A 207 When the Company is declared bankrupt according to the law, the bankruptcy liquidation will be handled according to the relevant law on enterprise bankruptcy.

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A 208 The Company may amend the Articles of Association pursuant to the laws, administrative regulations, Listing Rules and the Articles of Association.

A 213 The notice of the Company, mailing and other written materials including but not limited to annual report, interim report, quarterly report, meeting notice, listing documents, shareholder circular, proxy form and temporary announcement may be served as follows:

(I) By personal delivery;

(II) By post;

(III) By fax or email;

(IV) By announcement on the website designated by the Company, the Hong Kong Stock Exchange and the SSE in accordance with the laws, administrative regulations, Listing Rules of the Stock Exchange and Listing Rules of SSE;

(V) By newspaper and other designated media;

(VI) By other means approved by the relevant securities regulatory authority at the location where the Company's shares are listed or stipulated in the Articles of Association.

Notwithstanding any other provisions contained in the Articles of Association in respect of the publishing or giving notice of any notices, communications or other written materials, the Company may choose to announce such corporate communications by means provided under (IV) of this Article in place of delivering written documents by hand or by prepaid post to each holder of overseas-listed foreign shares, subject to relevant requirements of the securities regulatory authority at the location where the shares of the Company are listed.

A 214 In the event that the relevant regulations of the securities regulatory authority of the place where the Company's shares are listed requires such documents to be dispatched, mailed, distributed, issued, announced or by any other forms provided to the shareholders in both English and Chinese version, the Company may (in accordance with the preference of the shareholders concerned) dispatch only the English or the Chinese version to the shareholders concerned if the Company has made proper arrangements to confirm that the shareholders prefer to only receive either the English or the Chinese version and if such arrangements are within the scope and in accordance with the applicable laws and regulations.

A 215 For notices of the Company delivered by hand, an acknowledgement of receipt shall be signed (or stamped) by the recipient and the date of delivery shall be the date on which the acknowledgement is signed; for notices delivered by post, the date of delivery shall be 48 hours from the delivery of the mail to the post office; for notices delivered by fax or email or announcement on a website, the date on which the notice is sent shall be deemed to the date of delivery, and the date indicated in the fax report shall be taken as the delivery date; in the case of notice delivered by way of public announcement, the date of the first announcement shall be deemed to be the date of delivery. Such announcements shall be published in newspapers or websites which meet the requirements of the relevant rules.

Any notices of the Company which are made in the form of a public announcement shall be deemed to have been received by all relevant persons once it is published.

A 216 Notices of the shareholders' general meetings of the Company shall be made by announcement. Notice of the Board meetings and board of supervisors of the Company shall be made by hand, facsimile, telephone, email, or other forms.

A 217 The Company shall designate media in the scope of media designated in laws, regulations or the securities regulatory authority of the State Council to issue announcements and other to-be-disclosed information of the Company to shareholders of domestic shares. The announcements required to be given by the Articles of Association to the holders of H shares shall be published by the methods prescribed by the Hong Kong Listing Rules.

The Board may change the designated media for the disclosure of information about the Company and shall ensure that such designated media complies with the requirements as required by the laws and regulations of China and Hong Kong, securities regulatory authorities under the State Council, overseas regulatory authorities and the stock exchange of the place where the shares of the Company are listed.

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A 218 The Company shall settle disputes following the rules below:

(I) In the event of any dispute or claim between a holder of overseas-listed foreign shares and the Company, between a holder of overseas-listed foreign shares and a director, supervisor or president of the Company, and between a holder of overseas-listed foreign shares and a holder of domestic shares arising from rights and obligations specified in the Articles of Association, Company Law and other relevant laws and administrative regulations and relating to the affairs of the Company, the parties concerned shall submit the said dispute or claim for arbitration.

A 223 In the Articles of Association, references to "president" shall have the same meaning as "manager" as stipulated in the Company Law and other laws and regulations. References to "vice president" shall have the same meaning as "deputy manager" as stipulated in the Company Law and other laws and regulations.

A 224 The Articles of Association shall be subject to the interpretation of the board of directors of the Company. Any matters not covered herein shall be approved at shareholders meeting through the board of directors.

A 225 Should there be any inconsistency between the Articles of Association and relevant laws, administrative regulations, other relevant normative documents and the rules of the stock exchange on which the Company's shares are listed, the latter shall prevail.