

THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this supplemental circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司), you should at once hand this supplemental circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Hebei Yichen Industrial Group Corporation Limited* 河北翼辰實業集團股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 1596)

SUPPLEMENTAL CIRCULAR TO THE CIRCULAR TO SHAREHOLDERS DATED 25 APRIL 2023 IN RELATION TO PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION, SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING, NOTICE OF H SHAREHOLDERS CLASS MEETING AND NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

This supplemental circular should be read in conjunction with the First Circular of the Company dated 25 April 2023 in relation to the AGM to be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC on Thursday, 25 May 2023 at 10:30 a.m. and the announcement of the Company dated 9 May 2023 in relation to the proposed amendments to the Articles of Association.

The notice convening the AGM was set out in the First Circular. A supplemental notice of the AGM dated 10 May 2023 and the notices convening the Class Meetings are set out on pages 143 to 149 of this supplemental circular. A special resolution in connection with the proposed amendments to the Articles of Association will be proposed at the AGM (in addition to those set out in the First Notice of AGM) and the Class Meetings. The details of the resolution are set out in this supplemental circular.

The Updated Form of Proxy, which is for use at the AGM, and the relevant form of proxy for the relevant Class Meeting which contain all of the resolutions to be proposed at the AGM and the Class Meetings respectively are enclosed herewith, and such proxy forms are also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hbyc.com.cn). The Updated Form of Proxy shall supersede the form of proxy for the AGM enclosed with the First Circular. If you intend to appoint a proxy to attend the AGM and/or the relevant Class Meeting, you are requested to complete, sign and return the enclosed form(s) of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM and/or the relevant Class Meeting (i.e. not later than 10:30 a.m. on Wednesday, 24 May 2023 (Hong Kong time)) or any adjournment thereof (as the case may be).

References to time and dates in this supplemental circular are to Hong Kong time and dates.

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DEFINITIONS

In this supplemental circular, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC on Thursday, 25 May 2023 at 10:30 a.m., for the Shareholders to consider and, if thought fit, approve the resolutions contained in the First Notice of AGM and the Supplemental Notice of AGM, or any adjournment thereof
“Articles of Association”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time
“Board of Directors” or “Board”	the board of Directors
“Chairman”	the chairman of the Board of Directors
“Class Meetings”	collectively, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting
“Company”	Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司), a joint stock limited liability company incorporated in the PRC whose issued H Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic invested ordinary share(s) in the capital of the Company, with a nominal value of RMB0.5 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
“Domestic Shareholder(s)”	holder(s) of the Domestic Share(s)

DEFINITIONS

“Domestic Shareholders Class Meeting”	the class meeting of the Domestic Shareholders to be convened and held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC on Thursday, 25 May 2023 at 10:30 a.m. or immediately following conclusion of the H Shareholders Class Meeting (whichever is the later), for the Domestic Shareholders to consider and, if thought fit, approve the resolutions contained in the notice of the meeting set out on pages 148 to 149 of this supplemental circular, and any adjournment thereof
“First Circular”	the circular of the Company dated 25 April 2023
“First Form of Proxy”	the form of proxy for the AGM enclosed with the First Circular
“First Notice of AGM”	the notice of the AGM dated 25 April 2023 set out in the First Circular
“Group”	collectively, the Company and its subsidiaries for the time being
“H Shares”	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB0.5 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of the H Share(s)
“H Shareholders Class Meeting”	the class meeting of the H Shareholders to be convened and held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC on Thursday, 25 May 2023 at 10:30 a.m. or immediately following conclusion of the AGM (whichever is the later), for the H Shareholders to consider and, if thought fit, approve the resolutions contained in the notice of the meeting set out on pages 146 to 147 of this supplemental circular, and any adjournment thereof
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	4 May 2023, being the latest practicable date prior to the printing of this supplemental circular for the purpose of ascertaining information contained in this supplemental circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this supplemental circular, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of RMB0.5 each in the capital of the Company, comprising Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of Shares, comprising Domestic Shareholders(s) and H Shareholder(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Notice of AGM”	the supplemental notice of the AGM dated 10 May 2023 set out on pages 143 to 145 of this supplemental circular which contains the additional special resolution to be proposed at the AGM in connection with the proposed amendments to the Articles of Association
“Updated Form of Proxy”	the updated form of proxy for the AGM enclosed with this supplemental circular which contains the resolutions set out in the First Notice of AGM and the additional resolution set out in the Supplemental Notice of AGM

LETTER FROM THE BOARD



Hebei Yichen Industrial Group Corporation Limited*
河北翼辰實業集團股份有限公司

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

(Stock Code: 1596)

Executive Directors:

Mr. Zhang Haijun (*Chairman*)

Mr. Wu Jinyu

Mr. Zhang Chao

Mr. Zhang Lihuan

Ms. Ma Xuehui

Registered Office and Headquarters:

No. 1 Yichen North Street

Gaocheng District

Shijiazhuang City

Hebei Province

China

Non-executive Director:

Ms. Zheng Zhixing

Principal place of business

in Hong Kong:

5/F, Manulife Place

348 Kwun Tong Road, Kowloon

Hong Kong

Independent non-executive Directors:

Mr. Jip Ki Chi

Mr. Zhang Liguo

Mr. Wang Fujun

10 May 2023

To the Shareholders

Dear Sir/Madam

**PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION,
SUPPLEMENTAL NOTICE OF
EXTRAORDINARY GENERAL MEETING,
NOTICE OF H SHAREHOLDERS CLASS MEETING
AND
NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 10 May 2023 in relation to the proposed amendments to the Articles of Association.

* *For identification purpose only*

LETTER FROM THE BOARD

This supplemental circular should be read in conjunction with the First Circular which sets out the First Notice of the AGM and provide you with information regarding the resolutions to be proposed at the AGM. The purpose of this supplemental circular is to set out the Supplemental Notice of AGM and to provide you with the information regarding the additional special resolution to be proposed at the AGM and the Class Meetings in connection with the proposed amendments to the Articles of Association.

2. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board noted that the Listing Rules have been amended with effect from 1 January 2022 to adopt a uniform set of 14 core standards for shareholder protections (the “**Core Standards**”) for issuers regardless of their place of incorporation. These Core Standards relate to, among others, (a) notice and conduct of general meetings; (b) shareholders’ rights to remove directors, vote, speak and requisition a meeting, and appoint proxies or corporate representatives; (c) reserving (i) approval of appointment, removal and remuneration of auditors to a majority of the shareholders or other body independent of the board of directors; and (ii) other material matters to super-majority votes by the shareholders; (d) restrictions on the term of a director appointed to fill a casual vacancy; (e) availability of the shareholders’ register for inspection; and (f) restrictions on shareholders voting on certain matters required by the Listing Rules. According to the guidance issued by the Stock Exchange, listed issuers should assess whether their constitutional documents, in combination with the applicable laws, rules and regulations of their place of incorporation, conform to these Core Standards and, where applicable, make necessary amendments to the constitutional documents. Pursuant to the transitional arrangements permitted under Appendix 3 to the Listing Rules, existing issuers listed on the Stock Exchange as at 31 December 2021 would have until their second annual general meeting following 1 January 2022 to make necessary changes to their constitutional documents to conform to the Core Standards set out in Appendix 3 to the Listing Rules.

In addition, it is noted that the State Council of the PRC (the “**State Council**”) and the China Securities Regulatory Commission (the “**CSRC**”) had issued the “Decision of the State Council to Repeal Certain Administrative Regulations and Documents” and the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies” (collectively, the “**New PRC Regulations**”) respectively on 17 February 2023, and that the New PRC Regulations had come into effect on 31 March 2023. On the same date as the New PRC Regulations took effect, the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) issued by the State Council on 4 August 1994 (the “**Special Regulations**”) and the Mandatory Provisions for Companies Listing Overseas set forth in Zheng Wei Fa [1994] No. 21 issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System (the “**Mandatory Provisions**”) (each as amended, supplemented or otherwise modified from time to time) was repealed. Among others, holders of domestic shares and H shares are no longer deemed to be different classes of shareholders, and the class meeting requirements

LETTER FROM THE BOARD

originally applicable to holders of domestic shares and H shares are no longer necessary; the use of arbitration to resolve disputes is also no longer required. The CSRC has issued the Guidelines for the Articles of Association of Listed Companies (the “**PRC Guidelines on AoA**”) and PRC-incorporated issuers shall formulate their articles of association in line with the PRC Guidelines on AoA.

In the light of the above, the Board proposes to amend its existing Articles of Association and to adopt a new set of amended and restated Articles of Association (the “**Amended and Restated Articles of Association**”). The New Articles of Association incorporate amendments proposed to be made to ensure conformity with the Core Standards set out in Appendix 3 to the Listing Rules, remove those articles that have become outdated due to the repeal of the Special Regulations and the Mandatory Provisions, bring the Articles of Association overall into line with the PRC Guidelines on AoA, and satisfy the requirements under the constitution of the Chinese Communist Party. The proposed amendments also include other consequential and housekeeping amendments to the existing Articles of Association.

Please refer to the Appendix to this supplemental circular for the full text of the Amended and Restated Articles of Association, in which all proposed amendments to the Articles of Association are set out.

The English translations of the Amended and Restated Articles of Association and all proposed amendments to the Articles of Association are included in the English version of this supplemental circular. The original language version, i.e. the Chinese version, of the same is set out in the Chinese version of this supplemental circular. The English translations are included for reference only and in the event of any inconsistency, the Chinese version shall prevail.

A resolution will be proposed at the AGM for the Shareholders to consider and, if thought fit, approve the proposed amendments to the Articles of Association. In addition, the H Shareholders Class Meetings and the Domestic Shareholders Class Meeting will be convened for the H Shareholders and the Domestic Shareholders to consider and, if thought fit, approve the proposed amendments to the Articles of Association respectively. The proposed amendments to the Articles of Association will be put forward for approval by the Shareholders by way of a special resolution at each of the AGM and the Class Meetings.

The filings with the relevant authorities in the PRC in respect of the proposed amendments to the Articles of Association will be made after the passing of the relevant special resolution by the Shareholders at each of the AGM and the Class Meetings.

The amendments to the Articles of Association will take effect on the date on which they are approved at the AGM and the Class Meetings.

LETTER FROM THE BOARD

3. AGM AND PROXY ARRANGEMENTS

The AGM will be held as originally scheduled at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC on Thursday, 25 May 2023 at 10:30 a.m. for the Shareholders to consider and, if thought fit, approve the resolutions contained in the First Notice of AGM and the Supplemental Notice of AGM. The First Notice of AGM was set out in the First Circular. The Supplemental Notice of AGM, which contains the additional special resolution to be proposed at the AGM in connection with the proposed amendments to the Articles of Association and should be read in conjunction with the First Notice of AGM, is set out on pages 143 to 145 of this supplemental circular.

The First Form of Proxy was enclosed with the First Circular despatched to the Shareholders on Tuesday, 25 April 2023 and has also been published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hbyc.com.cn). Since the First Form of Proxy does not contain the special resolution to be proposed at the AGM in connection with the proposed amendments to the Articles of Association as set out in the Supplemental Notice of AGM, the Company has prepared the Updated Form of Proxy which is enclosed and despatched to the Shareholders together with this supplemental circular. The Updated Form of Proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hbyc.com.cn).

Each Shareholder who intends to appoint a proxy to attend the AGM is requested to complete, sign and return the enclosed Updated Form of Proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the meeting (i.e. not later than 10:30 a.m. on Wednesday, 24 May 2023 (Hong Kong time)) or any adjournment thereof (as the case may be) (the “**Closing Time**”).

Shareholders who have lodged the First Form of Proxy with the Company should note the following arrangements:

- (i) each Updated Form of Proxy deposited at the Secretariat of the Board at the Company’s principal place of business in the PRC (in the case of holder of Domestic Shares) or at the Company’s H share registrar, Computershare Hong Kong Investor Services Limited (in the case of holder of H Shares) by the Closing Time shall be treated as a valid form of proxy and shall revoke and supersede the First Form of Proxy previously deposited by the same Shareholder if correctly completed, signed and returned in accordance with the instructions printed thereon; and
- (ii) if no Updated Form of Proxy is deposited at the Secretariat of the Board at the Company’s principal place of business in the PRC (in the case of holder of Domestic Shares) or at the Company’s H share registrar, Computershare Hong Kong Investor Services Limited (in the case of holder of H Shares) by the Closing Time, the First Form of Proxy will be treated as a valid form of proxy if correctly completed, signed and returned. Each proxy so appointed by the

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Shareholders will be entitled to vote according to the instructions given on the First Form of Proxy and to vote at his/her discretion or to abstain from voting on any additional resolution properly put to the AGM including the special resolution in connection with the proposed amendments to the Articles of Association as set out in the Supplemental Notice of AGM.

4. CLASS MEETINGS AND PROXY ARRANGEMENTS

The H Shareholders Class Meeting will be held on Thursday, 25 May 2023 at 10:30 a.m. or immediately following conclusion of the AGM (whichever is the later), and the Domestic Shareholders Class Meeting will be held on Thursday, 25 May 2023 at 10:30 a.m. or immediately following conclusion of the H Shareholders Class Meeting (whichever is the later), both at the same venue as the AGM, i.e. the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC, for the H Shareholders and the Domestic Shareholders to consider and, if thought fit, approve the special resolution contained in the notices of the Class Meetings set out on pages 146 to 149 of this supplemental circular in connection with the proposed amendments to the Articles of Association.

Forms of proxy for use at the Class Meetings are enclosed and despatched to the Shareholders together with this supplemental circular and also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hbyc.com.cn). Each shareholder who intends to appoint a proxy to attend the relevant Class Meeting is requested to complete, sign and return the relevant form of proxy enclosed in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the relevant Class Meeting (i.e. at or before 10:30 a.m. on Wednesday, 24 May 2023 (Hong Kong time)) or any adjournment thereof (as the case may be). For H Shareholders, the form of proxy should be returned to the Company's H share registrar, Computershare Hong Kong Investor Services Limited. For Domestic Shareholders, the form of proxy should be returned to the Secretariat of the Board at the Company's principal place of business in the PRC.

5. CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

As set out in the First Circular, in order to determine the entitlement to attend and vote at the AGM, the register of members of the Company has been closed from Wednesday, 26 April 2023 and will remain closed up to and including Thursday, 25 May 2023, during which period no transfer of shares has been and will be registered. H Shareholders and Domestic Shareholders whose names appear on the register of members of the Company on Wednesday, 26 April 2023 are entitled to attend and vote at the AGM and the H Shareholders Class Meeting or the Domestic Shareholders Class Meeting (as the case may be).

6. RECOMMENDATIONS

The Board of Directors consider that the proposed amendments to the Articles of Association are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board of Directors recommend the Shareholders to vote in favour of the relevant special resolutions to be proposed at the AGM and the Class Meetings.

LETTER FROM THE BOARD

7. RESPONSIBILITY STATEMENT

This supplemental circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this supplemental circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplemental circular misleading.

8. MISCELLANEOUS

The Chinese text of this supplemental circular shall prevail over the English text for the purpose of interpretation in the event of any inconsistency.

Yours faithfully,
For and on behalf of the Board of Directors
Hebei Yichen Industrial Group Corporation Limited*
Zhang Haijun
Chairman

* *For identification purpose only*

Hebei Yichen Industrial Group Corporation Limited*
河北翼辰實業集團股份有限公司

ARTICLES OF ASSOCIATION

(Considered and passed at the 2015 first extraordinary general meeting of the Company held on 30 November 2015, amended at the 2015 annual general meeting of the Company held on 24 June 2016, amended at the 2018 annual general meeting of the Company held on 29 July 2019, ~~and~~ considered and passed at the 2020 first extraordinary general meeting of the Company held on 18 March 2020 and amended at the 2022 annual general meeting of the Company held on 25 May 2023)

* *For identification only*

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CHAPTER 1 GENERAL PROVISIONS

Article 1.1

In order to protect the legal rights and interests of the shareholders and creditors of Hebei Yichen Industrial Group Corporation Limited (hereinafter referred to as the "Company") and to regulate the organization and activities of the Company, these Articles 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 Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), the Guidelines for Articles of Association of Listed Companies and other relevant provisions.

Article 1.2 ~~Article 1.1~~

~~Hebei Yichen Industrial Group Corporation Limited (hereinafter referred to as Tthe “Company”) is a joint stock limited company established in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), and other relevant laws and administrative regulationsprovisionof the State.~~

MP-art.1
A13D.1(a)

The Company was established by way of promotion by generally converting 河北翼辰實業集團有限公司 into a joint stock limited company. Upon registration with Shijiazhuang Municipal Administration for Industry & Commerce on 26 November 2015, the Company has obtained the Business Licence for Company. The credibility code of the Company is: 91130100107907438Y.

~~Promoters of the Company are: Zhang Haijun (張海軍), Zhang Suoqun (張鎖群), Zhang Xiaogeng (張小更), Zhang Junxia (張軍霞), Zhang Xiaosuo (張小鎖), Zhang Ligang (張立剛), Wu Jinyu (吳金玉), Fan Tiejun (樊鐵軍), Liu Xiwen (劉喜文), Ma Li (馬利), Ma Hailu (馬海錄), Wu Yonggang (吳永崗), Zhang Shuangge (張雙格), Zhao Liqiang (趙利強), Zhang Ruiqiu (張瑞秋), Zhang Fengxuan (張風選), Zhang Hong (張宏), Zhang Lifeng (張力峰), Zhang Libin (張力斌), Zhang Lijie (張力傑), Zhang Lihuan (張力歡), Zhang Chao (張超), Zhang Ning (張寧), Zhang Yanfeng (張艷峰), Zhang Qinghua (張慶華), Gao Weifeng (高衛峰), Liu Huizhen (劉惠珍), Liu Jihong (劉繼紅), Fan Xiulan (樊秀蘭).~~

Article 1.3

Subject to the approval by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) and The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”), the Company conducted an initial public offering of 224,460,000 overseas-listed foreign shares (H shares), which were listed on the Hong Kong Stock Exchange on 21 December 2016.

Article 1.4~~Article 1.2~~

The Company’s registered names
Chinese name: 河北翼辰實業集團股份有限公司
English name: Hebei Yichen Industrial Group Corporation

MP-art.2

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<u>Article 1.5</u> Article 1.3	<p>The Company's address</p> <p>Address-1: No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province</p> <p><u>Another place of business under the same business license</u> Address-2: No. 268 Lianzhou East Road, Gaocheng District, Shijiazhuang City, Hebei Province</p> <p>Postal Code: 052160</p> <p>Telephone: 0311-88929052</p> <p>Fax: 0311-88929228</p>	MP-art.3
<u>Article 1.6</u>	<p><u>The registered capital of the Company is RMB448,920,000.</u></p>	
<u>Article 1.7</u> Article 1.4	<p>The legal representative of the Company is the chairman of the board of directors of the Company.</p>	MP-art.4
<u>Article 1.8</u> Article 1.5	<p>The Company is a joint stock limited liability company with perpetual existence.</p>	MP-art.5
<u>Article 1.9</u>	<p>The entire assets of the Company are divided into equal shares. Shareholders' liabilities in the Company are proportional to the number of shares they subscribed. The Company is responsible for all debts with all of its assets.</p>	Guidelines-art.9
<u>Article 1.10</u> Article 1.6	<p>These Articles came into effect on the date on which the Company's overseas listed foreign shares were listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange"). The original Articles of Association of the Company shall lapse automatically on the date on which these Articles come into effect</p>	MP-art.6

From the date upon which these Articles come into effect, these Articles shall become a legally binding document regulating the organization and activities of the Company, and the rights and obligations between the Company and its shareholders, and among its shareholders and shall become a legally binding document for the Company and its shareholders, directors, supervisors and senior management members. Pursuant to these Articles, a shareholder may take legal action against any shareholder as well as the directors, supervisors, general manager and other senior management members of the Company; a shareholder may take legal action against the Company, and the Company may take legal action against its shareholders, directors, supervisors, general manager and other senior management members.

Article 1.7

~~These Articles shall be binding on the Company and its shareholders, directors, supervisors, general manager and other senior management members, who shall be entitled to assert their rights regarding the Company's affairs in accordance with these Articles.~~

MP-art.7

~~A shareholder may take legal action against the Company pursuant to these Articles; the Company may take legal action against any shareholder pursuant to these Articles; a shareholder may take legal action against any shareholder pursuant to these Articles; a shareholder may take legal action against the directors, supervisors, general manager and other senior management members of the Company pursuant to these Articles.~~

~~The legal action referred to in the preceding paragraph include court proceedings and arbitration proceedings.~~

Article 1.8

~~The Company may invest in other limited liability companies and joint stock limited companies, and the Company's liabilities to an investee shall be limited to the amount of its capital contribution to such investee.~~

MP-art.8

~~Unless otherwise prescribed by the laws, the Company shall not assume any joint liability for the debts of an enterprise which it has made any investment.~~

Article 1.11Article 1.9

The senior management members referred to in these Articles represent the Company's general manager, deputy general managers, financial controller, chief engineer and secretary to the board of directors.

Guidelines-art.11

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 2.1	The business objectives of the Company are: Exert the group operational advantages of demutualization, diversification and integration with rational and efficient management, promote socio-economic development, maximize shareholder value and create good social impact.	MP-art.9
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Article 2.2	<p><u>Subject to legal registration,</u> Tthe business scope of the Company is: manufacturing and sale of railway engineering equipment, embedded ducts and parts, pipe section bolts and parts of pipe section bolts, railroad sleepers, switch sleepers, short sleepers, supporting blocks, track plates, variable rods, water and boil proof plywood, water stops, geogrids, geotextiles, rubber plates, transportation train parts and components, rubber boot cover, nylon baffle seats and rubber (excluding items for medical use), nylon, plastic products (excluding items for medical use), railway guardrails, railings, multi-function modular shelving and wire steel products, solid wire, gas shielded and self-shielded series of flux cored wire products, welding equipment, steels, metal and electronic products, welding equipment sets and parts, welding machines, electrical engineering and electrification parts, electrical cable ducts, earth terminals and base terminal cables, electrified railway catenary steel poles-H-shaped poles; operating the export of the self-manufactured products and technology of the Company and import of raw and auxiliary materials, machines and equipment, spare parts and technology required by the Company, save for commodities and technology which must only be imported and exported by specific companies designated by the state and commodities and technology whose import and export are prohibited by the state; casting of railway parts. (Projects which require prior approvals under the laws must be undertaken only after the approvals have been granted by the relevant government authorities)</p>	MP-art.10
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The business scope of the Company shall include such items as the company registration authority may approve.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Section 1 Issue of Shares

<u>Article 3.1</u>	<u>The shares of the Company shall be issued in the form of share certificates.</u>	
<u>Article 3.2</u> Article 3.1	There must, at all times, be ordinary shares in the Company. Subject to the approval of the approving department authorized by the State Council, the Company may, according to its requirements, create other types of shares.	MP-art.11
	Shares of the Company shall be issued in a transparent, fair and equal manner and shares of the same class shall rank pari passu in all respects.	Guidelines-art.15
	Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by any entity or individual.	
<u>Article 3.3</u> Article 3.2	<u>The shares issued by the Company shall be denominated in RMB with</u> have a nominal value of RMB0.5 per share.	MP-art.12
<u>Article 3.4</u>	<u>The domestic shares issued by the Company shall be collectively deposited with China Securities Depository and Clearing Company Limited. The overseas-listed foreign shares issued by the Company may be deposited with securities registration and settlement companies in Hong Kong and may also be held in the name of individual shareholder(s).</u>	
<u>Article 3.5</u> Article 3.3	Subject to the approval <u>registration or filing with</u> of the CSRC securities regulatory authorities of China, the Company may issue shares to domestic investors and foreign investors.	MP-art.13
	Foreign investors referred to in the preceding paragraph mean those investors who subscribe for the Company's shares and who are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. Domestic investors mean those investors who subscribe for the Company's shares and who are located within the territory of the People's Republic of China excluding the regions mentioned above.	

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 3.6~~Article 3.4~~

Shares that the Company issues to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares that are listed overseas shall be referred to as overseas-listed foreign shares.

MP-art.14

Both holders of domestic shares and holders of overseas-listed foreign shares are holders of ordinary shares, and have the same rights and obligations.

Foreign shares issued by the Company that are listed in Hong Kong shall be referred to as H shares. H shares are shares that have been approved for listing on the Hong Kong Stock Exchange, the par value of which are denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

Article 3.7~~Article 3.5~~

At the time of its establishment, the Company issued a total of 336,690,000 ordinary shares, with a par value of RMB1 each. At the time of its establishment, the Company issued 336,690,000 shares to its promoters, representing 100% of the total number of ordinary shares issued by the Company at the time of establishment. The shareholding structure of the Company at the time of establishment is set out below:

MP-art.15

Name of shareholder	Number of shares	Shareholding
Zhang Haijun (張海軍)	66,799,296	19.84%
Zhang Junxia (張軍霞)	43,635,024	12.96%
Zhang Xiaogeng (張小更)	43,433,010	12.90%
Zhang Xiaosuo (張小鎖)	43,534,017	12.93%
Zhang Suoqun (張鎖群)	12,794,220	3.80%
Zhang Ligang (張立剛)	13,804,290	4.10%
Wu Jinyu (吳金玉)	14,780,691	4.39%
Liu Huizhen (劉惠珍)	3,366,900	1.00%
Liu Jihong (劉繼紅)	3,366,900	1.00%
Zhang Chao (張超)	9,561,996	2.84%
Zhang Lijie (張力杰)	9,561,996	2.84%
Zhang Lifeng (張力峰)	9,561,996	2.84%
Zhang Yanfeng (張艷峰)	9,561,996	2.84%
Zhang Libin (張力斌)	8,753,940	2.60%
Zhang Lihuan (張力歡)	8,753,940	2.60%
Zhang Ning (張寧)	8,753,940	2.60%
Zhang Hong (張宏)	8,753,940	2.60%
Zhang Fengxuan (張風選)	2,525,175	0.75%

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Liu Xiwen (劉喜文)	2,525,175	0.75%
Ma Hailu (馬海錄)	2,424,168	0.72%
Wu Yonggang (吳永崗)	2,525,175	0.75%
Zhao Liqiang (趙利強)	1,582,443	0.47%
Fan Tiejun (樊鐵軍)	1,414,098	0.42%
Ma Li (馬利)	1,212,084	0.36%
Zhang Shuangge (張雙格)	639,711	0.19%
Zhang Ruiqiu (張瑞秋)	1,178,415	0.35%
Zhang Qinghua (張慶華)	942,732	0.28%
Fan Xiulan (樊秀蘭)	471,366	0.14%
Gao Weifeng (高衛峰)	471,366	0.14%
Total	336,690,000	100%

Article 3.8~~Article 3-6~~

The Company has been authorized by the securities regulatory authorities of China CSRC to issue no more than 224,460,000 H shares, with a par value of RMB0.5 each, which were listed on the Hong Kong Stock Exchange on 21 December 2016. ~~If over-allotment options are exercised, the Company can issue no more than 258,129,000 H share, with a par value of RMB0.5 each.~~

MP-art.16

The Company has a total of 897,840,000 shares, with a par value of RMB0.5 each. All of the shares are ordinary shares.

~~Upon the completion of the above issuance, if no over-allotment options are exercised, the shareholding structure of the Company shall be as follows: there shall be totally 897,840,000 issued ordinary shares, of which 673,380,000 shares shall be held by the promoters and 224,460,000 shares shall be held by holders of H shares, both with a par value of RMB0.5 each. The shareholding structure of the Company is detailed as below:~~

Name of shareholder	Number of shares	Shareholding (%)
Zhang Haijun (張海軍)	133,598,592	14.88
Zhang Suoqun (張鎖群)	-25,588,440	-2.85
Zhang Junxia (張軍霞)	-87,270,048	-9.72
Zhang Xiaogeng (張小更)	-86,866,020	-9.68
Zhang Xiaosuo (張小鎖)	-87,068,034	-9.70
Zhang Ligang (張立剛)	-27,608,580	-3.08
Wu Jinyu (吳金玉)	-29,561,382	-3.29
Fan Tiejun (樊鐵軍)	-2,828,196	-0.32
Liu Xiwen (劉喜文)	-5,050,350	-0.56
Ma Li (馬利)	-2,424,168	-0.27

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Ma Hailu (馬海錄)	—4,848,336	0.54
Wu Yonggang (吳永崗)	—5,050,350	0.56
Zhang Shuangge (張雙格)	—1,279,422	0.14
Zhao Liqiang (趙利強)	—3,164,886	0.35
Zhang Ruiqiu (張瑞秋)	—2,356,830	0.26
Zhang Fengxuan (張風選)	—5,050,350	0.56
Zhang Hong (張宏)	—17,507,880	1.95
Zhang Lifeng (張力峰)	—19,123,992	2.13
Zhang Libin (張力斌)	—17,507,880	1.95
Zhang Lijie (張力杰)	—19,123,992	2.13
Zhang Lihuan (張力歡)	—17,507,880	1.95
Zhang Chao (張超)	—19,123,992	2.13
Zhang Ning (張寧)	—17,507,880	1.95
Zhang Yanfeng (張艷峰)	—19,123,992	2.13
Zhang Qinghua (張慶華)	—1,885,464	0.21
Gao Weifeng (高衛峰)	—942,732	0.11
Liu Huizhen (劉惠珍)	—6,733,800	0.75
Liu Jihong (劉繼紅)	—6,733,800	0.75
Fan Xiulan (樊秀蘭)	—942,732	0.11
H shareholders	224,460,000	—25
Total	897,840,000	—100

Upon the completion of the above issuance, if over-allotment options are exercised in full, the shareholding structure of the Company shall be as follows: there shall be totally 931,509,000 issued ordinary shares, of which 673,380,000 shares shall be held by the promoters and 258,129,000 shares shall be held by holders of H shares, both with a par value of RMB0.5 each. The shareholding structure of the Company is detailed as below:

Name of shareholder	Number of shares	Shareholding (%)
Zhang Haijun (張海軍)	133,598,592	14.34%
Zhang Suoqun (張鎖群)	—25,588,440	—2.75%
Zhang Xiaogeng (張小更)	—86,866,020	—9.33%
Zhang Junxia (張軍霞)	—87,270,048	—9.37%
Zhang Xiaosuo (張小鎖)	—87,068,034	—9.35%
Zhang Ligang (張立剛)	—27,608,580	—2.96%
Wu Jinyu (吳金玉)	—29,561,382	—3.17%
Fan Tiejun (樊鐵軍)	—2,828,196	—0.30%
Liu Xiwen (劉喜文)	—5,050,350	—0.54%
Ma Li (馬利)	—2,424,168	—0.26%
Ma Hailu (馬海錄)	—4,848,336	—0.52%
Wu Yonggang (吳永崗)	—5,050,350	—0.54%
Zhang Shuangge (張雙格)	—1,279,422	—0.14%

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Zhao Liqiang (趙利強)	—3,164,886	—0.34%
Zhang Ruiqiu (張瑞秋)	—2,356,830	—0.25%
Zhang Fengxuan (張風選)	—5,050,350	—0.54%
Zhang Hong (張宏)	—17,507,880	—1.88%
Zhang Lifeng (張力峰)	—19,123,992	—2.05%
Zhang Libin (張力斌)	—17,507,880	—1.88%
Zhang Lijie (張力杰)	—19,123,992	—2.05%
Zhang Lihuan (張力歡)	—17,507,880	—1.88%
Zhang Chao (張超)	—19,123,992	—2.05%
Zhang Ning (張寧)	—17,507,880	—1.88%
Zhang Yanfeng (張艷峰)	—19,123,992	—2.05%
Zhang Qinghua (張慶華)	—1,885,464	—0.20%
Gao Weifeng (高衛峰)	—942,732	—0.10%
Liu Huizhen (劉惠珍)	—6,733,800	—0.72%
Liu Jihong (劉繼紅)	—6,733,800	—0.72%
Fan Xiulan (樊秀蘭)	—942,732	—0.10%
H shareholders	258,129,000	27.71%
Total	931,509,000	—100%

Article 3.7 ~~The board of directors of the Company may implement, through separate offerings, the proposals for the issuance of overseas listed foreign shares and domestic shares as approved by the securities regulatory authorities of China.~~ MP-art.17

~~The Company may implement separately its proposals for the issuance of overseas listed foreign shares and domestic shares pursuant to the preceding paragraph within 15 months from the date of approval by the securities regulatory authorities of China.~~

Article 3.8 ~~Where the total number of shares stated in the proposal includes issuance of overseas listed foreign shares and issuance of domestic shares, shares under such issuances should be fully subscribed. If the shares cannot be fully subscribed all at once due to special circumstances, the shares may, subject to the approval of the securities regulatory authorities of China, be issued in separate tranches.~~ MP-art.18

Article 3.9 ~~Upon the completion of the H share issuance referred to in Article 3.6 above, if no over-allotment option is exercised, the registered capital of the Company shall increase to RMB448,920,000; if over-allotment options are exercised in full, the registered capital of the Company shall be RMB465,754,500.~~ MP-art.19

Article 3.11	<p>Unless otherwise provided by the laws and administrative regulations, shares of the Company shall be freely transferable and shall also be free from all liens. Transfer of H shares listed in Hong Kong requires registration with the Company's share registrar in Hong Kong.</p>	<p>MP-art.21 App3.1(2) LR-19A.46</p>
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Article 3.12	<p>Shares of the Company held by its promoters shall not be transferable within one year from the date of its establishment. Shares of the Company in issue prior to its public offering of shares shall not be transferable within one year from the date its shares are listed on the stock exchange for trading.</p>	<p>Guidelines-art.28</p>
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The directors, supervisors and senior management members of the Company shall declare to the Company their shareholdings in the Company and inform any changes in their shareholdings. During their terms of office, shares being transferred every year must not exceed 25% of their aggregate shareholdings. No transfer of their shareholdings shall be made within one year from the date the Company's shares were listed for trading. No transfer of their shareholdings shall be made within six months after they ceased to hold their respective offices.

CHAPTER 4 CAPITAL REDUCTION AND SHARE REPURCHASE

Article 3.11	<p>Article 4.1 Pursuant to these Articles, the Company may reduce its registered capital. The reduction in registered capital shall be made in accordance with the procedures set out in Company Law, other applicable regulations and these Articles.</p>	<p>MP-art.22</p>
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Article 4.2	<p>The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.</p>	<p>MP-art.23</p>
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The Company shall notify its creditors within 10 days from the date of the Company's resolution to reduce registered capital and shall publish an announcement in a newspaper within 30 days from the date of such resolution. A creditor has the right to require the Company to repay its debts or to provide a corresponding guarantee for such debts within 30 days from the date it receives the relevant notice or, in the case of a creditor who did not receive such notice, within 45 days from the date of the relevant announcement.

App3.7(1)
Guidelines
art.176

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

~~The Company's registered capital shall not, after the reduction in capital, be less than the minimum amount as prescribed by the laws.~~

Article 3.12~~Article 4.3~~

~~The Company may, in accordance with the provisions set out in the laws, administrative regulations, departmental rules and these Articles, shall not acquire or instruct its third parties to acquire on its behalf its shares under except for any of the following circumstances:~~

MP-art.24
Guidelines-art.23

- ~~(i) Reduction of the Company's registered capital;~~
- ~~(ii) Merger with another company which holds the shares of the Company;~~
- ~~(iii) Grant~~Using of the shares as incentive compensation to the staff of the Company for employee share ownership schemes or share award scheme;
- ~~(iv) Request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company;~~
- ~~(v) Using the shares to exercise the conversion of convertible corporate bonds issued by the Company;~~
- ~~(iv)~~(vi) Safeguarding corporate value and shareholders' rights as it deems necessary.

~~Other than the above, the Company shall not deal in its shares.~~

Article 3.13

The company may acquire its shares by way of open centralized transaction or by other ways as permitted under laws, administrative regulations and by the CSRC.

Article 4.4

~~The Company may acquire its shares in one of the following ways:~~

MP-art.25

- ~~(i) Making a pro rata general offer of repurchase to all its shareholders;~~
- ~~(ii) Repurchasing through public trading on a stock exchange;~~

Guidelines-art.24

- (iii) ~~Repurchasing shares by an off-market agreement outside a stock exchange;~~
- (iv) ~~Any other ways permitted by the securities regulatory authorities of China.~~

Article 4.5

~~The Company must obtain the prior approval of the shareholders at a shareholders' general meeting, in the manner stipulated in these Articles, before it can repurchase shares by means of an off-market agreement outside a stock exchange. The Company may, by obtaining the prior approval of the shareholders' general meeting in the same manner, rescind or vary the agreement it has entered into, or waive any rights in the agreement.~~

MP-art.26

~~An agreement for the repurchase of shares referred to in the preceding paragraph includes (but is not limited to) an agreement to become obliged to repurchase shares or acquire to have the right to repurchase shares.~~

~~The Company shall not assign an agreement to repurchase its shares or any right provided in such agreement.~~

~~For redeemable shares for which the Company has the rights to repurchase:~~

- ~~1 The price shall not exceed a maximum price if purchases are not made through the market or by tender;~~
- ~~2 If purchases are by tender, the tender shall be available to all shareholders on the same terms.~~

Article 3.14 Article 4.6

Share repurchases made by the Company under the circumstances by reason of those mentioned in sub-paragraphs (i) and (ii) to (iii) of Article 4.33.12 hereof shall be approved by the shareholders' general meeting. Share repurchases made by the Company under the circumstances mentioned in sub-paragraphs (iii), (v) and (vi) of Article 3.12 hereof, in accordance with provisions of these Articles or the authorization by the general meeting, shall be approved by passing resolutions at a board meeting at which more than two-thirds of the directors are present.

MP-art.27

Guidelines-art.25

~~For share repurchases by the Company pursuant to Article 3.12 of these Articles, when the sShares are repurchased by the Company pursuant to Article 4.3 hereof under circumstances mentioned in sub-paragraph (i) of Article 4.3 hereof they shall be cancelled within 10 days from the date of acquisition; when the shares are repurchased under circumstances mentioned in sub-paragraphs (ii) and (iv) of Article 4.3 hereof, they shall be transferred or cancelled within 6 months;~~

~~When tThe shares are repurchased underacquired by the Company in accordance with sub-paragraph (iii), (v) and (vi) of Article 4.3 hereof, the total shares held by the Company or the third parties instructed by the Company or on its behalf shall not exceed 510% of the Company's issued shares or other limits required by the Hong Kong Listing Rules from time to time (whichever is lower). The acquisition shall be made out of the profits after taxation of the Company, and the shares acquired shall be transferred or cancelled to the staff within one three years.~~

~~The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.~~

Article 4.7

~~Unless the Company is in the course of liquidation, it shall comply with the following provisions in relation to the repurchase of its issued shares:~~

MP-art.28

- ~~(i) Where the Company repurchases its shares at par value, payment shall be deducted from the book surplus distributable profits of the Company or from the proceeds from any issue of new shares made for the purpose of the repurchase;~~
- ~~(ii) Where the Company repurchases its shares at a premium to its par value, payment up to the par value may be deducted from the book surplus distributable profits of the Company or from the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:

 - ~~(1) If the shares being repurchased were issued at par value, payment shall be deducted from the book surplus distributable profits of the Company;~~~~

- (2) ~~If the shares being repurchased were issued at a premium to its par value, payment shall be deducted from the book surplus distributable profits of the Company or from the proceeds of any issue of new shares made for the purpose of the repurchase, provided that the amount paid from the proceeds of the new issuance shall neither exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased nor the book value of the Company's share premium account (or capital reserve account) (including the premiums from the new issuance) at the time of the repurchase;~~
- (iii) ~~The Company shall make the following payments out of the Company's distributable profits:~~
- (1) ~~acquisition of the right to repurchase its shares;~~
- (2) ~~variation of any contract to repurchase of its shares;~~
- (3) ~~release of its obligations under any contract to repurchase of its shares.~~
- (iv) ~~After the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant regulations, the amount deducted from the distributable profits for payment of the par value of shares that have been repurchased shall be transferred to the Company's share premium account (or capital reserve account).~~

~~CHAPTER 5 FINANCIAL ASSISTANCE FOR REPURCHASE OF SHARES OF THE COMPANY~~

Section 3 Transfer of Shares

Article 3.15

Shares of the Company may be transferred in accordance with the laws.

Transfer of H shares listed in Hong Kong requires registration with the Company's share registrar in Hong Kong.

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 3.16 Share certificates of the Company shall not be accepted by the Company as the subject of any pledge.

Article 3.17 Shares of the Company held by its promoters shall not be transferable within one year from the date of its establishment. Shares of the Company in issue prior to its public offering of shares shall not be transferable within one year from the date its shares are listed on the stock exchange for trading.

The directors, supervisors and senior management members of the Company shall declare to the Company their shareholdings (including preference shares) in the Company and inform any changes in their shareholdings. During their terms of office, shares transferred every year must not exceed 25% of their aggregate shareholdings in the Company in the same class. No transfer of their shareholdings in the Company shall be made within one year from the date the Company's shares were listed for trading. No transfer of their shareholdings in the Company shall be made within six months after they ceased to hold their respective offices.

Article 5.1 ~~The Company or its subsidiaries shall not, at any time, provide any kind of financial assistance to a person who acquires or is proposing to acquire shares of the Company. The aforesaid person acquiring shares of the Company includes a person who has directly or indirectly incurred any obligations as a result of the acquisition of shares of the Company.~~ MP-art.29

~~The Company or its subsidiaries shall not, by any means at any time, provide financial assistance to the aforesaid person for the purpose of reducing or discharging his obligations.~~

~~This Article shall not apply to the circumstances specified in Article 5.3.~~

Article 5.2 ~~The financial assistance referred to in this Chapter includes, but is not limited to, the following:~~ MP-art.30

- ~~(i) Gifts;~~

- (ii) ~~Guarantees (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), indemnity (other than indemnity arising from the Company's own default) or release or waiver of any rights;~~
- (iii) ~~Provision of loans or any entering into other agreements under which the obligations of the Company are to be fulfilled before the obligations of another party, and a change in parties to, or the assignment of rights arising under, such loan or agreement;~~
- (iv) ~~Any other kind of financial assistance provided by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.~~

~~For the purpose of this Chapter, the expression "assumption of obligations" includes the assumption of obligations by way of contract or by way of arrangement (irrespective of whether or not such contract or arrangement is enforceable, and irrespective of whether or not such obligations are to be borne by the obligor solely or jointly with other persons), or by any other means which results in a change in his financial position.~~

Article 5.3

~~The following acts shall not be deemed to be acts prohibited by Article 5.1 hereof:~~

MP art.31

- (i) ~~The provision of financial assistance by the Company where the financial assistance is given in good faith in the interests of the Company, and the principal purpose of which is not for the acquisition of shares of the Company, or the giving of financial assistance is an incidental part of the overall plan of the Company;~~
- (ii) ~~The lawful distribution of the Company's assets as dividends;~~
- (iii) ~~The allotment of bonus shares as dividends;~~

- (iv) ~~The reduction of registered capital, repurchase of shares or reorganization of share capital structure of the Company effected in accordance with the Articles of Association;~~
- (v) ~~The lending of money by the Company within its scope of business and in the ordinary course of its business, provided that the net assets of the Company are not thereby reduced or, to the extent that the assets are thereby reduced, the financial assistance is provided from the distributable profits of the Company;~~
- (vi) ~~The contributions made by the Company to the employee share ownership schemes, provided that the net assets of the Company are not thereby reduced or, to the extent that the assets are thereby reduced, the financial assistance is provided from the distributable profits of the Company.~~

**CHAPTER 46 ~~SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS AND~~
~~SHAREHOLDERS' GENERAL MEETING~~**

Section 1 Shareholders

- | | | |
|--------------------|--|-----------|
| Article 6.1 | Share certificates of the Company shall be in registered form. | MP-art.32 |
| | In addition to those provided in Company Law, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange on which the shares of the Company are listed. | App3.1(4) |
| <u>Article 4.1</u> | <u>The Company shall establish a register of shareholders based on the evidence provided by securities registry. The register of shareholders shall be an evidence sufficient in proving the shareholding of a shareholder in the Company. A shareholder shall enjoy its rights and assume its obligations according to the class of shares held by that shareholder. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.</u> | LR-19A-52 |

During the time the Company's H shares remain listed on the Hong Kong Stock Exchange, the Company shall at any time ensure that all title documents (including H share certificates) relating to its securities listed on Hong Kong Stock Exchange include the statements stipulated below, and shall instruct and procure its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder submits to the share registrar a signed form in respect to such shares which bear statements to the following effect:

- (i) The acquirer of the shares agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with Company Law, ~~the Special Regulations~~ and other relevant laws, administrative regulations and the Articles of Association;
- (ii) ~~The acquirer of the shares agrees with the Company, each shareholder, director, supervisor, general manager and other senior management members of the Company, and the Company acting for itself and for each director, supervisor, general manager and other senior management members agrees with each shareholder to refer all disputes and claims arising from the Articles of Association or any rights or obligations conferred or imposed by Company Law or other relevant laws or administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any referral to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. The resolution of arbitration shall be final and conclusive;~~
- ~~(iii)~~(ii) The acquirer of shares agrees with the Company and each shareholder of the Company that shares in the Company are freely transferable by the holder thereof;

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

(iv)(iii) The acquirer of shares authorizes the Company to enter into a contract on his behalf with each director, general manager and other senior management member whereby such directors, general manager and other senior management members undertake to observe and comply with their obligations to shareholders stipulated in the Articles of Association.

Article 4.2~~Article 6.2~~

The shares of the Company may be transferred, donated, inherited and pledged in accordance with the relevant laws, administrative regulations, requirements of the stock exchange on which the shares of the Company are listed and these Articles.

LR-19A.46
App3.1(1)

~~The transfer and assignment of share certificates must be registered with the Company's share registrar.~~

App3.1(1)

~~The Company's share certificates shall not be accepted by the Company as the subject of any pledge.~~

Guidelines-art.27

Article 6.3

~~The share certificates shall be signed by the chairman of the board of directors. Where the stock exchange on which the Company's shares are listed requires the share certificates to be signed by other senior management members of the Company, the share certificates shall also be signed by other relevant senior management members. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The share certificates shall only be affixed with the Company's seal under the authorization of the board of directors. The signature of the chairman of the board of directors or other relevant senior management members of the Company on the share certificates may also be in printed form.~~

MP-art.33
Zheng Jian
Hai Han-art.1
App3.2(1)

Article 6.4

~~The Company shall maintain a register of shareholders and register the following particulars:~~

MP-art.34
App3.1(1)

- ~~(i) The name, address (residence), occupation or nature of each shareholder;~~
- ~~(ii) The class and number of shares held by each shareholder;~~
- ~~(iii) The amount paid or payable in respect to shares held by each shareholder;~~

- (iv) ~~The serial numbers of the shares held by each shareholder;~~
- (v) ~~The date on which each shareholder was registered as a shareholder;~~
- (vi) ~~The date on which each shareholder ceased to be a shareholder.~~

~~The register of shareholders shall be the sufficient evidence for the shareholders' shareholding in the Company, unless there is evidence to the contrary.~~

Article 4.3~~Article 6.5~~

~~The Company may, in accordance with the memorandum of understanding and agreements between the securities regulatory authorities of China and overseas securities regulatory authorities, maintain its original copy of the register of holders of H shares outside China and entrust an overseas agent to maintain such register. The original copy of the register of holders of H shares listed in Hong Kong shall be kept in Hong Kong.~~

MP-art.35
Zheng Jian
Hai Han art.2

The Company shall maintain a duplicate of the register of holders of H shares at the Company's corporate domicile and shall be available to the Company's shareholders, provided that the Company may close the register of holders of H shares in accordance with terms equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The appointed overseas agent shall ensure the consistency between the original copy and the duplicate of register of holders of H shares at all times.

A13D.1(b)

If there is any inconsistency between the original copy and the duplicate of the register of holders of H shares, the original copy shall prevail.

Article 6.6

~~The Company shall maintain a complete register of shareholders.~~

MP-art.36

~~The register of shareholders shall include the following parts:~~

- (i) ~~The register of shareholders kept at the Company's corporate domicile (other than those registers of shareholders as described in sub-paragraphs (ii) and (iii) of this Article);~~

- (ii) ~~The register of holders of H shares of the Company kept at the place where the overseas stock exchange on which the shares are listed is located;~~
- (iii) ~~The register of shareholders kept at such other place as the board of directors may deem necessary for the purpose of listing of the Company's shares.~~

Article 6.7

~~Different parts of the register of shareholders shall not duplicate one another. No transfer of the shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register of shareholders~~

MP-art.37

~~Alteration or rectification of each part of the register of shareholders shall be carried out in accordance with the laws of the place where such part of the register of shareholders is maintained.~~

Article 4.4 ~~Article 6.8~~

All paid-up H shares that are listed in Hong Kong are freely transferable pursuant to these Articles. However, the board of directors may refuse to recognize any instrument of transfer without the need to provide any reason, unless:

Zheng Jian Hai
Han-art.12

- (i) ~~A fee as prescribed in the Listing Rules has been paid to the Company to register the transfer documents and other documents relating to or affecting the title to any shares;~~
- (ii)(i) ~~The instrument of transfer only involves the H shares listed in Hong Kong;~~
- (iii)(ii) ~~The stamp duty payable on the instrument of transfer has been paid;~~
- (iv)(iii) ~~The relevant share certificates and evidence reasonably required by the board of directors showing that the transferor has the right to transfer such shares shall be provided.;~~
- (v) ~~If the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;~~
- (vi) ~~The Company does not have any lien over the relevant shares.~~

App3.1(1)

App3.1(3)

App3.1(2)

The Company's H shares that are listed in Hong Kong shall be transferred by way of written transfer instrument in usual or ordinary form, or any format acceptable to the board of directors. Such transfer instrument may be signed by hand, or in the event that the transferor or transferee is a recognized clearing house (hereinafter referred to as "Recognized Clearing House") as defined under the Securities and Futures Ordinance of Hong Kong or those of its agent, a transfer instrument may be signed in a machine-printed form. All transfer instruments shall be placed in the legal address of the Company or other places as designated by the board of directors from time to time.

- | | | |
|--|---|----------|
| Article 6.9 | No share transfer may be entered in the register of shareholders within 30 days prior to the date of a shareholders' general meeting or within 5 days before the record date set by the Company for the purpose of distribution of dividends. | MPart.38 |
| <u>Article 4.5</u> Article 6.10 | Where the Company convenes a shareholders' general meeting, distributes dividends, liquidates, or carries out other activities that require the determination of <u>the identification of shareholders</u> shareholdings , the board of directors <u>or the convener of the shareholders' general meeting</u> shall set a date for ascertainment of the shareholding. <u>Upon the close of such date,</u> T the shareholders who appear in the register of shareholders <u>after the close of trading on such date shall be entitled to the relevant rights</u> deemed as the shareholders of the Company. | MPart.39 |
| Article 6.11 | Any person who requests to have his name entered to, or removed from, the register of shareholders may apply to the relevant court of authority for rectification of the register of shareholders. | MPart.40 |

Article 6.12

MPart.41

~~Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his share certificates (hereinafter referred to as "Original Certificates") are lost, apply to the Company for a replacement share certificate in respect to such shares (hereinafter referred to as "Relevant Shares"). If the right to issue warrants to bearer is granted, no new warrant shall be issued to replace the original one that has been lost unless the Company is satisfied beyond a reasonable doubt that the original warrant has been destroyed.~~

~~If a holder of domestic shares loses his share certificates and applies for their replacement, it shall be dealt with in accordance with the relevant requirements of Company Law.~~

~~If a holder of overseas-listed foreign shares loses his share certificates and applies for their replacement, it may be dealt with in accordance with the laws, the rules of the stock exchange, as well as other relevant regulations of the place where the original copy of the register of holders of overseas-listed foreign shares is kept.~~

~~If a holder of H shares of the Company loses his share certificates and applies for their replacement, the issue of replacement certificates to that holder shall comply with the following requirements:~~

- ~~(i) The applicant shall submit an application in standard form as prescribed by the Company accompanied by a notarial document or statutory declaration. The notarial document or statutory declaration shall specify the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as a statement declaring that no other person shall be entitled to request to be registered as the shareholder in respect to the Relevant Shares.~~
- ~~(ii) No statement has been received by the Company from any person other than the applicant for having his name registered as a holder of the Relevant Shares before the Company came to a decision to issue the replacement certificates.~~

(iii) ~~The Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the board of directors. The announcement shall be made at least once every 30 days over a period of 90 days.~~ App3.7(1)

(iv) ~~The Company shall, prior to the publication of the announcement of its intention to issue a replacement certificate, deliver to the stock exchange on which it is listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited at its premises. The announcement shall be exhibited at the premises of the stock exchange for a period of 90 days.~~

~~In case an application to issue a replacement certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall send by post to such registered holder a copy of the announcement to be published.~~

(v) ~~If, upon expiration of the 90-day period for announcement and exhibition referred to in sub-paragraphs (iii) and (iv) of this Article, the Company has not received from any person any objection to the issuance of replacement certificates, the Company may issue replacement certificates to the applicant according to his application~~

(vi) ~~Where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and replacement issue into the register of shareholders accordingly~~

(vii) ~~All expenses relating to the cancellation of an Original Certificate and the issuance of a replacement certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable undertaking is provided by the applicant therefor.~~

Article 6.13 MPart.42
~~Where the Company issues a replacement certificate pursuant to these Articles, the name of a bona fide purchaser who obtains the aforesaid replacement certificate or a shareholder who thereafter registers as the owner of such shares (in the case where he is a bona fide purchaser) shall not be removed from the register of shareholders.~~

Article 6.14 MPart.43
~~The Company shall not be liable to any person for any damages caused by the cancellation of the Original Certificate or the issuance of the replacement certificate, unless the claimant is able to prove that the Company has acted fraudulently.~~

CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 7.1 MPart.44
~~A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.~~

~~A shareholder shall enjoy rights and assume obligations according to the class and numbers of shares held by that shareholder. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.~~

~~The Company shall not exercise any of its rights to freeze or otherwise prejudice any of the rights attaching to any shares held by a person by reason that such person who is interested directly or indirectly therein has failed to disclose his interests in the Company~~ App3.12

Article 4.6 Article 7.2 App3.1(3)
~~Where two or more persons are registered as joint holders of any share, they shall be deemed as joint owners of such share and subject to the following restrictions: provided that all joint shareholders of any shares shall be, jointly or severally, liable for all the amounts payable in respect of the relevant shares.~~

~~(i) The Company is not required to register more than four persons as joint holders of any shares;~~

- (ii) ~~All joint holders of any share shall jointly and severally assume obligation for all amounts payable for relevant shares;~~

If one of the joint holders dies, only the surviving joint holder(s) shall be deemed by the Company as having ownership of the relevant shares. However, the board of directors shall have the right, for the purpose of making amendments to the register of shareholders, to demand the death certificate of such holder or other documentary proof it deems appropriate;

In the event of there being joint holders of any share, only the joint holder first named in the register of shareholders shall be entitled to receive the share certificate of the relevant shares and receive notices from the Company, and the service of notice to the aforementioned person shall be deemed as service to all joint holders of the relevant shares. The proxy form may be signed by any one of the joint holders, but if more than one joint holder is present at the meeting, whether in person or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of shareholders of the Company in respect of the joint holding.

Article 4.7~~Article 7.3~~

Holders of ~~ordinary~~ shares of the Company shall have the following rights:

MP art.45

- (i) The right to receive dividends and other distributions in proportion to the number of shares held;
- (ii) The right to request, convene, chair, attend and exercise the corresponding voting rights in person or appoint a proxy to attend and exercise the corresponding voting rights on their behalf at shareholders' general meetings in accordance with the laws;
- (iii) The right to supervise the Company's business operations, and to put forward proposals and raise enquiries;

Guidelines art.32

App3.18

(iv) The right to transfer, give as gift or pledge the shares held in accordance with the laws, administrative regulations and these Articles;

(v) The right to inspect these Articles, the register of shareholders, counterfoils of corporate bonds, the minutes of the shareholders' general meeting, the minutes of the board of directors, resolutions of the board of directors, resolutions of the supervisory board and financial and accounting reports; ~~The right to obtain the relevant information in accordance with these Articles, including:~~

App3.20

1. ~~A copy of the Articles of Association upon payment of a fee equivalent to the costs;~~

2. ~~The right to inspect and copy upon payment of a reasonable fee:~~

(1) ~~A copy of the register of all classes of shareholders;~~

(2) ~~Personal particulars of directors, supervisors, general manager and other senior management members of the Company, including:~~

(A) ~~present and former name and alias;~~

(B) ~~principal address (residence);~~

(C) ~~nationality;~~

(D) ~~primary and all other part-time occupations and duties;~~

(E) ~~identification documents and their relevant numbers.~~

(3) ~~The state of the share capital of the Company;~~

- (4) ~~Reports showing the aggregate nominal value, quantity, highest and lowest prices paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate expenses paid by the Company for such purpose;~~
- (5) ~~Minutes of the shareholders' general meetings;~~
- (6) ~~The Company's latest audited financial statements and the reports of directors, auditors and supervisors;~~
- (7) ~~Special resolutions of the Company;~~
- (8) ~~A copy of the latest annual return which have been filed with the State Administration for Industry & Commerce of the PRC or other competent authority.~~

LR-19A.50

~~The Company shall place the documents referred to in the above sub-paragraphs (1) to (8) at the Company's Hong Kong address as required by the Listing Rules for inspection by the public and holders of H shares free of charge (the documents referred to in sub-paragraph (5) is for shareholders' review only);~~

- (vi) In the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;
- (vii) With respect to shareholders who voted against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;
- (viii) Any other rights ~~conferred~~provided by the laws, administrative regulations, departmental regulations or ~~and~~ these Articles.

Article 4.8

Where a shareholder requests to inspect the relevant information mentioned in Article 4.7 hereof or requests any materials, such shareholder shall provide the Company with written documents evidencing the class and number of shares held, and the Company shall provide such relevant information or such materials upon request after verifying the shareholder's identity.

Article 4.9

If any resolution of the shareholder's general meeting or the board meeting is in violation of the laws and administrative regulations, the shareholders shall be entitled to request the people's court to invalidate.

If the convening procedure and voting method of the shareholder's general meeting or the meetings of the board of directors is in violation of the laws, administrative regulations or these Articles, or if the content of any resolution is in violation of these Articles, the shareholders shall be entitled to request the people's court for revocation of the resolution within 60 days after the resolution is passed.

Article 4.10

If a director or senior management member violates the laws, administrative regulations or these Articles in fulfilling his/her duties of the Company, thereby incurring any loss to the Company, the shareholder(s) individually or jointly holding 1% or above shares of the Company for more than 180 consecutive days shall be entitled to request the supervisory board in writing to institute legal proceedings to the people's court; if the supervisory board violates the laws, administrative regulations or these Articles in fulfilling its duties of the Company, thereby incurring any loss to the Company, the shareholders shall be entitled to request the board of directors in writing to institute legal proceedings to the people's court.

If the supervisory board or the board of directors refuses to institute legal proceedings after receipt of the aforesaid written request or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent such that any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the people's court in their own names for the interests of the Company.

If any other person infringes upon the legitimate rights and interests of the Company, thereby incurring any loss to the Company, the shareholder(s) as mentioned in the first paragraph of this Article may institute legal proceedings to the people's court according to the provisions of the two preceding paragraphs.

Article 4.11

If any director or senior management member violates the laws, administrative regulations or these Articles, thereby incurring any loss to the shareholders, the shareholders may institute legal proceedings to the people's court.

Article 4.12~~Article 7.4~~

Holders of ordinary shares of the Company shall assume the following obligations: MPart.46

- (i) To abide by laws, administrative regulations and these Articles; Guidelines art.37
- (ii) To pay subscription monies according to the number of shares subscribed and the method of subscription;
- (iii) No return of capital is allowed, except as provided in laws and regulations;
- (iv) The right of the shareholder shall not be abused to impair the interests of the Company or other shareholders. The independent status of corporate legal person and the limited liabilities of the shareholder shall not be abused to infringe the interests of the Company's creditors;

The Company's shareholder who abuses his rights and result in losses to the Company or its other shareholders shall assume indemnity liabilities pursuant to the laws.

The Company's shareholder who abuses the independent status of corporate legal person and the limited liabilities of the shareholder to avoid debts and seriously infringe the interests of the Company's creditors shall assume joint liabilities to the Company's debts.

- (v) Any other obligations imposed by laws, administrative regulations and these Articles.

~~Unless otherwise specified, shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.~~

Article 4.13

Where a shareholder holding more than 5% of voting shares of the Company pledges any shares he/she holds, he/she shall report the same to the Company in writing on the day on which he/she pledges his/her shares.

Article 4.14

The controlling shareholders and the de facto controllers of the Company shall not use their connected relationships to damage the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company.

The controlling shareholders and the de facto controllers of the Company have fiduciary duties towards the Company and public shareholders of the Company. A controlling shareholder shall strictly exercise his/her rights as a capital contributor. A controlling shareholder shall not make use of methods such as the distribution of profits, restructuring of assets, external investment, misappropriation of assets, borrowing guarantee to damage the legal interests of the Company and public shareholders. He/she shall not make use of his controlling position to damage the legal interests of the Company and public shareholders.

Article 7.5

~~In addition to the obligations imposed by laws, administrative regulations or listing rules of the stock exchange upon which the Company's shares are listed, a controlling shareholder shall not exercise his voting rights in respect to the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company:~~

MP-art.47

- (i) ~~To relieve a director or supervisor of his duty to act honestly in the best interests of the Company;~~
- (ii) ~~To approve the directors or supervisors (for their own account or for the account of other parties) to deprive the Company of its assets in any manner, including, but not limited to, any opportunity favourable to the Company;~~

- (iii) ~~To approve the directors or supervisors (for their own account or for the account of other parties) to deprive another shareholder of his individual interest, including but not limited to any allocation right and voting right, but excluding any corporate restructuring proposal made at the shareholders' general meeting in accordance with these Articles.~~

Article 7.6

~~A controlling shareholder referred to in the preceding Article means a person who satisfies any one of the following conditions:~~

MP-art.48

- (i) ~~Any person acting on his own or in concert with other parties has the power to elect not less than half of the directors;~~
- (ii) ~~Any person acting on his own or in concert with other parties who has the power to exercise or control the exercise of 30% or more of the voting rights of the Company;~~
- (iii) ~~Any person acting on his own or in concert with other parties who holds 30% or more of the outstanding shares of the Company;~~
- (iv) ~~Any person acting on his own or in concert with other parties who has de facto control over the Company in any other manner.~~

CHAPTER 8 ~~Section 2~~ General Provisions on the Shareholders' General Meeting
SHAREHOLDERS' GENERAL MEETING

Article 4.15~~Article 8.1~~

The shareholders' general meeting is the power of authority of the Company and shall exercise ~~its~~ the following functions and powers in accordance with the laws :-

MP-art.49

Article 8.2

~~The shareholders' general meeting shall have the following functions and powers:~~

MP-art.50
Guidelines-art.40

- (i) To decide the Company's operational directions and investment plans;
- (ii) To elect and replace directors and supervisors who are not staff representatives and to determine matters relating to the remuneration of the directors and supervisors;

App3.4(3)

~~(iii)~~ To elect and replace supervisors who are not staff representatives and to determine matters relating to the remuneration of the supervisors;

~~(iv)~~(iii) To consider and approve the reports of the board of directors;

~~(v)~~(iv) To consider and approve the reports of the supervisory committee;

~~(vi)~~(v) To consider and approve the Company's annual financial budgets and final accounts;

~~(vii)~~(vi) To consider and approve the Company's profit distribution plan and plan for recovery of losses;

~~(viii)~~(vii) To make resolutions on increase or reduction of the Company's registered capital;

~~(ix)~~(viii) To make resolutions on the merger, demerger, dissolution, liquidation or change of corporate form of the Company;

~~(x)~~(ix) To make resolutions on the issue of corporate bonds by the Company;

~~(xi)~~(x) To make resolutions on the appointment, and dismissal or non-reappointment of the accounting firms of the Company, and to determine the remuneration of the accounting firm or the method of determining the remuneration;

App3.17

~~(xii)~~(xi) To amend these Articles;

~~(xiii)~~(xii) To consider the motions put forward by shareholders individually or jointly holding 3% or more of the Company;

~~(xiv)~~(xiii) To consider the matters in relation to purchase or disposal of material assets by the Company of a value exceeding 30% of the Company's latest audited total assets within one year;

~~(xv)~~(xiv) To consider the share award scheme incentive plan and employee share ownership plan;

~~(xvi)~~(xv) To consider and approve the changes of the use of proceeds;

~~(xvii)~~(xvi) To ~~make resolutions on~~ consider and approve the guarantees stated in Article ~~8.34.16~~ hereof;

~~(xviii)~~(xvii) To consider other matters which are required to be determined at the shareholders' general meeting as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or these Articles.

Article 4.16~~Article 8.3~~

The provision of the following external guarantees by the Company shall be considered and approved by the shareholders' general meeting:

Guidelines-art.41

(i) any guarantee which is provided after the total amount of external guarantee provided by the Company and its controlled subsidiaries has ~~reached~~ exceeded 50% or more of the Company's latest audited net assets;

(ii) any guarantee which is provided after the total amount of external guarantee provided by the Company has ~~reached~~ exceeded ~~30% or more~~ of the Company's latest audited total assets;

(iii) guarantee provided by the Company within one year with an amount exceeding 30% of the Company's latest audited total assets;

~~(iii)~~(iv) guarantee which is provided to a target with an asset to liability ratio of over 70%;

~~(iv)~~(v) guarantee with a single amount of guarantee of more than 10% of the latest audited net assets;

~~(v)~~(vi) guarantee which is provided to shareholders, de facto controllers and their related parties;

~~(vi)~~(vii) Other guarantees which shall be determined by the shareholders' general meeting as required by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and these Articles.

The above guarantees which shall be determined by the shareholders' general meeting must be considered and approved by the board of directors before being submitted to the shareholders' general meeting for consideration.

When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller and their related parties, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other attending shareholders.

Article 4.17~~Article 8.4~~

Unless the Company is in special circumstances such as crisis,~~The~~the Company shall~~will~~ not, without the ~~prior~~ approval by a special resolution at a shareholders' general meeting, enter into any contract with any party (other than the directors, general managers~~supervisors~~ and other senior management members) pursuant to which such party shall be in charge of management of all of the Company's businesses or the Company's major businesses.

MPart.51

Article 4.18~~Article 8.5~~

A shareholders' general meeting shall either be an annual general meeting or an extraordinary general meeting. ~~A shareholders' general meeting shall be convened by the board of directors.~~ Annual general meetings shall be held once every year and within 6 months from the close of the preceding accounting year.

MPart.52

Guidelines art.42

App3.14(1)

Article 4.19

~~The board of directors~~Company shall convene an extraordinary general meeting within 2 months from the occurrence of any one of the following circumstances:

- (i) When the number of directors is less than the number stipulated in Company Law or two-thirds of the number specified in these Articles;
- (ii) When the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (iii) When any shareholder individually or jointly holding ~~10% or more~~ more than 10% of the Company's shares requests ~~in writing~~ for the convening of an extraordinary general meeting;

- (iv) When deemed necessary by the board of directors;
- (v) When requested by the supervisory committee;
- (vi) Any other circumstances stipulated in the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or these Articles.

Article 4.20

The Company shall hold the shareholders' general meeting at the domicile of the Company or other places as specified in the notice of the general meeting.

The shareholders' general meeting shall have a venue and be held on-site. The Company may also provide the internet voting platform or other methods that comply with the laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed, for the purpose of providing convenience to shareholders attending the shareholders' general meeting. A shareholder who participates in a shareholders' general meeting in the aforesaid manner shall be deemed to be present at the meeting.

Once the notice of a shareholders' general meeting is issued, the venue of an on-site shareholders' general meeting shall not be altered without proper reasons. In the event of alternation, the convener shall make an announcement to state the reasons at least two working days prior to the convening date of the onsite meeting.

Where otherwise provided by the laws, administrative regulations or the securities regulatory authority of the place where the Company's shares are listed, such provisions shall prevail.

Article 4.21

The Company shall, when convening a shareholders' general meeting, engage lawyers to issue legal opinions in accordance with the regulatory rules of the place where the Company's shares are listed.

If the board of directors does not agree to convene an extraordinary general meeting or does not reply within 10 days upon receiving the proposal, the board of directors will be considered as unable or refused to fulfill the obligation to convene shareholders' general meetings and the supervisory board may convene and preside over the meeting on its own.

Article 4.25

The shareholders that individually or collectively hold ten percent (10%) or more shares of the Company may request the board of directors to convene an extraordinary general meeting and shall put forward the request by writing to the board of directors. The board of directors shall give a written reply on agreeing or disagreeing to convene an extraordinary general meeting within 10 days upon receipt of the request in accordance with the requirements of the laws, administrative regulations and these Articles.

Where the board of directors agrees to hold an extraordinary general meeting, it shall issue a notice of meeting within 5 days after the resolution of the board of directors is made, and consent shall be obtained from relevant shareholders for any changes made to the original request in the notice.

Where the board of directors does not agree to hold an extraordinary general meeting or fails to give a reply within ten (10) days upon receipt of the proposal, the shareholders that individually or collectively hold ten percent (10%) or more shares of the Company shall have the right to propose to the supervisory board to hold an extraordinary general meeting, and shall put forward the request to the supervisory board in writing.

Where the supervisory board agrees to hold an extraordinary general meeting, it shall issue a notice within 5 days upon receipt of the request, and any changes made to the original request in the notices shall obtain the consent of the relevant shareholders.

Where the supervisory board fails to issue a notice on the extraordinary general meeting within the prescribed time limit, it shall be regarded that the supervisory board will not convene or preside over the meeting, and the shareholders that individually or collectively hold ten percent (10%) or more shares of the Company for at least 90 consecutive days may convene and preside over the meeting on their own initiatives.

Article 4.26

Where the supervisory board or shareholders decide to convene the shareholders' general meeting on its/their own initiatives, it/they shall notify the board of directors in writing.

Before the resolution of the shareholders' general meeting is announced, the proportion of shares held by the summoning shareholders shall be no less than 10%.

Where otherwise provided by the laws, administrative regulations and the securities regulatory authority of the place where the Company's shares are listed, such provisions shall prevail.

Article 4.27

In respect to the shareholders' general meeting convened by the supervisory board or shareholders on its/their own initiatives, the board of directors and its secretary shall cooperate. The board of directors will provide the register of members as at the shareholding registration date.

Article 4.28

The expenses necessary for holding the shareholders' general meeting convened by the supervisory board or shareholders shall be borne by the Company.

Section 4 Proposals and Notices of Shareholders' General Meeting

Article 4.29~~Article 8.6~~

The contents of the motions shall fall within the scope of duties of the shareholders' general meeting, with definite topics and specific matters for resolution and shall comply with the relevant requirements of the laws, administrative regulations and these Articles.

~~To convene a shareholders' annual general meeting, the Company shall give written notice to the shareholders at least 20 clear business days before the date of meeting; for the extraordinary general meeting, the Company shall give written notice to the shareholders at least 10 clear business days or 15 days (whichever is the longer) before the date of meeting. For a class shareholders' meeting, the requirements in article 9.6 of these Articles regarding the notice period and notice method shall prevail. A general meeting shall not make decisions for the business not stated in the abovementioned notice.~~

MP-art.53

Article 4.30~~Article 8.7~~

When the Company convenes a shareholders' general meeting, the board of directors, supervisory committee and shareholders individually or jointly holding 3% or more of shares of the Company shall be entitled to propose motions in writing to the Company. ~~The contents of the motions shall fall within the scope of duties of the shareholders' general meeting, have definite topics and specific matters for resolution and comply with the relevant requirements of the laws, administrative regulations and these Articles.~~

MP-art.54

Guidelines art.52 and 53

Shareholders individually or jointly holding 3% or more of the shares of the Company shall be entitled to propose ad hoc motions and submit to the convener in writing 10 days prior to the convening of the shareholders' general meeting. The convener shall issue a supplemental notice of shareholders' general meeting to other shareholders within two days after the receipt of such proposal and incorporate the motions into the agenda of such meeting, announce the contents of such ad hoc proposal.

App3.14(5)

Other than stipulated above, the convener shall not amend any motion stated in the notice of shareholders' general meeting or add any new motion after the announcement by way of issuance of the notice of shareholders' general meeting.

The shareholders' general meeting shall not vote and adopt a resolution on any motion that is not listed in the notice of the shareholders' general meeting or that is inconsistent with Article 4.29 of these Articles.

Article 4.31

To convene a shareholders' annual general meeting, the Company shall give written notice to the shareholders at least 21 days before the date of convening the meeting; in the event of an extraordinary general meeting, a written notice shall be given to the shareholders at least 15 days before the date of convening the meeting.

App3.14(2)

In determining the commencement period, the Company shall not include the date on which the meeting is held.

Article 4.32~~Article 8.8~~

The notice of a shareholders' general meeting shall include the following:

MP-art.56

- ~~(i) be given in writing;~~
- ~~(ii)(i) specify the place, date and time, place and period of the meeting;~~
- ~~(iii)(ii) state the matters to be considered at the meeting~~matters and motions to be considered at the meeting;
- ~~(iv) provide the information and explanation as necessary for the shareholders to make an informed decision on the matters to be considered. This principle includes but not limited to that, in case of proposals made to amalgamate the Company with another, to repurchase shares of the Company, to restructure its share capital, or otherwise, the details of the agreed terms of, and the contract (if any) for the proposed transaction must be provided, and the reason for and the consequences thereof must be properly explained;~~

- (v) ~~contain a disclosure of the nature and extent, if any, of material interests of any director, supervisor, general manager or other senior management members in the proposed transaction and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of other shareholders of the same class;~~
- (vi) ~~contain the full text of any special resolution proposed to be passed at the shareholders' general meeting;~~
- (vii)(iii) contain a clear statement that a~~all~~ shareholders are entitled to attend and vote at the shareholders' general meeting, ~~shall be entitled to and may appoint one or more proxy(ies) in writing to attend such meeting and to vote on his or her behalf and that such proxy may not necessarily be a shareholder of the Company;~~
- (iv) the shareholding registration date of the shareholders who are entitled to attend the meeting;
- (v) the name and phone number of the regular contact person of the meeting;
- (viii)(vi) voting time and procedures for online voting or other voting methods; ~~specify the time and place for lodging proxy form(s) for the relevant meeting~~
- (vii) other contents stipulated by the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or these Articles.

Full details of all motions shall be entirely and completely disclosed in the notice of shareholders' general meetings and the supplementary notice, which shall include the contents required by the regulatory rules of the place where the Company's shares are listed and these Articles. If the independent directors are required to express opinions on the matters to be discussed, their opinions and reasons shall be disclosed when the notice of shareholders' general meetings and the supplementary notice are issued.

The interval between the date of shareholding registration and the date of meeting shall not be more than seven working days. Once confirmed, the date of shareholding registration shall not be changed.

This clause also applies to notice of meeting convened by the supervisory board or shareholders in accordance with the provisions in these Articles.

Article 4.33

Where the elections of directors and supervisors are to be discussed, a notice of the shareholders' general meetings shall sufficiently disclose the particulars of the candidates for directors and supervisors and shall at least include the following:

- (i) personal particulars such as educational background, work experience and part-time job;
- (ii) whether or not the candidate has any connected relationship with the Company or its controlling shareholders and de facto controllers;
- (iii) disclose the number of shares held by the candidates in the Company;
- (iv) whether or not the candidates have been subject to penalties by the CSRC and other relevant authorities as well as sanctions by any stock exchange.

Except for directors and supervisors being subject to election by cumulative voting, separate proposals shall be made for each director and supervisor candidate.

Article 4.34~~Article 8.9~~

Notice of a shareholders' general meeting shall be delivered to all shareholders (whether with voting rights or not) by personal delivery or prepaid mail at his/ her address, as shown in the register of shareholders, or be delivered by any other methods permitted under the Hong Kong Listing Rules, including but not limited to postal mail, electronic mail, facsimile, announcement, or be published on the website of the Company or the website of the Hong Kong Stock Exchange. ~~For holders of domestic shares, notices of a shareholders' general meeting may be given by way of an announcement.~~

MP-art.57

~~The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by securities regulatory authorities in China 20-25 business days prior to the annual general meeting, or 15-20 business days prior to the extraordinary general meeting. For holders of domestic shares, notices of a shareholders' general meeting may be given by way of an announcement. Announcements to holders of domestic shares shall be published on the media that meet the conditions prescribed by the CSRC. Holders of domestic shares shall be deemed to have received notice of the shareholders' general meeting upon the publication of the announcement.~~

App3.7(1)

Article 8.10

~~An accidental omission to give notice of a meeting to any person entitled to receive notice or a failure by such person to receive such notice of the meeting shall not invalidate the meeting and any resolution passed at that meeting.~~

MPart.58

Article 4.35

Subsequent to the dispatch of the notice of shareholders' general meeting, the shareholders' general meeting shall not be postponed or cancelled without proper reasons, and the proposals set out in the notice of the shareholders' general meeting shall not be withdrawn. Once the meeting is postponed or cancelled, the convener shall make an announcement and give reasons thereof at least two working days prior to the original meeting date.

Section 5 Holding of Shareholders' General Meetings

Article 4.36

The board of directors and other conveners of the Company shall take necessary measures to ensure that the shareholders' general meeting is conducted in an orderly manner and shall take steps to prevent any activities interfering the shareholders' general meeting or infringing the legal interests of shareholders and promptly report the same to the relevant authority for investigation.

Article 4.37 Article 8.11

All the shareholders registered on the date of registration or their proxies shall have the right to attend the shareholders' general meeting and to vote thereat in accordance with the relevant laws, regulations and provisions of these Articles.

App3.14(3)
App3.18

~~Any sShareholder entitled to attend and vote at a shareholders' general meeting may attend the shareholders' general meeting in person and shall have the right to speak and vote thereat, unless individual shareholders are required to abstain from voting on individual matters under the Hong Kong Listing Rules.~~

MPart.59

~~Shareholders may also shall be entitled to appoint one or more persons (who may not necessarily be shareholders of the Company) as his/her proxy to attend and vote on his/her behalf. Such proxy may exercise the following rights in accordance with the shareholder's appointment:~~

- (i) ~~the shareholder's right to speak at the shareholders' general meeting;~~
- (ii) ~~the right to demand or join in the demand for a Poll (unless individual shareholders are required to abstain from voting on individual matters under the Hong Kong Listing Rules);~~
- (iii) ~~the right to vote by show of hands or by poll (unless individual shareholders are required to abstain from voting on individual matters under the Hong Kong Listing Rules), except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by poll.~~

App3.14(4)

Article 8.12

~~Shareholders shall appoint their proxies by written instruments, which shall be signed by the appointer or their agents appointed in writing. If the appointer is a legal person, the instrument shall be under the seal of the legal person or signed by its director(s) or duly authorized executive(s) or duly authorized agent(s).~~

MPart.60
App 3.11(2)

Article 4.38~~Article 8.13~~

MPart.61

~~The instrument appointing a voting proxy shall be deposited at the domicile of the Company or at such other place as specified in the notice of the meeting 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time of the vote. If the instrument is signed by another person authorized by the appointer, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document shall be deposited together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.~~

In the event that an individual shareholder attends the meeting in person, he/she shall present his/her own identity card or other valid documents or proof capable of identifying himself/herself and stock account card. In the event that a proxy is appointed to attend the meeting for someone else, he/she shall present his/her own valid identity documents and the power of attorney from the shareholder.

For a legal person shareholder, ~~If the appointer is a legal person,~~ its legal representative or a proxy appointed by such statutory representative shall attend ~~the person authorized by a resolution of its board of directors or other decision-making body shall attend the shareholders' general meeting of the Company as the representative of such legal person~~ and vote at the meeting. If the legal person shareholder has appointed a representative to attend any shareholders' general meeting, it is deemed to be present in person. The legal person shareholder may sign a proxy form by its duly authorized person. If such legal representative attends a meeting, he/she shall present his/her own identity card or other valid proof capable of qualifying himself/herself as the legal representative; if such entrusted proxy attends a meeting, the proxy shall present his/her own valid identity card and the power of attorney from the legal representative of the legal person shareholder according to laws.

App3.18

If the shareholder is a recognized clearing house (or an agent thereof) as defined in the relevant regulations under the Hong Kong laws in effect from time to time, one or more individuals or legal persons that it deems suitable may be appointed by it to act as its representative(s) and attend ~~any shareholders' general meeting, or any class shareholders' meeting~~ any shareholders' general meeting or creditors meeting of the Company; however, if more than one individual or legal person is appointed as representatives, their powers of attorney shall specify the number and class of shares involved in the appointment of each such individual or legal person, and shall be signed by officials of the recognized clearing house. The individual(s) or legal person(s) so appointed may attend meetings (without showing evidence of shareholding, notarized authorizations and/or further evidence to prove that he/she has been duly authorized) to exercise the same legal rights (including the rights to speak and vote) as other shareholders on behalf of the recognized clearing house (or its agent) as if he, she or they was or were (an) ~~individual~~ shareholder(s) of the Company.

Article 4.39

The power of attorney issued by a shareholder to appoint another person to attend the shareholders' general meeting shall contain the followings:

- (i) the name of the proxy;
- (ii) whether the proxy has the right to vote;
- (iii) the instructions to vote in favor of or against, or to abstain from voting on each matter set out on the agenda of the shareholders' general meeting;
- (iv) the signing date and validity of the power of attorney;
- (v) the signature (or seal) of the appointer. If the appointer is a body corporate, the seal of the legal entity shall also be affixed.

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 4.40~~Article 8.14~~

~~Any format of blank proxy form issued by the board of directors of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote, and to give separate instructions on each matter to be voted at the meeting. The proxy form shall state that whether the proxy may vote at his/her discretion if the appointer does not give any specific instruction.~~

MP-art.62
App3.11(1)

Article 4.41

Where the proxy form is signed by a person authorized by the appointer, the power of attorney or other authorization documents authorized to be signed shall be notarized. The notarized power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

Where the appointer is a legal person, its legal representative or the person authorized by resolutions of its board of directors or other governing body may attend the shareholders' general meetings of the Company as a representative of the appointer.

Article 8.15

~~If, before voting, the appointer has passed away, lost his/her ability to act, withdrawn the appointment, withdrawn the authorization to sign the proxy form, or transferred all his/her shares, the vote cast by the proxy in accordance with the proxy form shall remain valid so long as the Company has not received the written notice regarding such matters before the commencement of relevant meeting.~~

MP-art.63

Article 4.42

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

When the shareholders' general meeting is held and the presider of the meeting violates the rules of procedure and it becomes difficult for the shareholders' general meeting to continue, the shareholders' general meeting may recommend one person as the presider of the meeting upon consent of more than half of the voting shareholders that are present at the meeting, and continue the meeting.

Article 4.46

The Company shall formulate the rules of procedure for shareholders' general meetings, which shall specify in detail the procedures for convening and voting at shareholders' general meeting, and cover notification, registration, the consideration of motions, voting, vote counting, announcement of voting results, the adoption of meeting resolutions, the keeping and signing of the minutes of meeting, announcement as well as the authorization principle of the shareholders' general meeting to the board of directors, whereby such authorization shall be clear and specific. The rules of procedure for the shareholders' general meeting shall be made as an annex to these Articles, prepared by the board of directors and approved by the shareholders' general meeting.

Article 4.47

During the annual general meeting, the board of directors and the supervisory board shall respectively report to the shareholders' general meeting on their work in the previous year, and each independent director shall also make his duty report.

Article 4.48

The directors, supervisors and senior management shall give explanation on the inquiries and suggestions made by shareholders at a shareholders' general meeting.

Article 4.49

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

Article 4.50

Minutes of shareholders' general meetings shall be recorded by the secretary to the Board. The minutes shall contain the following items:

- (i) the time, place and agenda of the meeting, and the name of the convener;
- (ii) the name of the chairman of the meeting, and the names of Directors, supervisors, the general manager and other senior management members of the Company present or in attendance at the meeting;
- (iii) the number of shareholders and their proxies attending the meeting, the total number of voting shares held by them and the percentage of the total number of shares of the Company;
- (iv) the process of review and discussion, summary of any speech, and voting results of each proposal;
- (v) the queries, opinions or recommendations of the shareholders and corresponding answers or explanations;
- (vi) the names of lawyer(s), vote counters and scrutinizer(s);
- (vii) other matters to be recorded in the minutes of the meeting as required by these Articles.

Article 4.51

The convener shall ensure the truthfulness, accuracy and completeness of the meeting minutes. Directors, supervisors, secretary to the board of directors, the convener or his representative attending the meeting and the chairman of the meeting shall sign on the meeting minutes. The minutes shall be kept together with the signature book of attending shareholders, proxy forms and valid information of internet voting or otherwise for no less than 10 years.

Article 4.52

The convener shall ensure that the shareholders' general meeting is held continuously until the final resolutions are reached. In the event that the general meeting is adjourned or resolutions failed to be made due to force majeure or other special reasons, the convener shall take necessary measures to resume the meeting or directly terminate that meeting as soon as practicable, and an announcement shall be promptly made.

Section 6 Voting at and Resolutions of a Shareholders' General Meeting

Article 4.53~~Article 8.16~~

The resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

MP-art.64

Ordinary resolutions made by the shareholders' general meeting shall be adopted by more than half of voting shares held by the shareholders (including their proxies) present at the meeting.

Special resolutions made by the shareholders' general meeting shall be adopted by more than two-thirds of voting shares held by the shareholders (including their proxies) present at the meeting.

Article 4.54~~Article 8.17~~

A Shareholder (including a proxy), when voting at a shareholders' general meeting, may exercise such voting rights as attached to the number of voting shares which he represents, in which case one vote is attached to each share.

MP-art.65

Guidelines-art.78

The Company's shares held by the Company do not carry any voting rights, and shall not be counted into the total number of shares carrying voting rights in the shareholders' general meeting.

Article 4.55~~Article 8.18~~

The list of director and supervisor candidates shall be submitted to the shareholders' general meeting for voting in the form of proposal. ~~Except for directors and supervisors being subject to election by cumulative voting, each director and supervisor candidate shall be the subject of a separate proposal.~~

Guidelines-art.56 and-82

~~A shareholder alone or shareholders together holding at least 3 percent of the shares of the Company may propose to the shareholders' general meeting candidates for the position of director or non-staff representative supervisor, provided that the number of persons nominated complies with these Articles and is not greater than the number of persons to be elected.~~

~~The board of directors or the supervisory board may, to the extent of the number of persons specified in these Articles, propose to the shareholders' general meeting a list of director candidates or non-staff representative supervisor candidates consistent with the number of persons to be elected.~~

When the shareholders' general meeting votes on the election of directors or supervisors, the cumulative voting system may be implemented pursuant to the provisions of these Articles or the resolution of a shareholders' general meeting.

The cumulative voting system referred to in the preceding paragraph means that each share has the number of voting right equal to the number of directors or supervisors to be elected, and the voting right owned by a shareholder may all be used toward one director or supervisor candidate at the shareholders' general meeting for election of directors or supervisors.

The board of directors shall make a public announcement to the shareholders concerning the biographies and general information of the directors' and supervisors' candidates.

Article 4.56~~Article 8.19~~

Except for the cumulative voting system, the shareholders' general meeting shall vote on all the proposals item by item, and shall vote on the proposals on the basis of the time sequence of the proposals if there are various proposals for one matter. Unless the shareholders' general meeting is suspended or no resolution can be made due to special reasons such as force majeure, the shareholders' general meeting shall not shelve the proposals or suspend the voting of proposals.

Guidelines-art.83

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<u>Article 4.60</u> Article 8.22	<p>On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way.</p> <p>If any shareholder is, under the <u>Hong Kong Listing Rules</u>, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the voting results.</p>	<p>MP art.68 App3.11(1)</p> <p>App 3.14(4)</p>
Article 8.23	<p>In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.</p>	MP art.69
<u>Article 4.61</u> Article 8.24	<p>The following matters shall be resolved by an ordinary resolution at the shareholders' general meeting:</p> <p>(i) The work reports of the board of directors and the supervisory board;</p> <p>(ii) The profit distribution plan and plan for making up losses proposed by the board of directors;</p> <p>(iii) Appointment and removal and remuneration and payment methods of the members of the board of directors and the supervisory board;</p> <p>(iv) The Company's proposals of annual budget and final accounts;</p> <p><u>(v) The Company's annual budget and final accounts report, balance sheet, profits statement and other financial statements;</u></p> <p><u>(+)(vi) Appointment and removal of accounting firms and determination or the determination method of their remuneration;</u></p> <p>(vi)(vii) Matters other than those requested to be passed by special resolutions according to laws, administrative regulations or these Articles.</p>	<p>MP art.70</p> <p>Guidelines art.76</p>

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<u>Article 4.62</u> Article 8.25	The following matters shall be resolved by a special resolution at the shareholders' general meeting:	MP art.71
	(i) the increase or reduction in <u>registered share capital</u> and the issuance of shares of any class, warrants and other similar securities of the Company;	Guidelines art.77
	(ii) the issuance of debentures of the Company;	
	(iii) (ii) the division, <u>split, merger, dissolution and</u> liquidation or change in corporate form;	
	(iv) (iii) <u>amendment to these Articles;</u>	App3.16
	(v) (iv) the material assets bought or sold by the Company within one year or the amount guaranteed exceeds 30% of latest audited total assets of the Company;	
	(vi) (v) <u>share option scheme and share incentive/award scheme</u> share incentive plan;	
	(vii) (vi) any other matters required by laws, administrative regulations, the <u>Hong Kong Listing Rules</u> or these Articles to be approved by special resolutions and those decided by the shareholders' general meeting by way of an ordinary resolution to be of a nature which may have a material impact on our Company and shall require approval by special resolutions.	
<u>Article 4.63</u>	<u>In the course of considering matters relating to connected transactions at a shareholders' general meeting, the connected shareholders shall abstain from voting. The voting rights represented by the number of shares held by such shareholders shall be excluded from the total number of valid votes. The voting result of the non-connected shareholders shall be fully disclosed in the announcement of the resolution of the shareholders' general meeting.</u>	
<u>Article 8.26</u>	Shareholders' general meetings shall be convened by the board of directors.	

~~Where the board of directors shall be unable to perform or fail to perform its duty to convene a shareholders' general meeting, the supervisory board shall convene and preside over a shareholders' general meeting in a timely manner. Where the supervisory board shall not convene and preside over a shareholders' general meeting, the shareholders that individually or collectively hold ten percent (10%) or more shares of the Company for at least 90 consecutive days may convene and preside over a shareholders' general meeting on their own initiatives.~~

Article 8.27

The supervisory board shall have the right to propose for an extraordinary general meeting of shareholders to the board of directors, and shall put forward its proposal to the board of directors in written form. The board of directors shall give a written reply on whether to agree or disagree to convene an extraordinary general meeting of shareholders according to the provisions of the laws, administrative regulations and these Articles within 10 days after receiving the proposal.

Guidelines-art.47

~~The board of directors will issue a notice to convene a shareholders' general meeting within 5 days after making the resolution where it agrees to convene an extraordinary general meeting of shareholders. Any changes made to the original proposal in the notice shall obtain consents of the supervisory board.~~

~~Where the board of directors disagrees to convene an extraordinary general meeting of shareholders or fails to give a feedback after receiving the proposal within 10 days, the board of directors shall be regarded as unable to perform or fail to perform its duty to convene a shareholders' general meeting, and the supervisory board can convene and preside over a shareholders' general meeting on its own initiative.~~

Article 8.28

~~The shareholders that individually or collectively hold ten percent (10%) or more shares of the Company may request the board of directors to convene an extraordinary general meeting of shareholders with written requirement to the board of directors and clarify the topic of discussion. The board of directors shall give a written reply on agreeing or disagreeing to convene an extraordinary general meeting of shareholders within 10 days upon receipt of the request in accordance with the laws, administrative regulations and these Articles.~~

MP art.72

Guidelines art.48

~~Where the board of directors agrees to hold an extraordinary general meeting of shareholders, it shall send out a notice of meeting within 5 days after the resolution of the board of directors is made, and any changes made to the original proposal in the notices shall obtain the consent of the relevant shareholders.~~

~~Where the board of directors does not agree to hold an extraordinary general meeting of shareholders or fails to give a reply within ten (10) days upon receipt of the proposal, the shareholders that individually or collectively hold ten percent (10%) or more shares of the Company shall have the right to propose to the supervisory board to hold an extraordinary general meeting of shareholders, and shall put forward the request to the supervisory board in written form.~~

~~Where the supervisory board agrees to hold an extraordinary general meeting of shareholders, it shall send out a notice within 5 days upon receipt of the request, and any changes made to the original proposal in the notices shall obtain the consent of the relevant shareholders.~~

~~Where the supervisory board fails to send out a notice on the extraordinary general meeting of shareholders within the prescribed time limit, it shall be regarded that the supervisory board will not convene or preside over the meeting, and the shareholders that individually or collectively hold ten percent (10%) or more shares of the Company for at least 90 consecutive days may convene and preside over the meeting on their own initiatives.~~

Article 8.29

~~Where the supervisory board or shareholders decide to convene the shareholders' general meeting on its/their own initiatives, it/they shall send out a written notice to the board of directors.~~

Guidelines art.49, 50 and 51

~~Before the resolution of the shareholders' general meeting is announced, the proportion of shares held by the summoning shareholders shall be no less than ten percent (10%).~~

~~In respect to the shareholders' general meeting convened by the supervisory board or shareholders on its/their own initiatives, the board of directors and its secretary shall show cooperation.~~

~~The expenses necessary for holding the shareholders' general meeting convened by the supervisory board or shareholders shall be borne by the Company.~~

Article 8.30

~~The shareholders' general meeting shall be held by the chairman of the board of directors. Where the chairman cannot perform his/her duties or fails to perform his/her duties, the vice chairman of the board of directors shall preside over the meeting; where the vice chairman also cannot perform his duties or fails to perform his duties, half of the directors or more shall jointly recommend one director to preside over the meeting.~~

MP art.73
Guidelines art.67

~~Where the supervisory board convenes a shareholders' general meeting, the chairman of the supervisory board shall preside over the meeting. Where the chairman of the supervisory board cannot perform his duties or fails to perform his duties, the vice chairman of the supervisory board shall preside over the meeting; where the vice chairman of the supervisory board cannot perform his duties or fails to perform his duties, half of the supervisors or more shall jointly recommend one supervisor to preside over the meeting.~~

~~Where the shareholders convene a shareholders' general meeting, the convener shall recommend one representative to preside over the meeting.~~

~~When the shareholders' general meeting is held and the presider of the meeting violates the rules of procedure and makes it difficult for the shareholders' general meeting to continue its meeting, the shareholders' general meeting may recommend one person as the presider of the meeting upon consent of more than half of the voting shareholders that are present at the meeting, and continue the meeting.~~

Article 4.64

Before the proposals are being voted at shareholders' general meeting, two shareholder representatives shall be elected to participate in vote counting and scrutinizing. If these shareholders are related in the matters to be examined, the relevant shareholders or their proxies shall not participate in the vote counting or scrutinizing.

When the proposals are being voted at the shareholders' general meeting, lawyers (if any), shareholders representatives and supervisors shall be jointly responsible for vote counting and scrutinizing and announcing the voting results onsite. The voting results in connection with the resolution shall be recorded in the minutes.

Article 8.31

~~The chairman of the meeting shall be responsible for determining whether a resolution is passed. His/her decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of meeting.~~

MPart.74

Article 4.65

Shareholders present at the shareholders' general meeting shall give one of the following comments to the proposals put forward for voting: for, against or abstention. Securities registration and clearing service providers serve as nominal holders of shares under the transactions in stock connect mechanisms between mainland China and Hong Kong, save for those who report according to the intent of the actual holders.

If the voting slip has not been completed or has been completed incorrectly or that the writing is illegible, or the voting slip has not been cast, it shall be treated that the voter has renounced his/her voting rights and the voting results of the relevant number of shares held by him/her shall be counted as "abstain".

Article 4.66~~Article 8.32~~

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

MP-art.75

Article 4.67

Resolutions of the shareholders' general meeting shall be announced in due time in accordance with the relevant laws, administrative regulations, departmental rules, regulatory rules of the place where the shares of the Company are listed or these Articles. The announcement shall specify the number of attending shareholders and proxies, the total number of voting shares they represent and the proportion of such shares to the total number of the voting shares of the Company, the voting method, the voting results of each resolution and the details of each of the resolutions passed.

The Company as a company issuing foreign invested shares listed domestically shall make separate statistics and announcement on the attendance of and votes at the meeting by the holders of domestic shares and holders of foreign invested shares.

Article 4.68

Proposals not adopted or resolutions of the former shareholders' general meeting changed at this shareholders' general meeting shall be specially pointed out in the announcement of resolution of the shareholders' general meeting.

Article 4.69

Where a proposal on election of directors or supervisors is passed at the shareholders' general meeting, the new directors and supervisors shall take office from the date on which the resolution of the shareholders' general meeting is passed or directors or supervisors as set out in the proposal for the election of such directors or supervisors.

Article 4.70

Where a proposal on distribution of cash dividend, bonus share or capital increase from conversion of capital surplus is passed at a shareholders' general meeting, the Company shall implement the specific proposal within two (2) months after the shareholders' general meeting ends.

Article 8.33 MP-art.76
~~If votes are counted at a shareholders' general meeting, the vote counting result shall be recorded in the minutes of the meeting.~~

~~The shareholders' general meeting shall keep minutes of its decisions on the matters considered, and be responsible for by the secretary to the board of directors. The chairman of the meeting and directors present at the meeting shall sign their names on the minutes of the meeting.~~

~~The minutes of the meeting together with the attendance register of the attending shareholders and the power of attorney of their proxies shall be kept at the company's domicile.~~

Article 8.34 Guidelines-art.68
~~The Company shall formulate the rules of procedure for shareholders' general meetings, which shall specify in detail the procedures for convening and voting at shareholders' general meeting, and cover notification, registration, the consideration of motions, voting, vote counting, announcement of voting results, the adoption of meeting resolutions, the keeping and signing of the minutes of meeting, etc. The rules of procedure for the shareholders' general meeting shall be made as an annex to these Articles, prepared by the board of directors and approved by the shareholders' general meeting.~~

Article 8.35 MP-art.77
~~Copies of the minutes of meeting shall be available for inspection free of charge by shareholders during business hours of the Company. If a shareholder requests the Company for a copy of such minutes, the Company shall send a copy of such minutes to him within seven days after having received reasonable charges.~~

CHAPTER 9 SPECIAL PROCEDURES FOR VOTING BY A CLASS OF SHAREHOLDERS

Article 9.1 MP-art.78
~~Shareholders that hold different classes of shares shall be class shareholders.~~

~~Class shareholders shall enjoy rights and bear obligations in accordance with laws, administrative regulations and these Articles.~~

~~Where the share capital of the Company includes shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares.~~

App3.10(1)
App3.10(2)

~~Where the share capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words “restricted voting” or “limited voting”.~~

Article 9.2

~~If the Company intends to vary or abrogate rights of class shareholders, it may do so only after such variation or abrogation has been approved by way of a special resolution of the shareholders’ general meeting and by a separate class shareholders’ meeting convened by the affected class shareholders in accordance with Articles 9.4 to 9.8.~~

MP-art.79

~~Neither the approval of the shareholders’ general meeting or a class shareholders’ meeting shall be required if a variation or abrogation of the rights of class shareholders arises due to a change in domestic or foreign laws, administrative regulations or the listing rules of the place of listing, or due to a decision made in accordance with the law by the domestic or foreign regulator.~~

~~Subject to the approval by securities regulatory authorities in China, the transfer by holders of domestic shares of the Company of their shares to foreign investors and the listing or trading of such shares on an overseas stock exchange shall not be regarded as the Company’s intention to vary or abrogate rights of class shareholders.~~

Article 9.3

~~Rights of shareholders of a certain class shall be deemed to be varied or abrogated under the following circumstances:~~

MP-art.80

- ~~(i) the increase or decrease of the number of shares of such class, or increase or decrease of the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;~~
- ~~(ii) the conversion of all or part of the shares of such class into shares of another class, or the conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;~~

- (iii) ~~the removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;~~
- (iv) ~~the reduction or removal of a dividend preference, or a property distribution preference during liquidation of the Company, attached to shares of such class;~~
- (v) ~~the addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, pre-emptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;~~
- (vi) ~~the removal or reduction of rights to receive amounts payable by the Company in particular currencies attached to shares of such class;~~
- (vii) ~~the creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;~~
- (viii) ~~the imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;~~
- (ix) ~~the issuance of rights to subscribe for, or convert into, shares of such class or another class;~~
- (x) ~~the increase of the rights and privileges of shares of another class;~~
- (xi) ~~such restructuring of the Company as would cause shareholders of different classes to bear disproportionate liabilities under the restructuring;~~
- (xii) ~~the amendment or deletion of the provisions of this Chapter.~~

Article 9.4

~~Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' general meetings, shall have right to vote at class shareholders' meetings in respect of any of the matters referred to in items (2) to (8) and items (11) to (12) of Article 9.3, except that interested shareholders shall not have the right to vote at class shareholders' meetings.~~

MPart.81

For the purposes of the preceding paragraph, the term “interested shareholders” shall have the following meaning:

- (i) if the Company is to issue a buyback offer to all of the shareholders in the same proportion or is to buy back its own shares through open transactions on a stock exchange in accordance with Article 4.4 of these Articles, the controlling shareholder as defined in Article 7.6 of these Articles shall be an “interested shareholder”;
- (ii) if the Company is to buy back its own shares by agreements outside a stock exchange in accordance with Article 4.4 of these Articles, holders of shares to which such agreements relate shall be “interested shareholders”;
- (iii) shareholders that, under a proposed restructuring of the Company, would bear liabilities in a proportion smaller than that of the liabilities borne by other shareholders of the same class, and shareholders that have an interest in a proposed restructuring of the Company that is different from the interest in such proposed restructuring of other shareholders of the same class, shall be “interested shareholders”.

Article 9.5	<p>Resolutions of a class shareholders’ meeting may be passed only by two thirds or more of the equity interests carrying voting rights that are represented at the meeting in accordance with Article 9.4.</p>	MP-art.82
	<p>Any class shareholders’ meeting to consider the change to rights attached to any class shares, other than an adjourned meeting, shall have a quorum which represents at least one third of the holders of the issued shares in that class.</p>	App3.6(2)
Article 9.6	<p>When the Company is to convene a class shareholders’ meeting, it shall issue a written notice at least 20 clear business days prior to the annual general meeting, or at least 10 clear business days or 15 days (whichever is longer) prior to the extraordinary general meeting informing all the registered shareholders of that class of the matters to be considered at and the date and place of the meeting.</p>	MP-art.83

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 9.7	<p>Notice of a class shareholders' meeting needs be delivered only to the shareholders entitled to vote thereat.</p> <p>The procedure according to which class shareholders' meetings are held shall, to the extent possible, be identical to the procedure according to which shareholders' general meetings are held. Provisions of these Articles relevant to procedures for the holding of shareholders' general meetings shall be applicable to class shareholders' meetings.</p>	MP-art.84
Article 9.8	<p>In addition to other classes of shareholders, holders of domestic shares and holders of overseas-listed foreign shares are deemed to be different classes of shareholders.</p> <p>The special procedures for voting at any meeting of a class of shareholders shall not apply to the following circumstances:</p> <p>(i) where the Company issues, upon the approval by special resolution of its shareholders in shareholders' general meeting, either separately or concurrently once every twelve months, not more than 20% of each of its issued and outstanding domestic shares and overseas-listed foreign shares;</p> <p>(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 fifteen months from the date of approval by securities regulatory authorities in China;</p> <p>(iii) where, upon receiving the approval from securities regulatory authorities in China, holders of domestic shares of the Company transfer their shares to foreign investors and list and trade their shares overseas.</p>	<p>MP-art.85</p> <p>Zheng Jian Hai Han art.3 App3.9</p> <p>A13D.1(f)(i)</p> <p>A13D.1(f)(ii)</p>

CHAPTER ~~510~~ BOARD OF DIRECTORS

Section 1 Directors

Article 5.1

The directors of the Company shall be natural persons. None of the following person(s) shall serve as director(s) of the Company:

- (i) anyone who has no civil capacity or has limited civil capacity;
- (ii) anyone who has been convicted of the offense of corruption, bribery, embezzlement, larceny, or disrupting the social economic order and is within five years of the expiry date of punishment or has been deprived of political rights because of the conviction and is within five years of the expiry date of the sentence;
- (iii) anyone who has served as director, factory manager or manager of a company or enterprise that was bankrupted and liquidated, and was personally liable for the bankruptcy of the company or enterprise, and is within three years of the date of completion of bankruptcy and liquidation of the company or enterprise;
- (iv) anyone who has served as the legal representative of a company or enterprise which had its business license revoked and was ordered to close due to violation of laws, and was personally liable and is within three years of the date on which the business license of the company or enterprise was revoked;
- (v) anyone who has a large outstanding amount of debt;
- (vi) anyone who is banned from entering ~~into~~ securities market by the CSRC, and the punishment has not expired;
- (vii) other circumstances as provided by the laws and administrative regulations and departmental regulations.

Election or appointment of directors in violation of the above provisions shall be deemed invalid. If any circumstance mentioned above appears during the director's term of office, the Company shall dismiss his/her position.

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 10.1	The Company shall have a board of directors, which shall consist of 9 directors, including three independent non-executive directors. There shall be one chairman and there may be vice chairman.	MP-art.86
<u>Article 5.2</u> Article 10.2	Directors shall be elected <u>or changed</u> at shareholders' general meetings, <u>and the shareholders' general meeting may dismiss their positions prior to the expiration of their terms of office.</u> The term of office of a director is <u>with a term of office of 3 years from the date on which the election takes effect.</u> Upon the expiration of the term of office, a director shall be eligible to offer himself for re-election.	MP-art.87 Zheng Jian Hai Han-art.4
	A written notice of the intention to nominate a candidate of director and the candidate's acceptance of nomination shall be given to the Company seven days prior to the date of shareholders' general meeting.	App3.4(4)
	Submission of the aforesaid notice shall be within a period commencing the date immediately after the Company serves notice of meeting for such election and ending no later than seven days prior to the date of the meeting.	App3.4(5)
	The chairman and the vice chairman of the board of directors shall be elected or removed by a simple majority of all the directors. The term of office of each of the chairman and the vice chairman is three years which is renewable upon re-election.	
	Subject to relevant laws and administrative regulations, the shareholders' general meeting may remove any director by ordinary resolution before the expiration of his/her term of office <u>(including general manager or other executive directors)</u> without prejudice to any claim for damages by such director pursuant to any contract.	App3.4(3)
	The office of a director may be taken up by the general manager or other senior management members. However, the total number of directors who concurrently hold the office of general manager or other senior management members and directors who are staff representatives shall not exceed half of the total number of directors of the Company.	Guidelines-art.96

A director does not need to hold any shares of the Company.

Article 5.3~~Article 10.3~~

The term of office of a director shall start from the date on which the said director assumes office and end at the expiry of the current term of the board of directors. If the term of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as director pursuant to laws, administrative regulations, departmental rules and these Articles until the elected director assumes his office.

Guidelines-art.96
and-100

Subject to laws, administrative regulations, departmental rules, regulatory rules of the place where the shares of the Company are listed and these Articles, if the board of directors appoints any person to fill a casual vacancy or as an addition to the board of directors, the term of office of the appointed director shall expire at the first annual general meeting after his/her appointment and such director shall then be eligible for re-election.

App3.4(2)

Article 5.4

Directors shall comply with laws, administrative regulations and these Articles and undertake the following fiduciary obligations towards the Company:

- (i) not to exploit his/her position to accept bribes or other illegal income, or to embezzle the Company's properties;
- (ii) not to embezzle the monies of the Company;
- (iii) not to open accounts in his/her own name or other names for deposit of the assets and properties of the Company;
- (iv) not to lend the Company's monies or to provide guarantee with the Company's property to others, unless agreed by the shareholders' general meeting or by the board of directors and does not violate these Articles;
- (v) not to enter into a contract or transaction with the Company in violation of the provisions of these Articles or without the consent of a shareholders' general meeting;

- (vi) not to exploit his/her position to seek the business opportunities, which should have belonged to the Company, for himself/herself or for others, unless agreed by the shareholders' general meeting, or to engage in the same type of businesses as the Company on his/her own or for others;
- (vii) not to accept commissions as his/her own in connection with transactions of the Company;
- (viii) not to disclose the secrets of the Company without authorization;
- (ix) not to make use of their relationships to compromise the interests of the Company;
- (x) any other diligent obligations stipulated by laws, administrative regulations, departmental rules and these Articles.

Income obtained in violation of the provisions in this Article by a director shall belong to the Company; if the violation results in losses to the Company, the person who is obligated shall undertake the liability of damages.

Article 5.5

Directors shall comply with the laws, administrative regulations and these Articles and undertake the following fiduciary obligations towards the Company:

- (i) exercising the rights accorded by the Company prudently, seriously and diligently to ensure that the commercial activities of the Company comply with laws and administrative regulations of the State and the requirements of various economic policies of the State and the commercial activities shall not exceed the scope of business stipulated in the business license;
- (ii) treating all shareholders equally;
- (iii) keeping informed of the operation and management conditions of the Company;

- (iv) signing a written confirmation for the periodic reports of the Company, to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
- (v) providing the relevant information and materials to supervisory board truthfully and not hindering the exercise of official powers by the supervisory board or the supervisors;
- (vi) any other diligent obligations stipulated by laws, administrative regulations, departmental rules and these Articles.

Article 5.6

Directors who fail to attend two consecutive meetings of the board of directors either in person or entrust other directors to do so shall be deemed incapable of performing their duty, and the Board shall make a proposal to the shareholders' general meeting to replace such directors.

Article 5.7

A director may resign before the expiration of his/her term. The resigning director shall submit to the board of directors a written resignation.

Where the number of the directors in the board of directors of the Company is less than the statutory number due to the resignation of a director within his term of office, such director shall, until a new director is elected, continue to perform his duty as a director in accordance with laws, administrative regulations, departmental rules and these Articles.

Save for the circumstances referred to in the preceding paragraph, the resignation of a director shall become effective upon submission of his resignation to the board of directors.

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 5.14~~Article 10.4~~

The board of directors shall ~~be accountable to the shareholders' general meeting and~~ exercise the following functions and powers:

MP art.88

- (i) to convene shareholders' general meetings and report its work to the shareholders' general meetings;
- (ii) to implement the resolutions of the shareholders' general meetings;
- (iii) to decide on the Company's business plans and investment plans;
- (iv) to formulate the Company's annual financial budgets and final accounts;
- (v) to formulate the Company's profit distribution plan and the plan for making up losses;
- (vi) to formulate proposals for the increase or reduction of the Company's registered capital and the issuance of debentures or other securities and the listing project of the Company;
- (vii) to formulate plans for major acquisitions ~~and disposals, and~~ purchase of the shares of the Company, or the merger, division or dissolution and change of corporate form;
- ~~(viii) to formulate plans for the merger, division or dissolution of the Company;~~
- ~~(ix) to formulate plans for the change of corporate form of the Company;~~
- ~~(x)(viii)~~ to decide on such matters as the Company's investments in third parties, purchase and sale of assets, asset mortgages, the provision of security for third parties, entrustment of financial services, related (connected) transactions, external donations, etc., other than those required by laws, administrative regulations, departmental rules, the Listing Rules or these Articles to be decided upon within the scope of authorization by the shareholders' general meeting;

Guidelines art.107

(ix) to decide on matters such as investment, acquisition or sale of assets, financing, related (connected) transactions, etc. that require the decision of the board of directors in accordance with the relevant provisions of the regulatory rules of the place where the shares of the Company are listed, provided that they do not violate laws, administrative regulations, departmental rules and regulations and the relevant provisions of these Articles;

~~(xi)~~(x) to determine on the establishment of the Company's internal management structure;

~~(xiii)~~(xi) to determine the engagement or dismissal of the Company's general manager and secretary to the board of directors, and to decide on their remuneration, rewards and punishments; to decide on the engagement or dismissal such senior management members as deputy general manager, financial controller etc., as proposed by the general manager, and to decide on matters relating to their remuneration, rewards and punishments;

~~(xiii)~~(xii) to formulate the basic management systems of the Company;

~~(xiv)~~(xiii) to formulate proposals for amendments to these Articles;

~~(xv)~~(xiv) to manage the information disclosure of the Company;

~~(xvi)~~(xv) to propose to the shareholders' general meeting the appointment or replacement of an accounting firm that audits for the Company;

~~(xviii)~~(xvi) to listen to the work reports of the general manager and inspect his or her work;

~~(xviii)~~(xvii) to exercise other functions and powers conferred by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, these Articles or the shareholders' general meeting.

Resolutions relating to the above, with the exception of items (6), (87) and (143) above which shall be approved by more than two thirds of the directors, shall be approved by more than half of the directors.

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

Article 5.15

The board of directors of the Company may establish audit, nomination, remuneration and other special committees in accordance with laws, administrative regulations, regulatory rules of the place where the Company's shares are listed, and actual governance and operation requirements. The special committee is accountable to the board of directors, and performs its duties in accordance with the regulatory rules of the place where the Company's shares are listed, these Articles and the authorization of the board of directors. Proposals shall be submitted to the board of directors for consideration and decision. The board of directors shall seek opinion from the relevant committee(s) before approving such relevant resolutions.

A special committee shall comprise members who are all directors and elected by the board of directors. A special committee shall have a convener (chairman) to be responsible for convening meetings of the respective committee.

The audit committee shall comprise non-executive directors and has no less than three members. The chairman and most of the members must be independent non-executive directors, of whom at least one shall be an independent non-executive director with appropriate professional qualifications or appropriate expertise in accounting or related financial management in accordance with the Hong Kong Listing Rules.

A majority of the members of the nomination committee must be independent non-executive directors, and the chairman of the nomination committee must be the chairman of the Company or an independent non-executive director.

The majority of the members of the remuneration committee must be independent non-executive directors and the chairman must be an independent non-executive director.

The board of directors is responsible for determining the composition of each special committee in accordance with the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and these Articles, and formulating working procedures such as the scope of duties and operating mechanisms of the special committees to standardize the operation of the special committees.

Article 5.16

The board of directors of the Company shall explain to the shareholders' general meeting the non-standard audit opinions issued by certified accountants with respect to the Company's financial reports.

Article 5.17

The board of directors shall formulate rules of procedure of its meetings to ensure that the board of directors have put into action the resolutions passed by the shareholders' general meeting so as to promote work efficiency and scientific decision-making.

The rules of procedure of the board of directors stipulate the convening and voting procedures of meetings of the board of directors, shall be made as an annex to these Articles, prepared by the board of directors and approved by the shareholders' general meeting.

Article 5.18

The board of directors shall lay down strict procedures to inspect and decide on the approval limit for foreign investment, purchase or sale of assets, pledge of assets, provision of external guarantees, entrusted assets management, related (connected) transactions and external donations. For major investment projects, the board of directors shall organize relevant experts and professionals to conduct assessment for approval by the shareholders' general meeting.

Article 10.5

~~The board of directors shall not, without the approval of the shareholders' general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of fixed assets proposed for disposal and the value of fixed assets disposed of within 4 months before the proposed disposal exceeds 33% of the value of the Company's fixed assets as shown in the last balance sheet tabled before the shareholders in a shareholders' general meeting.~~

MP-art.89

~~For the purposes of this Article, the term “disposal of fixed assets” includes an act involving the transfer of an interest in certain assets, but does not include the provision of guarantees with fixed assets.~~

~~The validity of a transaction for disposal of fixed assets by the Company shall not be affected by a breach of the first paragraph of this Article.~~

Article 5.19

There shall be one chairman and there may be vice chairman of the Board. The chairman and the vice chairman of the board of directors shall be elected by more than half of all the directors.

Article 5.20~~Article 10.6~~

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

MP-art.90

(i) To preside over the shareholders’ general meetings and to convene and preside over the meetings of the board of directors;

Guidelines art.112 and 113

(ii) To supervise and inspect the implementation of resolutions of the board of directors;

~~(iii) To sign securities issued by the Company;~~

~~(iv)~~(iii) To exercise other functions and powers conferred by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, these Articles or the board of directors.

Article 5.21

The vice chairman of the board of directors of the Company shall assist with the work of the chairman of the board of directors. If the chairman of the board of directors is unable to perform his or her duties or fails to perform his or her duties, his or her duties shall be performed by the vice chairman of the board of directors; if the vice chairman of the board of directors is unable or fails to perform these duties, a director elected by at least one half of the directors shall perform such duties.

Article 5.22~~Article 10.7~~

Meetings of the board of directors shall be held at least four times a year and convened by the chairman of the board of directors. The written notice of meeting shall be sent to all directors and supervisors 14 days before the date of the meeting.

MP-art.91

Article 5.23

An extraordinary board meeting may be convened upon the proposal of shareholders holding more than one tenth of the total number of shares carrying voting rights of the Company, more than one third of the directors or the supervisory board. Chairman of the board of directors shall convene and preside over the board meeting within 10 days after receiving such proposal.

CG Code of App
14 to Hong Kong
Listing Rules
C.5.1 and
C.5.3A.1.3

The notice of an interim meeting of the board of directors shall be served on all directors and supervisors in writing 3 days before the meeting.

In case of an emergency or approved by all directors, the delivery and service of notices for an interim meeting of the board of directors shall not be subject to the time-limit stated in the preceding paragraph.

Article 5.24~~Article 10.8~~

Notice of meetings of the board of directors shall be in writing by the means of~~as follows:~~

MP-art.92

(i) ~~no notice is required if the timing and venue of a regular board meeting has been decided by the board of directors in advance.~~

CG Code of App
14 to Listing
Rules A.1.3

(ii) ~~the chairman of the board of directors shall notify the directors of the time and venue of the meeting by electronic mail, telegraph, facsimile, email, express delivery service, registered mail, ~~or~~ by personal delivery or other means provided in these Articles. at least fourteen days before regular meetings. For all other meetings of the board of directors, the board of directors shall serve reasonable notice.~~

~~such notices shall be in Chinese, with English version when necessary, and shall include the meeting agendas. Any director may waive his rights to receive the notice of board meetings.~~

(iii) In case of an emergency or approved by all directors, the notice of meeting may be delivered by telephone or other verbal way, but the convener shall make relevant statements at the meeting.

The extraordinary meeting of the board of directors may be conducted and a resolution may be made by circulation of written resolutions or other means permitted under laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed, provided that the directors can fully express their opinions. The resolution shall be signed by the participating directors.

Article 5.30~~Article 10.10~~

A director shall attend the board meetings in person; ~~when~~ If a director is not able to attend the meeting for any reason, he may appoint in writing other directors to attend the meeting on his behalf. ~~The scope of authorization shall be specified in the proxy. The name of the attorney, issues under authorization, scope of authorization and valid period shall be set out in the letter of attorney, which will be signed or sealed by the appointing director.~~

MP-art.94

The director attending the meeting on other's behalf shall only exercise the rights of director within the scope of authorization. If a director fails to attend a board meeting or appoint a representative to attend on his behalf, such director shall be deemed to have waived his right to vote at such meeting.

Article 5.31~~Article 10.11~~

The board of directors shall keep minutes of resolutions on matters discussed at the meeting. The attending directors ~~and the recorder of meeting minutes~~ shall sign the minutes of such meetings.

MP-art.95

Directors shall be held responsible for the resolutions of the board of directors. If the resolutions of the board of directors violate the laws, administrative regulations or these Articles, and the Company suffers a material loss as a result thereof, the directors participating in the resolutions are liable to the Company for the losses. However, directors may be exempted from such liability if it is verified that such director has stated his objection when voting and the same was recorded in the minutes at the board meeting.

Minutes of the board meeting shall be kept as the Company's record for not less than 10 years.

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 5.32

The minutes of board meeting shall include the following contents:

- (i) date and place of the meeting and name of the convener;
- (ii) names of the directors attending the meeting and names of the directors (proxies) appointed by others to attend the board meeting;
- (iii) agenda of the meeting;
- (iv) main points of directors' speeches;
- (v) method and results of the voting for each proposal (the voting result should specify the number of votes for and against the proposal or abstention).

Article 10.12

~~The board of directors shall formulate rules of procedure of its meetings to ensure that the board of directors have put into action the resolutions passed by the shareholders' general meeting so as to promote work efficiency and scientific decision-making.~~

Guidelines
art.109

The rules of procedure of the board of directors stipulate the convening and voting procedures of meetings of the board of directors, shall be made as an annex to these Articles, prepared by the board of directors and approved by the shareholders' general meeting.

Article 10.13

~~If a director has a connected relationship with an individual or entity involved in a matter on which a resolution is to be made at a meeting of the board of directors, he or she may not exercise his right to vote regarding such resolution, nor may he or she exercise voting rights thereon as the proxy of another director. Such a board meeting may be held if more than one half of the directors without a connected relationship are present, and the resolutions made at such a board meeting shall require adoption by more than one half of the directors without a connected relationship. Where the number of Directors who do not have a connected relationship and attend a meeting of the board of directors is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.~~

Guidelines
art.119
App3.4(3)

For a matter to be resolved upon by the board of directors, where connected relationship exists in relation to a director or any of his or her close associates (as defined in the Listing Rules), if required by the Listing Rules, the director shall abstain and shall not be entitled to vote. Such director shall not be counted in the quorum for the purpose of the statutory number of directors present at the meeting. App3.4(1)

~~CHAPTER 11 SECRETARY TO THE BOARD OF DIRECTORS~~

Article 11.1 ~~The Company shall have a secretary to the board of directors. The secretary to the board of directors is a senior management member of the Company.~~ MP-art.96

Article 11.2 ~~The secretary to the board of directors shall be a natural person with the requisite professional knowledge and experience, and shall be appointed or removed by the board of directors. His primary duties include:~~ MP-art.97
Guidelines
art.133

- ~~(i) To ensure that the Company has a complete set of organizational documents and records;~~
- ~~(ii) To ensure that the Company prepares and submits reports and documents required by competent authorities;~~
- ~~(iii) To be responsible for keeping documents and management of shareholder information, ensure that the register of shareholders of the Company is properly established, and ensure that those who are entitled to access to relevant records and documents of the Company can have access to such records and documents promptly;~~
- ~~(iv) To be responsible for organizing shareholders' general meeting and meetings of the board of directors of the Company;~~
- ~~(v) To handle matters of information disclosure of the Company;~~
- ~~(vi) To exercise other functions and powers conferred by the laws, administrative regulations, departmental rules, the Listing Rules, these Articles or the board of directors.~~

Article 11.3

~~A director or other senior management members of the Company may act as the secretary to the board of directors. The accountants of the accounting firm which has been appointed by the Company shall not concurrently act as the secretary to the board of directors.~~

MP-art.98

~~If a director of the Company who concurrently serves as secretary to the board of directors, is in the event that an action must be carried out by a director and a secretary to the board of directors respectively, the person who holds the offices of director and secretary to the board of directors shall not act in dual capacity.~~

CHAPTER 12 — SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

Article 12.1

~~The board of directors shall establish special committees including the audit committee, remuneration committee and nomination committee according to the requirements of laws, regulations and the Listing Rules. The board of directors shall consult the relevant special committee prior to any relevant resolution made by the board of directors.~~

Article 12.2

~~A special committee under the board of directors shall comprise members who are directors of the Company and elected by the board of directors. Special committees may engage the service of intermediaries.~~

Article 12.3

~~A special committee shall have a convener (chairman) to be responsible for convening meetings of the respective committee. The composition of a special committee, its duties and operation mechanism shall be decided upon by the board of directors and shall comply with relevant requirements of laws, regulations and the Listing Rules.~~

CHAPTER 613 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

Article 6.1Article 13.1

The Company shall have one general manager, who shall be appointed or dismissed by the board of directors.

MP-art.99

The Company shall have several deputy general managers, a financial head (i.e. financial controller) and a chief engineer to assist the general manager. The deputy general manager, financial controller and chief engineer shall be nominated by the general manager, and appointed or dismissed by the board of directors and they are senior management members of the Company.

The general manager, The deputy general manager, financial controller, secretary to the board of directors and chief engineer of the Company shall be nominated by the general manager, and appointed or dismissed by the board of directors are senior management members of the Company.

Article 6.2

Those where a person shall not serve as a director under Article 5.1 of these Articles shall also apply to senior management members.

The provisions of the directors' obligations of loyalty under Article 5.4 and those of the directors' obligations of diligence in item (iv), (v) and (vi) under Article 5.5 of these Articles shall also apply to senior management members.

Article 6.3

Any person serving as other administrative duties other than directors and supervisors in the units of the controlling shareholders of the Company shall not serve as senior management members of the Company.

Senior management members of the Company may only receive remuneration from the Company and may not be paid by the controlling shareholders.

Article 6.4

The general manager has a term of office of 3 years and may serve successive terms upon reappointment.

Article 6.5 Article 13.2

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

- (i) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the board of directors, and to report on his or her work to the board of directors;
- (ii) to arrange for the implementation of the Company's annual business plans and investment plans;
- (iii) to draft the plan for establishment of the Company's internal management organization;
- (iv) to draft the Company's basic management system;
- (v) to formulate the specific rules of the Company;

MP-art.100
Guidelines
art.128

- (vi) to request the board of directors to engage or dismiss the Company's deputy general managers, financial controller and chief engineer;
- (vii) to determine to engage or dismiss responsible management members other than those to be determined to engaged or dismissed by the board of directors;
- (viii) other functions and powers conferred by these Articles or the board of directors.

Article 6.6~~Article 13.3~~

The general manager shall attend meetings of the board of directors. ~~If the general manager is not also a director, he shall not have the right to vote at board meetings.~~

MP-art.101

Article 6.7

The rules of work of the general manager shall be formulated by the general manager and be implemented upon approval of the board of directors.

Article 6.8

The rules of work of the general manager includes the following.:

- (1) conditions, procedures and participants of the general managers' meeting;
- (2) the specific responsibilities of the general manager and other senior management members and their segregation of duties;
- (3) the use of the Company's funds and assets, the authority to enter into major contracts, and the reporting system to the Board and the supervisory board;
- (4) other matters as the board of directors may deem necessary.

Article 6.9

The general manager may resign before the expiry of his/her term of office. The specific procedures and methods for the resignation of the manager are set out in the employment contract between the general manager and the Company.

CHAPTER 714 SUPERVISORY BOARD

Section 1 Supervisors

Article 7.1 The circumstances of disqualification for directors prescribed in Article 5.1 of these Articles shall also be applicable to supervisors.

A director, general manager or other senior management member shall not concurrently be a supervisor.

Article 7.2 Supervisors shall abide by the laws, administrative regulations and these Articles. They shall bear the obligations of fidelity and duties of diligence to the Company, and not to exploit his/her position to accept bribes or other illegal income, or to embezzle the Company's properties in any manner.

Article 7.3 The term of office of each supervisor shall be 3 years, renewable upon re-election and re-appointment.

Article 7.4 If the number of members of the supervisory board falls below the statutory number due to a failure to timely elect a supervisor upon expiration of a supervisor's term of office or due to the resignation of a supervisor during his or her term of office, the incumbent supervisor shall continue to perform his or her duties as supervisor in accordance with laws, administrative regulations and these Articles until the incoming supervisor takes up his or her position.

Article 7.5 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete, and he/she shall sign on the periodical report with written confirmation.

Article 7.6 Supervisors may attend meetings of the board of directors and to question or advise upon the matters to be resolved by the board of directors.

Article 7.7 Supervisors shall not prejudice the interests of the Company by means of their connected relationship or they shall be liable for compensation for any loss caused to the Company.

Article 7.8 If supervisors have violated the provisions of any laws, administrative regulations, departmental rules or these Articles in performing their duties, which has caused losses to the Company, they shall be liable for compensation.

Section 2 Supervisory Board

<u>Article 7.9</u> Article 14.1	<p>The Company shall have one supervisory board.</p> <p><u>The board of supervisors shall comprise supervisors who represent the shareholders and a proper proportion of supervisors who represent the employees, and the proportion of staff representative shall not be lower than one third. The representatives of shareholders shall be elected and removed by shareholders' general meeting. Staff representative shall be elected through democratic election by staff members via staff representative meeting, staff meeting or other means.</u></p>	MP-art.103
Article 14.2	<p>The supervisory board <u>of the Company</u> comprises 3 supervisors, <u>including two representatives of shareholders and one representative of staff.</u></p> <p><u>One supervisor shall act as the chairperson, one of whom shall act as the chairman of the supervisory board. The term of office of supervisors shall be 3 years, renewable upon re-election and re-appointment who shall be elected by a simple majority of all directors.</u></p> <p>The appointment and dismissal of the chairman of the supervisory board shall be subject to the approval of two thirds or more of its members by voting.</p> <p>If the number of members of the supervisory board falls below the statutory number due to a failure to timely elect a supervisor upon expiration of a supervisor's term of office or due to the resignation of a supervisor during his or her term of office, the incumbent supervisor shall continue to perform his or her duties as supervisor in accordance with laws, administrative regulations and these Articles until the incoming supervisor takes up his or her position.</p>	<p>MP-art.104</p> <p>Zheng Jian Hai Han art.5 A 13D.1(d)(i)</p> <p>Guidelines art.138</p>
Article 14.3	<p>Members of the supervisory board shall comprise two representatives of shareholders and one representative of staff. The representatives of shareholders shall be elected and removed by shareholders' general meeting. The proportion of staff representative shall not be lower than one third. Staff representative in the supervisory board shall be elected through democratic election by staff members via staff representative meeting, staff meeting or other means.</p>	<p>MP-art.105 Guidelines art.143</p>

Article 14.4 MP-art.106
~~A director, general manager or other senior management member of the Company shall not concurrently be a supervisor.~~

Article 14.5 MP-art.107
~~Meetings of the supervisory board shall be held at least two times a year and convened by the chairman of the supervisory board. The notice of meeting shall be sent to all supervisors 10 days before the date of the meeting. Extraordinary meetings of the supervisory board may be convened if any supervisor so proposes.~~

~~In principle, the meetings of the supervisory board shall be held at the domicile of the Company, but may be held in other places of China as resolved by the supervisory board.~~

~~Notice of meetings of the supervisory board shall be delivered by the means as follows:~~

- ~~(i) no notice is required if the timing and venue of a regular meeting has been decided by the supervisory board in advance;~~
- ~~(ii) The chairman of the supervisory board shall notify the supervisors of the time and venue of the meeting by electronic mail, telegraph, facsimile, express delivery service, registered mail or by personal delivery at least ten days before the regular meetings. For all other meetings of the supervisory board, the supervisory board shall serve reasonable notice;~~
- ~~(iii) such notices shall be in Chinese, with English version when necessary, and shall include the meeting agendas. Any supervisor may waive his rights to receive the notice of meeting of the supervisory board.~~

~~If a supervisor has attended the meeting and has not raised objection for non receipt of the notice in advance before or during the meeting, he shall be deemed to have received the notice of the meeting issued to him.~~

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p><u>Article 7.10</u>Article 14.6</p>	<p>Chairman of the supervisory board shall convene and preside over meetings of the supervisory board. Where the chairman of the supervisory board cannot perform his duties or fail to perform his duties, a supervisor shall be elected by more than half of the supervisors to convene and preside over meetings of the supervisory board.</p>	<p>Guidelines art.143</p>
<p><u>Article 7.11</u>Article 14.7</p>	<p>The supervisory board shall be accountable to the shareholders' general meeting and exercises the following functions and powers in accordance with laws:</p> <p>(i) <u>to review and express its review comments in writing on regular reports prepared by the board of directors;</u></p> <p>(ii) to review the Company's financial position;</p> <p>(iii) to supervise directors , general manager and other senior management members in respect of their act during exercise of the Company's powers and make recommendations on removal of such directors and senior management members who are in violation of laws, administrative regulations, these Articles or resolutions of the shareholders' general meeting;</p> <p>(iv) to demand the directors , general manager and other senior management members of the Company to rectify their error if <u>the directors and senior management members</u> they have acted in a manner harmful to the Company's interest;</p> <p>(v) to check and inspect the financial information such as the financial reports, business reports and plans for distribution of profits to be submitted by the board of directors to the shareholders' general meeting and to engage, in the Company's name, certified public accountants and practicing auditors to assist in the review on such information should any doubt arise in respect thereof;</p>	<p>MPart.108</p> <p>Guidelines art.140 and 144</p>

- (v) to propose to convene an extraordinary general meeting, and to convene and preside over the shareholders' general meeting in the event that the board of directors fails to perform its duties in convening and presiding over the shareholders' general meeting under the Company Law;
- (vi) to make proposals at the shareholders' general meetings;
- (vii) to propose to convene extraordinary meetings of the board of directors;
- (viii) to attend meetings of the board of directors in a non-voting capacity and to question or advise upon the matters to be resolved by the board of directors;
- (ix) to sue the directors or senior management members according to Article 151 of the Company Law;
- (x) to conduct an investigation of any abnormality identified in the operations of the Company and, when necessary and at the expense of the Company, engage such professional organizations as accounting firm or law firm, etc, to assist in the investigation;
- (xi) other powers stipulated by laws, administrative regulations, the Hong Kong Listing Rules or these Articles.

~~Supervisors shall attend meetings of the board of directors in a non-voting capacity.~~

Article 7.12

Meetings of the board of supervisors shall be held at least once every six months. Any of the supervisors may propose to hold extraordinary meetings of the board of supervisors.

Resolutions of the board of supervisors shall be passed by the affirmative votes of more than half of the supervisors.

Article 7.13

The supervisory board formulates the rules of procedure of its meetings, which stipulate the discussion rules and voting procedures of the supervisory board, to ensure the work efficiency and scientific decision-making of the supervisory board.

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The rules of procedure of the supervisory board shall be made as an annex to these Articles, prepared by the supervisory board and approved by the shareholders' general meeting.

Article 7.14~~Article 14.8~~

~~The method for resolving matters by the supervisory board: resolutions of the supervisory board shall be made by way of voting with one vote for each supervisor in the manner of open and written ballot.~~

MP-art.109

~~The voting procedure: a supervisor may cast an affirmative, a negative or an abstention vote. Each attending supervisor shall indicate his intention by choosing one of the above. The chairman of the meeting shall request each supervisor who fails to choose any of the above or has chosen two or more of the above to vote again, and refusal to do so shall be regarded as having waived the voting rights at such meeting. Any supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having waived the voting rights at such meeting.~~

A13D(1)(d)

~~Resolutions of the supervisory board shall be passed by the affirmative votes of two thirds or more of the members of supervisory board.~~

Zheng Jian Hai
Han-art.6
A13D(1)(d)(ii)

~~The board of supervisors~~supervisory board~~ shall keep minutes of all decisions made at the meeting~~meetings~~, and the attending supervisors ~~and recorder~~ shall sign on the minutes of the meeting.~~

~~A supervisor is entitled to request that an explanatory note be made with regard to his speech in the meeting. The minutes of the meeting of the supervisory board shall be kept in the files of the Company for at least ten years~~at the domicile of the Company.~~~~

~~Article 14.9~~

~~All reasonable costs incurred in respect of the engagement of professionals such as lawyers, registered accountants or practicing auditors by the supervisory board in exercising their functions and powers shall be borne by the Company.~~

MP-art.110

~~Article 14.10~~

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

MP-art.111

Article 14.11

~~The supervisory board formulates the rules of procedure of its meetings, which stipulate the discussion rules and voting procedures of the supervisory board, to ensure the work efficiency and scientific decision-making of the supervisory board. The rules of procedure of the supervisory board shall be included in these Articles or made as an annex to these Articles, prepared by the supervisory board and approved by the shareholders' general meeting.~~

Guidelines
art.146

Article 7.15

The notice of meetings of the board of supervisors shall include the following:

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

**CHAPTER 15 — QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS,
SUPERVISORS AND SENIOR MANAGEMENT MEMBERS**

Article 15.1

~~None of the following person shall serve as a director, supervisor, general manager or other senior management of the Company:~~

MPart.112
Guidelines-art.95,
125 and 135

- (i) ~~anyone who has no civil capacity or has limited civil capacity;~~
- (ii) ~~anyone who has been convicted of the offense of corruption, bribery, embezzlement, larceny, or disrupting the social economic order and is within five years of the expiry date of punishment or has been deprived of political rights because of the conviction and is within five years of the expiry date of the sentence;~~

- (iii) ~~anyone who has served as director, factory manager or manager of a company or enterprise that was bankrupted and liquidated, and was personally liable for the bankruptcy of the Company or enterprise, and is within three years of the date of completion of bankruptcy and liquidation of the Company or enterprise;~~
- (iv) ~~anyone who has served as the legal representative of a company or enterprise which had its business license revoked and was ordered to close due to violation of laws, and was personally liable and is within three years of the date on which the business license of the Company or enterprise was revoked;~~
- (v) ~~anyone who has a large amount of debt, which was not duly paid;~~
- (vi) ~~anyone who is under criminal investigation by a judicial organization for violating the Criminal Law of the People's Republic of China and result of the investigation is still pending;~~
- (vii) ~~anyone who cannot serve as executives according to the law or administrative rules;~~
- (viii) ~~anyone who is not a natural person;~~
- (ix) ~~anyone who is banned from entering into securities market by SRC, and the punishment has not expired;~~
- (x) ~~anyone who judged by the competent agencies to have violated the provisions of relevant securities laws, has been involved in deceptive or dishonest acts and is within five years of the date on which the judgment was made;~~
- (xi) ~~other circumstances as provided by laws and administrative regulations, regulations of the competent authorities or the Listing Rules.~~

~~Appointment of director, supervisor, or senior management violated above provisions shall be deemed invalid.~~

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

~~If any circumstance mentioned above appears during the director, supervisor or senior management's term of office, the Company shall dismiss his/her position.~~

Article 15.2

~~The validity of the performance of the directors, general manager and other senior management on behalf of the Company to bona fide third parties shall not be affected by any irregularities in their office, election or qualifications.~~

MP-art.113

Article 15.3

~~Apart from the obligations as required by laws, administrative regulations or the Listing Rules, the directors, supervisors, general manager and other senior management of the Company shall assume the following obligations to each of the shareholders when exercising their authorities endowed by the Company:~~

MP-art.114

- ~~(i) They may not cause the Company to operate beyond the scope of business indicated on the business license;~~
- ~~(ii) They shall act honestly in the best interests of the Company;~~
- ~~(iii) They may not deprive the Company of the properties in any manner, including, but not limited to, opportunities beneficial to the Company;~~
- ~~(iv) They may not deprive the shareholders of personal rights and interests, including, but not limited to, the distribution right and voting right, except for restructuring of the Company submitted to the shareholders' general meeting for approval pursuant to the provisions of these Articles.~~

Article 15.4

~~When exercising their rights or performing their obligations, the directors, supervisors, general manager and other senior management members of the Company shall be responsible for behaving with prudence, diligence and skills that a reasonably prudent person would exercise under similar circumstances.~~

MP-art.115

Article 15.5

~~Each of the directors, supervisors, general manager and other senior management shall carry out his/her duties with good faith and shall not put himself/herself in a position where his/her own benefits may conflict with his/her obligations to the Company. The principal includes, but not limited to, the following obligations:~~

MP art.116
Guidelines art.97
and 125

- ~~(i) to perform honestly in the best interest of the Company;~~
- ~~(ii) to exercise one's rights within the scope of authority, without exceeding such scope;~~
- ~~(iii) to exercise the discretion vested in him personally without being manipulated by others and not transferring discretionary powers to other persons, unless to the extent permitted by laws or administrative regulations or with the informed consent of shareholders given in a shareholders' general meeting;~~
- ~~(iv) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;~~
- ~~(v) not to enter into any contract, transaction or arrangement with the Company unless in line with these Articles or otherwise approved by shareholders at the shareholders' general meeting on an informed basis;~~
- ~~(vi) not to use properties of the Company in any manner for his/her own benefit without consent of the shareholders' general meeting on an informed basis;~~
- ~~(vii) not to exploit his/her position to accept bribes or other illegal income, or to embezzle the Company's properties in any manner;~~
- ~~(viii) not to exploit his/her position to seek the business opportunities, which should have belonged to the Company, for himself/herself or for others, unless agreed by the shareholders' general meeting;~~
- ~~(ix) not to accept commissions as his/her own in connection with transactions of the Company;~~

- (x) ~~to abide by these Articles, faithfully execute official duties and protect interest of the Company, and not to exploit his/her position and authority in the Company for his/her own benefits;~~
- (xi) ~~not to compete with the Company in any manner unless agreed by the shareholders' general meeting on an informed basis;~~
- (xii) ~~not to embezzle the monies of the Company;~~
- (xiii) ~~not to lend the Company's monies or to provide guarantee with the Company's property to others, unless agreed by the shareholders' general meeting or by the board of directors and does not violate these Articles;~~
- (xiv) ~~not to open accounts in his/her own name or other names for deposit of the assets of the Company;~~
- (xv) ~~to keep confidential information acquired by him/her during his/her tenure in respect of the Company, unless otherwise permitted by the shareholders' general meeting on an informed basis; not to use such information unless for the interests of the Company; however, disclosure of such information to courts or other competent governmental authorities is permitted if:

 - 1. ~~the disclosure is required by laws;~~
 - 2. ~~the disclosure is required by public interests;~~
 - 3. ~~the disclosure is required by the interests of the relevant directors, supervisors, general manager or other senior management.~~~~

~~Revenues obtained in violation of provisions in this Article by the person mentioned in this Article should belong to the Company; if the violation results in losses to the Company, the person who is obligated should undertake the liability of damages.~~

Article 15.6

~~Each of the directors, supervisors, general manager and other senior management of the Company may not ask the following person or institutions (“related person”) to do acts that the directors, supervisors, general manager and other senior management are prohibited to do:~~

MP art.117

- ~~(i) Spouses or minor children of the directors, supervisors, general manager and other senior management members of the Company;~~
- ~~(ii) Trustees of the directors, supervisors, general manager and other senior management members of the Company or the persons referred to in item (i) above;~~
- ~~(iii) Partners of the directors, supervisors, general manager and other senior management members of the Company or person referred to in items (i) and (ii) above;~~
- ~~(iv) The Company under de facto control by the directors, supervisors, general manager and other senior management members individually or jointly with the persons or other directors, supervisors and senior management members referred to in items (i), (ii) or (iii) above;~~
- ~~(v) The directors, supervisors, general manager and other executives of the controlled company referred to in item (iv) above.~~

Article 15.7

~~The good faith obligation owed by the directors, supervisors, general manager and other senior management of the Company may not necessarily terminate upon the expiration of their terms of office; their obligations to keep the trade secrets of the Company in confidence shall survive upon the expiration of their terms of office. The duration of other obligations shall be determined in accordance with the principle of fairness, depending on the length of time from the occurrence of the events to the time of resignation, as well as the circumstances and conditions under which the relationship with the Company is terminated.~~

MP art.118

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 15.8	<p>Liabilities of directors, supervisors, general manager and other senior management of the Company arising from violation of specific duties may be released by the shareholders at the shareholders' general meeting on an informed basis, except for the circumstances required by Article 7.5 of these Articles.</p>	MP-art.119
Article 15.9	<p>If a director, supervisor, general manager or other senior management member of the Company is, directly or indirectly, of material interests in a contract, transaction or arrangement entered into or proposed to be entered into with the Company other than the employment contract between the Company and a director, supervisor, general manager or other senior management member, he shall disclose the nature and extent of his interest to the board of directors at the earliest opportunity, whether or not such matter is otherwise subject to the approval of the board of directors under normal circumstances.</p> <p>A director shall not vote on any board resolution approving the contract, transaction, arrangement or any other proposal in which he/she or any of his/her close associates (as defined in the applicable Listing Rules in force from time to time) is materially interested. The relevant director shall not be counted for the purpose of determining whether a quorum is satisfied for the meeting. (This restriction is inapplicable under the circumstance approved by the Listing Rules or the Hong Kong Stock Exchange.)</p> <p>Unless the interested director, supervisor, general manager or other senior management member of the Company discloses his/her interests to the board of directors in accordance with this Article and the contract, transaction or arrangement is approved by the board of directors at the meeting, in which any interested director, supervisor, general manager or other senior management member is not counted in the quorum and refrains from voting, the Company shall have the right to cancel the contract, transaction or arrangement, except the opposite party is in good faith and does not know that the performance made by the relevant director, supervisor, general manager or other senior management member violates their obligations.</p>	MP-art.120 APP3.4(1)

The directors, supervisors, general manager or other senior management members of the Company is deemed to be interested in the contract, transaction or arrangement, if he/she has any related person who is interested in such contract, transaction or arrangement.

Article 15.10

If a director, supervisor, general manager or member of senior management of the Company sends a written notice to the board of directors stating that, because of the reason stated in the notice, he/she is interested in the contracts, transactions or arrangements which may subsequently be entered into by the Company for the first time, he/she is deemed to have made a disclosure within the scope of the written notice, in accordance with Article 15.10 of these Articles.

MP-art.121

Article 15.11

The Company shall not pay taxes for its directors, supervisors, general manager and other senior management members by any means.

MP-art.122

Article 15.12

The Company is prohibited from directly or indirectly making any loan or guarantee of the loan to the directors, supervisors, general manager and other senior management members of the Company or its parent company, or to related person of the aforesaid persons.

MP-art.123

The following transactions are not subject to the foregoing prohibition:

- (i) a loan or a guarantee of a loan by the Company to its subsidiary;
- (ii) a loan or a guarantee of a loan or any other funds by the Company to any of its directors, supervisors, general manager and other senior management members to meet expenditure incurred by them for the purposes of the Company or for the purpose of enabling them to perform properly, in accordance with their duties stipulated in the employment contract approved by the shareholders' general meeting;

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (iii) ~~if the daily business scope of the Company includes providing loans or guarantee, the Company may make a loan to or provide a guarantee in connection with a loan to any of its directors, supervisors, general manager and other senior management members or related person, provided that such loan or guarantee is provided on normal commercial terms.~~

Article 15.13 ~~A loan made by the Company in breach of the preceding clause shall be forthwith repaid by the recipient of the loan regardless of the terms of the loan.~~ MP-art.124

Article 15.14 ~~A loan or guarantee provided by the Company in breach of the first paragraph of Article 15.12 shall be unenforceable against the Company, unless:~~ MP-art.125

- (i) ~~the lender did not know about the relevant circumstances at the time he or she provided loans to the related person of the directors, supervisors, general manager or other senior management members of the Company or its parent company;~~
- (ii) ~~the collateral provided by the Company has been lawfully disposed by the lender to a bona fide purchaser.~~

Article 15.15 ~~The guarantee referred to in the preceding Article of this chapter includes a personal guarantee provided by the guarantor or property provided to secure the performance of obligations by the obligor.~~ MP-art.126

Article 15.16 ~~In case the directors, supervisors, general manager and other senior management members of the Company violate their obligations towards the Company, apart from the rights and remedial measures provided by laws and administrative regulations, the Company shall have the right to take the following measures:~~ MP-art.127

- (i) ~~requiring relevant directors, supervisors, general manager and other senior management members to compensate the Company for the losses resulted from their dereliction of duty;~~

- (ii) ~~cancelling any contract or transaction between the Company and relevant directors, supervisors, general manager and other senior management members and that between the Company and a third party (if the third party has known or should have known that the directors, supervisors, general manager and other senior management members on behalf of the Company had violated their obligations towards the Company);~~
- (iii) ~~requiring relevant directors, supervisors, general manager and other senior management members to hand over the proceeds generated in violation of their obligations;~~
- (iv) ~~recovering from relevant directors, supervisors, general manager and other senior management members the funds that originally shall be collected by the Company, including (but not limited to) commissions;~~
- (v) ~~requiring relevant directors, supervisors, general manager and other senior management members to return the interest generated by or possibly generated by the fund that originally shall be handed over to the Company.~~

Article 15.17

~~The Company shall enter into a written contract with each director, supervisor and senior management member, which shall at least include the following provisions:~~

LR19A.54

- (i) ~~directors, supervisors and senior management members shall undertake to the Company that they will comply with the Company Law, the Special Provisions, these Articles, the Codes on Takeovers and Mergers and Share Repurchases and provisions stipulated by the Hong Kong Stock Exchange, and shall agree that the Company shall have the right to take remedial measures provided in these Articles, and that neither such contract nor their offices shall be transferred;~~
- (ii) ~~directors, supervisors and senior management members shall undertake to the Company that they will observe and fulfill their obligations to shareholders under these Articles;~~
- (iii) ~~terms of arbitration as stipulated in the Listing Rules.~~

LR19A.55

Article 15.18

~~The Company shall, with the prior approval of shareholders' general meeting, enter into a written contract with each directors and supervisors concerning emoluments in respect of their services. The aforesaid emoluments shall include:~~

MP-art.128

- ~~(i) emoluments in respect of their services as director, supervisor or senior management of the Company;~~
- ~~(ii) emoluments in respect of their services as director, supervisor or senior management of the subsidiary of the Company;~~
- ~~(iii) emoluments otherwise in connection with services for the management of the Company or of its subsidiaries;~~
- ~~(iv) compensatory amounts for the loss of office or retirement of such directors or supervisors.~~

~~Except under a contract mentioned above, no proceedings shall be brought by a director or supervisor against the Company for his/her interest in the abovementioned matters.~~

Article 15.19

~~The provisions in the contracts of emoluments, which entered into by the Company and directors or supervisors, provide compensation or other payments to directors or supervisors for loss of office or for retirement under the circumstance that the Company is acquired, and such compensation or payments shall have obtained prior consents of the shareholders' general meeting. Acquisition of the Company referred to above means:~~

MP-art.129

- ~~(i) An offer made to all shareholders of the Company.~~
- ~~(ii) An offer is made so that the offeror will become a controlling shareholder of the Company. The definition of "controlling shareholder" is the same as Article 7.6 of these Articles.~~

~~If relevant directors or supervisors do not comply with the provisions of this Article, any compensation or payments they received shall belong to those who have sold their shares as a result of the offer referred to above. All the expenses resulting from the violation should be undertaken by those directors or supervisors on a pro rata basis and cannot be deducted from the compensation or payments they received.~~

**CHAPTER 816 FINANCIAL AND ACCOUNTING SYSTEMS, ~~AND PROFIT~~
DISTRIBUTION AND AUDIT**

Section 1 Financial and Accounting Systems

<u>Article 8.1</u> Article 16-1	The Company shall develop its financial accounting policies pursuant to laws, administrative regulations, as well as <u>rules issued by national authorities</u> the PRC accounting standards developed by the competent department in charge of finance under the State Council.	MP-art.130
<u>Article 8.2</u> Article 16-2	At the end of each accounting year, the Company shall prepare a financial report which shall be examined and verified <u>audited by an accounting firm</u> in accordance with laws. <u>The financial report shall be made in accordance with the laws, administrative regulations, the Ministry of Finance of the State Council and the regulatory rules of the place where the Company's shares are listed.</u> The accounting year of the Company shall adopt the calendar year, which starts from 1 January of every calendar year to 31 December of every calendar year. The Company adopted RMB as its reporting currency and its accounts shall be prepared in Chinese.	MP-art.131
Article 16.4	The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations as well as directives promulgated by local governments and competent authorities require the Company to prepare.	MP-art.132
<u>Article 8.3</u> Article 16-5	The Company shall make its financial reports available at the Company for inspection by the shareholders 20 days before the annual general meeting is convened. Each shareholder is entitled to obtain one copy of the financial report referred to in this chapter. The Company shall send the aforesaid reports to each of the holders of overseas listed foreign shares by prepaid mail at least 21 days before the annual general meeting is convened and the recipient's address shall be the address as shown in the register of shareholders.	MP-art.133 Zheng Jian Hai Han-art.7 App-3.5

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<u>Article 8.4</u> Article 16.6	The financial statements of the Company may, in addition to complying with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas area in which the Company's shares are listed.	MPart.134
<u>Article 8.5</u> Article 16.7	Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations, and may also be prepared in accordance with either international accounting standards or that of the overseas area in which the Company's shares are listed.	MPart.135
<u>Article 8.6</u> Article 16.8	The Company shall publish its financial report twice in each accounting year, that is, to publish its interim financial report within 60 days after the end of the first six months of an accounting year, and to publish its annual financial report within 120 days after the end of an accounting year.	MPart.136
<u>Article 8.7</u> Article 16.9	The Company shall not keep any accounting books other than those specified by laws. <u>The asset of the Company shall not be deposited in any account opened in the name of any individual.</u>	MPart.137
<u>Article 8.8</u> Article 16.10	<p>At the time of distribution of the annual after-tax profits, the Company must allocate 10% of the profits to our statutory reserve. Once the aggregate amount of the statutory reserve reaches or exceeds 50% of the Company's registered capital, no more allocations need to be provided.</p> <p>If the statutory reserve is insufficient to offset the losses incurred during the previous year, the profits generated during the current year must be used to make up the losses before allocating the statutory reserve in accordance with the requirements set forth in the preceding paragraph.</p> <p>After allocation to the statutory reserve from the profits after tax of the Company, it may also allocate to the discretionary reserve fund from after-tax profits in line with the resolution(s) adopted at the shareholders' general meeting.</p> <p>After offsetting the losses and allocating to the reserve, all remaining profits after tax may be distributed in proportion to shares held by shareholders.</p>	Guidelines art.152

If it is resolved at the shareholders' general meeting to distribute profit to shareholders before offsetting the losses and making allocation to statutory reserve in violation to the provisions of the previous paragraph, the shareholders shall return such distributed profits to the Company.

Shares of the Company held by the Company may not engage in the profit distribution.

The specific proportion of profit distribution and discretionary surplus reserve in a particular year shall be determined by the board of directors based on the operation and the development needs of the Company, and shall be approved at the shareholders' general meeting.

Article 16.11

~~Capital reserve includes:~~

MP art.138

- ~~(i) the premium over the nominal value of the shares issued;~~
- ~~(ii) other income as required by the competent financial department of the State Council to be classified as capital reserve.~~

Article 8.9Article 16.12

The reserves of the Company may be used to recover losses of the Company, to expand the production and operation of the Company, or to be converted into the increased capital of the Company. Nevertheless, no capital reserves ~~may~~ will be used to make up the losses of the Company.

Guidelines
art.153

When converting the funds in the statutory reserve fund into capital, the funds remaining in such reserve ~~will~~ shall not be less than 25% of the Company's registered capital before the conversion.

Article 16.13

~~The Company may distribute dividends by the following ways:~~

MP art.139

- ~~(i) cash;~~
- ~~(ii) shares;~~
- ~~(iii) other ways as permitted by laws, administrative regulations, departmental rules or the Listing Rules.~~

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<u>Article 8.10</u> Article 16.14	Cash dividends and other monies paid by the Company to holders of domestic shares shall be paid in RMB. Cash dividends and other monies paid by the Company to holders of overseas-listed foreign shares shall be calculated and announced in RMB and paid in a foreign currency pursuant to the relevant state regulations on the administration of foreign exchange.	
	Subject to laws, administrative regulations, departmental rules and the Listing Rules, any amount paid up in advance of calls on any shares may carry interest but shall not entitle the relevant shareholders to participate in respect thereof in a dividend subsequently declared.	App 3.3(1)
<u>Article 8.11</u> Article 16.15	Unless otherwise provided in relevant laws, administrative regulations, and departmental rules, where cash dividends and other payments are paid in a foreign currency, the average middle exchange rate of the relevant foreign currency announced by the People’s Bank of China for the calendar week immediately preceding the date of declaration of the dividends and other payments shall be used as the exchange rate.	
<u>Article 8.12</u> Article 16.16	Where the Company distributes dividends to its shareholders, it shall withhold taxes levied upon such dividends in accordance with PRC tax laws.	
<u>Article 8.13</u> Article 16.17	The Company shall appoint receiving agents for holders of overseas-listed foreign shares. The receiving agents shall, on behalf of the relevant shareholders, receive the dividends distributed and other amounts payable to the shareholders by the Company in respect of overseas-listed foreign shares.	MP-art.140 LR19A.51
	The receiving agents appointed by the Company shall comply with the requirements of laws in the jurisdiction where the shares are listed or the requirements of the stock exchanges on which the shares are listed.	
	The receiving agents appointed on behalf of holders of overseas-listed foreign shares listed in Hong Kong shall be companies registered as a trust company under the Trustee Ordinance of Hong Kong.	Zheng Jian Hai Han-art.8 A13D.1(e)
<u>Article 8.14</u> Article 16.18	In respect of dividends distributed to shareholders, the Company shall have the right to forfeit unclaimed dividends <u>after the date of declaration of the dividends</u> , but such right shall only be exercisable six years or later after the date of declaration of the dividends.	LR19A.47 App3.3(2) LR19A.47

~~CHAPTER 17 ENGAGEMENT OF ACCOUNTING FIRMS~~ Section 3 Engagement of Accounting Firms

<u>Article 8.18</u>	<u>The Company shall appoint an accounting firm which has complied with the Securities Law to conduct audit for the accounting statements, net asset verification and other relevant consultancy services. The term of appointment is one year and can be renewed.</u>	
<u>Article 8.19</u>	<u>The appointment of accounting firm by the Company must be decided by the shareholders' general meeting, and the board of directors shall not appoint any accounting firm prior to the decision of the shareholders' general meeting.</u>	
Article 17.1	The Company shall appoint an accounting firm with independent qualifications that satisfies the requirements of the state to be responsible for auditing its annual report and reviewing its other financial reports.	MP-art.141
	The first accounting firm of the Company may be appointed through the inaugural meeting of the Company before the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.	
	If the inaugural meeting fails to exercise the aforesaid powers, those powers shall be exercised by the board of directors.	
Article 17.2	The term of appointment of the accounting firm shall commence from the conclusion of the current annual general meeting and end at the conclusion of the next annual general meeting.	MP-art.142
Article 17.3	The accounting firm appointed by the Company shall have the following powers:	MP-art.143
	(i) to review the Company's books of accounts, records or vouchers at any time, and has the right to require the directors, general manager or other senior management members of the Company to provide related information and descriptions;	

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (ii) ~~to require the Company to adopt all reasonable measures to obtain any information and descriptions from its subsidiaries that are required by the accounting firm to perform its duties;~~
- (iii) ~~to attend shareholders' general meetings, and to receive notification of meetings or any other information related to the meetings as available to all shareholders, and speak at any shareholders' general meeting on matters involving its appointment as the Company's accounting firm.~~

<u>Article 8.20</u>	The Company shall <u>guarantees</u> to provide true and complete accounting evidence, accounting books, financial report and other accounting information to the accounting firm engaged without refusal, withholding or false information.	Guidelines art.160
Article 17.4	Should there be a vacancy for the post of accounting firm, the board of directors may appoint an accounting firm to fill the vacancy before a shareholders' general meeting. Any other accounting firm which is still in service may continue to act as the accounting firm during the period the vacancy remains unfilled.	MP-art.144
Article 17.5	The accounting firm may, by ordinary resolution at the shareholders in general meeting, be removed before the expiration of its office, notwithstanding any provisions in the contract entered into between the firm and the Company, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.	MP-art.145
<u>Article 8.21</u> Article 17.6	The auditing fee <u>The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by shareholders' general meeting.</u> The remuneration of an accounting firm appointed by the board of directors shall be determined by the board of directors.	MP-art.146 <u>App3.17</u>
Article 17.7	The — Company's — appointment, — removal — and non-reappointment of an accounting firm shall be resolved by the shareholders' general meeting, the resolution of which shall be filed with the securities regulatory authority of China.	MP-art.147

~~If the shareholders' general meeting proposes, by passing resolutions, to recruit a non-incumbent accounting firm to replace an incumbent accounting firm or fill up any vacancy of the post of accounting firm, or renew the engagement of an accounting firm appointed by the board of directors to fill up the vacancy, or dismiss an accounting firm before the expiry of its term of office, it shall comply with the following regulations:~~

- ~~(i) the relevant proposal on engagement or dismissal shall be sent to the accounting firm to be engaged or whose service will be or has already been terminated in the relevant accounting year before the issuance of the notice of shareholders' general meeting.~~

~~Termination herein shall include termination by dismissal, resignation and retirement.~~

- ~~(ii) if the outgoing accounting firm makes a written statement, and requires the Company to inform the shareholders of its statement, unless the time of receiving such written statement is too late, the Company shall adopt the following measures:~~

- ~~1. state in the notice of meeting issued for considering the resolutions that the outgoing accounting firm has made a statement;~~
- ~~2. send a duplicate copy of the statement as an annex to the notice to shareholders in the manner stipulated in these Articles.~~

- ~~(iii) if the Company fails to send the statement of the relevant accounting firm according to the provisions of item (ii) above, the outgoing accounting firm may request the statement be read at the shareholders' general meeting and make further appeal.~~

- ~~(iv) An outgoing accounting firm shall have the right to attend the following meetings:~~

- ~~1. shareholders' general meeting at which its term of office shall expire;~~
- ~~2. shareholders' general meeting at which the vacancy due to its dismissal is to be filled up;~~

3. ~~shareholders' general meeting convened due to its resignation from its post.~~

~~The outgoing accounting firm shall have the right to receive all notices of the aforesaid meetings or other information in relation to the meetings and to speak at the aforesaid meetings with regard to matters involving its duties as the former accounting firm appointed by the Company.~~

Article 8.22~~Article 17.8~~

A 30-day prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the appointment thereof. The accounting firm shall have the right to state its opinions where a voting process concerning the dismissal of such accounting firm is carried out at the general meeting of the Company.

MP-art.148

Where the accounting firm resigns from its position, it shall make clear to the shareholders in a shareholders' general meeting whether there has been any impropriety on the part of the Company.

~~The accounting firm shall resign by sending a written resignation notice to the Company's legal address. The notice shall take effect on the date of delivery to that address or any such later date as may be specified in the notice. Such notice shall contain the following statements:~~

Zheng Jian-Hai
Han 10
A13D.1(e)(ii)

- ~~(i) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of shareholders or creditors of the Company; or~~
- ~~(ii) a statement of any circumstances that should be disclosed.~~

~~The Company shall, within 14 days after its receipt of the written notice referred to in the preceding paragraph, send a copy of the notice to the relevant competent authorities. If the notice contains a statement referred to in the item (ii) of the preceding paragraph, a copy thereof shall be deposited at the Company for inspection by shareholders, and such copy shall also be delivered to all holders of overseas listed foreign shares by prepaid mail with recipients' addresses as shown in the share register.~~

A13D.1(e)(iii)

~~If the notice of resignation of the accounting firm contains a statement stating any circumstances mentioned in item (ii) in the second paragraph of this Article, the accounting firm may request the board of directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances referred to in the said notice.~~

A13D.1(e)(iv)

~~CHAPTER 18 MERGER AND DIVISION OF THE COMPANY~~

CHAPTER 9 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION
AND LIQUIDATION

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 18.1

~~For a merger or division of the Company, the board of directors shall put forward a proposal, and the formalities for approval shall be handled according to laws after the proposal has been adopted according to procedures stipulated in these Articles. Shareholders who oppose the Company's merger or division plans shall have the right to require the Company or the shareholders who approve the merger or division plans to purchase their shares at a fair price. The content of the resolution on the merger or division of the Company shall be made into special document, which shall be available for inspection by the shareholders.~~

MP-art.149

~~Holders of overseas-listed foreign shares shall also be delivered the aforesaid documents by mail or other manners as permitted by the stock exchange.~~

Article 9.1~~Article 18.2~~

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

MP-art.150

A company absorbing other company(ies) is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger whereby the companies to the merger shall be dissolved.

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<u>Article 9.2</u>	<p>In the case of a merger of the cCompany, the parties to the merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The cCompany shall notify its creditors within ten days from the date on which the Company's merger resolution is passed and shall publish a public notice in newspapers within 30 days from the date on which the Company's merger resolution is passed. The creditors may within 30 days upon receipt of a written notice or, for those who have not received a written notice, within 45 days from the date on which the notice is announced, require the Company to repay its debts or to provide a corresponding guarantee.</p>	<p>Guidelines art.172 App3.7(1)</p>
<u>Article 9.3</u>	<p>After the merger of the cCompany, the claims and debts of the parties to the merger shall be assumed by the surviving company or the newly established company.</p>	
<u>Article 9.4</u> Article 18.3	<p>In the case of a division of the Company, its assets shall be divided accordingly.</p> <p>In the case of a division, the Company shall prepare a balance sheet and an inventory of assets. The cCompany shall notify its creditors within ten days from the date on which the Company's division resolution is passed and shall publish a public notice in newspapers within 30 days of the date on which the Company's merger<u>division</u> resolution is passed.</p>	<p>MP-art.151 Guidelines art.174 and 175</p>
<u>Article 9.5</u>	<p>Debts of the Company prior to the division shall be assumed incidentally by the companies which exist after the division, except those debts that have otherwise agreed by the Company with the creditors in writing for the settlement of the debts before the division.</p>	<p>App3.7(1)</p>
<u>Article 9.6</u>	<p><u>The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.</u></p> <p><u>The Company shall notify its creditors within 10 days from the date of the Company's resolution to reduce registered capital and shall publish an announcement in a newspaper within 30 days from the date of such resolution. A creditor has the right to require the Company to repay its debts or to provide a corresponding guarantee for such debts within 30 days from the date it receives the notice or, in the case of a creditor who did not receive such notice, within 45 days from the date of the relevant announcement.</u></p>	

The Company's registered capital shall not, after the reduction in capital, be less than the minimum amount as prescribed by the laws.

Article 9.7~~Article 18.4~~

Where a merger or division of the cCompany involves changes in registered items, such changes shall be registered according to laws with the company registration authority; if the cCompany is dissolved, its deregistration shall be carried out according to laws; where a new company is incorporated, the registration of incorporation of the company shall be carried out according to laws.

MP-art.152

Where the Company increases or reduces its registered capital, it shall apply for change in its registration with the company registration authority in accordance with laws.

~~CHAPTER 19~~Section 2 ~~DISSOLUTION AND LIQUIDATION~~**Dissolution and Liquidation**

Article 9.8~~Article 19.1~~

A The Ccompany shall be dissolved and liquidated lawfully upon the occurrence of any of the following events for the following reasons:

MP-art.153
Guidelines
art.178

- (i) The operation period expires, or other liquidation matters in these Articles happened;
- (ii) A special resolution for dissolution is passed at a shareholders' general meeting;
- (iii) Dissolution is necessary due to a merger or division of the Company;
- (iv) The Company's business license has been suspended, or the Company has been ordered to close or revoked in accordance with laws;
- (v) If the Company encounters significant difficulties in business and management, continuous survival will be significantly detrimental to the interests of shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of the shares carrying voting rights may request a people's court to dissolve the Company, ~~and the people's court shall dissolve the Company in accordance with laws.~~

App3.21

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 9.9~~Article 19.2~~

Under the circumstances set forth in item (i) of the preceding clause, the Company can still exist via the amendment of these Articles.

MP-art.154

The amendment to these Articles according to the preceding Article shall be passed by two-thirds of the voting rights held by shareholders present at the shareholders' general meeting.

Guidelines
art.179 and 180

If the Company is dissolved due to the provisions set forth in items (i), (ii), (iv) and (v) above, the liquidation committee shall be established within 15 days to carry out liquidation. The members of the liquidation committee shall be determined by directors or a shareholders' general meeting. In the case of failure to establish a liquidation committee according to schedule, the creditors may apply for liquidation to be carried out by a liquidation committee which is composed of members designated by the people's court.

Article 19.3

~~If the board of directors decides to liquidate the Company, the board of directors shall state in the notice of the shareholders' general meeting convened for this purpose that the board of directors has performed a comprehensive investigation of the status of the Company and believes that the Company is able to pay off all of our debts within 12 months of the commencement of liquidation.~~

MP-art.155

~~Upon the passing of the resolution at the shareholders' general meeting for the liquidation of the Company, all duties and powers of the board of directors shall terminate immediately.~~

~~The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once a year to the shareholders' general meeting concerning the committee's income and expenses, the businesses of the Company and the progress of the liquidation and to present a final report to the shareholders' general meeting on the completion of the liquidation.~~

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 9.10~~Article 19.4~~

The liquidation committee shall inform the creditors of the Company within ten days following its establishment, and shall make a public announcement in a newspaper within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date on which the notice is received or 45 days from the date of the announcement if the notice is not received.

MP art.156
Guidelines
art.182

When the creditors declare their claims, they shall explain the relevant matters of such claims and provide evidential materials. The liquidation committee shall register all the creditors' rights.

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

Article 9.11~~Article 19.5~~

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

MP art.157

- (i) categorize the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (ii) notify the creditors or to publish public announcements;
- (iii) dispose of and liquidate any pending businesses of the Company;
- (iv) pay outstanding taxes and the taxes occurred during liquidation;
- (v) settle claims and debts;
- (vi) deal with the surplus assets remaining after repayment by the Company of debts;
- (vii) represent the Company in any civil proceedings.

Article 9.12~~Article 19.6~~

After it has categorized the Company's assets and after it has prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a shareholders' general meeting or to the people's court for confirmation.

MP art.158
Guidelines
art.183

Any residual assets of the Company remaining after payment of liquidation expenses, staffs wages, social insurance expenses and statutory compensation, outstanding taxes and repayment of the Company's debts shall be distributed by the Company among its shareholders according to the ~~class of shares and the proportion of shares held.~~

The Company shall continue to exist but shall not conduct any operational activities not related to liquidation during the period of liquidation. Unless the Company's assets had been distributed to repay debts in accordance with the previous paragraphs, it shall not be distributed to the shareholders.

Article 9.13~~Article 19.7~~

~~When the Company is liquidated by dissolution, u~~Upon completion of the categorization of the Company's assets and preparation of a balance sheet and an inventory of assets, if the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the people's court for a declaration of insolvency.

MP-art.159

After the Company is declared insolvent by a ruling of the people's court, the liquidation committee shall transfer all matters arising from the liquidation to the people's court.

Article 9.14~~Article 19.8~~

Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, ~~a statement of income and expenses received and made during the liquidation period, and a financial report,~~ which shall be verified by a Chinese certified public accountant ~~and~~ submitted to the general meeting or the people's court for confirmation, and submit the same to the company registration authority and apply for cancellation of registration of the company, and publish a public announcement relating to the termination of the Company.

MP-art.160

~~The liquidation committee shall, within 30 days after the confirmation by the shareholders' general meeting or by the people's court, submit the documents referred to in the preceding paragraph to the registration authority and apply for cancelation of registration of the Company, and publish a public announcement relating to the termination of the Company.~~

~~Once the aforesaid dispute or claim of rights is referred to arbitration, the entire claim or dispute as a whole must be referred to arbitration, and any party, who has a cause of action based on the same facts or whose participation is necessary for the settlement of such dispute or claim, is bound by the award of the arbitration provided that such person is the Company or a shareholder, a director, a supervisor, the general manager or other senior management of the Company.~~

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

- ~~(ii) A claimant may choose arbitration institutions from the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules and the Hong Kong International Arbitration Center in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body so elected by the claimant.~~

~~If a claimant chooses Hong Kong International Arbitration Center as the arbitration institution, any party related to the dispute may request the arbitration to be conducted in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Center.~~

- ~~(iii) The laws of the PRC are applicable to the arbitration for the disputes or claims of rights referred to in item (i), unless otherwise provided in the laws and administrative regulations.~~
- ~~(iv) The award of an arbitration body shall be final and binding on all parties.~~

CHAPTER 2211 NOTICES

Article 11.1

Notices of the Company shall be served in the following ways:

- (I) by hand;

- (II) by post;
- (III) by facsimile or e-mail;
- (IV) by making announcement on the website of the Company and the website designated by the regulatory authorities in the place where the shares of the Company are listed in compliance with laws, administrative regulations, departmental rules, regulatory rules of the place where the shares of the Company are listed and these Articles;
- (V) by announcement;
- (VI) by other means agreed in advance between the Company and the recipient or accepted by the recipient after receiving notice;
- (VII) by other means approved by the securities regulatory authority in the place where the shares of the Company are listed or specified in these Articles.

Article 11.2

Any notice of the Company given by announcement shall be deemed to be received by all relevant persons once such announcement is published. Where the securities regulatory authority of the place where the shares of the Company are listed provides otherwise, such provisions shall prevail.

Article 11.3~~Article 22.1~~

Unless otherwise stated in these Articles, the notice, information or written statements issued by the Company to the holders of overseas-listed foreign shares shall be despatched to holders of overseas-listed foreign shares who holds the registered shares by personal delivery, or send to each holder of overseas-listed foreign shares by post at the address as recorded in the register of shareholders, or served in any other matter as permitted by the Hong Kong Listing Rules.

In terms of the manner in which any notice, information or written statement may be provided or sent by the Company to shareholders holding the Company's overseas listed foreign shares in accordance with the requirements of the Hong Kong Listing Rules, subject to the relevant regulations of the securities regulatory authority in the place where the shares of the Company are listed, the Company may elect to adopt the way of notification stipulated in item (IV) of Article 11.1 in these Articles to dispatch its notice, information or written statement in lieu of the delivery of the foresaid documents by hand or prepaid mail to every shareholder holding the overseas listed foreign shares.

Article 11.4~~Article 22.2~~

Where a notice is sent by post, it is only required to specify the address, name of the addressee, prepay the postage, and put the notice in the envelope, and the said notice shall be deemed to have been served and delivered on the day on which the envelope containing the same, properly addressed and prepaid, is put into the post. In proving such service or delivery, it shall be sufficient to prove that the envelope containing the notice was properly addressed and prepaid and put into the post, and a certificate in writing signed by a director or a person appointed by the board of directors that the envelope containing the notice was so addressed and prepaid and put into the post shall be conclusive evidence thereof.

Article 11.5

An accidental omission to give notice of a meeting to any person entitled to receive notice or a failure by such person to receive such notice of the meeting shall not invalidate the meeting and any resolution passed at that meeting.

Article 22.3

~~Any notice, document, information or written statement issued by the shareholder or director to the Company shall be delivered to the legal address of the Company by personal delivery or registered mail.~~

Article 22.4 ~~To prove that a shareholder or director has delivered a notice, document, information or written statement to the Company, a statement shall be made that the said notice, document or written statement has been served within the prescribed time in accordance with Article 22.3 of these Articles; if the said notice, document, information or written statement is sent by personal delivery, a receipt confirmation of the Company shall be provided, and if by registered mail, only an evidential document showing the said notice, document or written statement has been sent by prepaid mail to the correct address shall be provided.~~

~~Article 11.6~~ Article 22.5 All notices or any other documents of the Company to be submitted to the Hong Kong Stock Exchange according to the Hong Kong Listing Rules shall either be written in English or accompanied by a signed and certified English translation.

LR19A.56

CHAPTER 12 THE PARTY BUILDING

Article 12.1 Adhere to the overall leadership of the Communist Party of China, ensure the implementation of the Party and State’s guidelines and policies in the Company, support the establishment of Party organizations, carry out Party activities, and give full play to the role of Party organizations as a battle fortress.

Article 12.2 According to the provisions of the Party Constitution, the Company establishes a Party organization, carries out Party activities, strengthens Party building, and enhances the political core and leading role of the Party in the Company.

Article 12.3 Provide the necessary conditions for the Party organization to carry out activities and make adequate efforts, equip a sufficient number of staff for Party affairs, and guarantee the working funds of the Party organization.

CHAPTER 213 INTERPRETATIONS AND DEFINITIONS OF THESE ARTICLES

Article 13.1 ~~Article 23.1~~ The right to interpret these Articles shall belong to the board of directors of the Company, and any matters uncovered by these Articles shall be submitted by the board of directors to the general meeting for determination. The right to revise these Articles shall belong to the shareholders’ general meeting.

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 13.2~~Article 23.2~~ These Articles are written in Chinese. Where versions in other languages or different versions have different interpretations or meanings, the latest verified Chinese version registered in the Company registration authority shall prevail.

Article 13.3~~Article 23.3~~ The expressions of “above”, “within”, “below” shall include the figures mentioned whilst the expressions of “more than”, “short of”, “without” and “less than” shall not include the figures mentioned.

Article 13.4~~Article 23.4~~ The meaning of the “accounting firm” is the same as that of the “auditor” herein. MP-art.165

The term “de facto controller” herein refers to the person who is not a shareholder of the Company but is able to exercise control over the acts of the Company through an investment relationship, agreement or other arrangement.

Article 13.5~~Article 23.5~~ These Articles will become effective and be in force from the date of their adoption by a special resolution at the general meeting. The original Articles of Association of the Company shall automatically cease to have effect from the date on which these Articles come into effect~~Upon approval at shareholders’ general meeting, these Articles will become effective from the date on which listing and trading of overseas listed foreign shares (H shares) issued by the Company commences on the Hong Kong Stock Exchange.~~

Article 13.6~~Article 23.6~~ In these Articles, the following expressions shall have the following meanings unless the context otherwise requires:

“legal address of the Company” means The legal address of the Company, i.e. No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, PRC ~~and No. 268 Lianzhou East Road, Gaocheng District, Shijiazhuang City, Hebei Province, PRC~~

“RMB” means legal currency of the PRC

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

“China” or “the State”	means	People’s Republic of China which, for the purpose of these Articles, shall not include the Hong Kong Special Administrative Region of the People’s Republic of China, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“CSRC”	means	China Securities Regulatory Commission
“Hong Kong Stock Exchange”	means	The Stock Exchange of Hong Kong Limited
“ <u>Hong Kong Listing Rules</u> ”	means	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the amendments thereof from time to time
“Mandatory Provisions” or “MP”	means	the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (Zheng wei fa [1994] No. 21)
“Guidelines”	means	Guidelines for Articles of Listed Companies (2014 Second Revision) (Announcement of China Securities Regulatory Commission [2014] No. 47)
“App3”	means	Appendix 3 to the <u>Hong Kong Listing Rules</u>
“A13D”	means	Part D of Appendix 13 to the Listing Rules
“LR19A”	means	Chapter 19A of the <u>Hong Kong Listing Rules</u>

APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

~~“Zheng Jian Hai Han”~~ means ~~Circular~~ ~~Regarding~~
~~Comments~~ ~~on~~ ~~the~~
~~Amendments to Articles of~~
~~Association of Companies~~
~~Listed in Hong Kong (Zheng~~
~~Jian Hai Han [1995] No.1)~~

“Business day(s)” means any day on which the Hong
Kong Stock Exchange is open
for the business of dealing in
securities

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APPENDIX PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

(This page contains no text, and is the signature page of the Articles of Association of Hebei Yichen Industrial Group Corporation Limited)

Hebei Yichen Industrial Group Corporation Limited (affixed with company seal)

Legal representative: _____

18 March 2020



Hebei Yichen Industrial Group Corporation Limited*
河北翼辰實業集團股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 1596)

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

Reference is made to the notice (the “**First Notice of AGM**”) of the annual general meeting of Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司) (the “**Company**”) dated 25 April 2023 (the “**AGM**”), which sets out, among others, the time and venue of the AGM and contains the relevant resolutions to be proposed to the shareholders of the Company (the “**Shareholders**”) at the AGM for their consideration and approval. Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as those defined in the supplemental circular of the Company dated 10 May 2023 (the “**Supplemental Circular**”).

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the AGM will be held as originally scheduled at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the People’s Republic of China (the “**PRC**”) on Thursday, 25 May 2023 at 10:30 a.m. for the purpose of considering and, if thought fit, approving the following additional resolution, together with the other resolutions set out in the First Notice of AGM:

AS SPECIAL RESOLUTION

To consider and approve the proposed amendments to the Articles of Association (the details of which are set out in the section headed “2. Proposed Amendments to the Articles of Association” in the Letter from the Board in and in the Appendix to the Supplemental Circular), and to authorise any one or more of the Directors to do all such acts and things, sign all such documents and generally take all such steps as he/she/they shall, in his/her/their absolute discretion, consider necessary, desirable or expedient for the purpose of implementing and/or giving effect to the proposed amendments to the Articles of Association.

By order of the Board of Directors
Hebei Yichen Industrial Group Corporation Limited*
Zhang Haijun
Chairman

Shijiazhuang, the PRC, 10 May 2023

* *For identification purpose only*

SUPPLEMENTAL NOTICE OF AGM

Notes:

All resolutions at the meeting will be taken by poll pursuant to the Listing Rules. The Chairman of the Board of Directors may demand poll for voting pursuant to the Articles of Association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

1. This supplemental notice should be read in conjunction with the First Notice of AGM, the First Circular and the Supplemental Circular.
2. For the purpose of determining the entitlement to attend and vote at the AGM, the register of members of the Company has been closed from Wednesday, 26 April 2023 and will remain closed up to and including Thursday, 25 May 2023, during which period no transfer of shares has been and will be registered. Shareholders whose names appear on the register of members of the Company on Wednesday, 26 April 2023 are entitled to attend and vote at the AGM.
3. A Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a Shareholder. Where a Shareholder appoints more than one proxy, his proxies can only vote on a poll.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised. If the Shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised executive officer(s) or duly authorised attorney(ies). If that instrument is signed by an attorney of the Shareholder, the power of attorney or other document authorising that attorney to sign must be notarised.
5. The First Form of Proxy was enclosed with the First Circular despatched to the Shareholders on Tuesday, 25 April 2023 and has also been published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hbyc.com.cn). Since the First Form of Proxy does not contain the special resolution to be proposed at the AGM in connection with the proposed amendments to the Articles of Association as set out in the Supplemental Notice of AGM, the Company has prepared the Updated Form of Proxy which is enclosed and despatched to the Shareholders together with the supplemental circular on Wednesday, 10 May 2023. The Updated Form of Proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hbyc.com.cn).
6. In order to be valid, the Updated Form of Proxy together with the notarised power of attorney or other authorisation document (if any) must be deposited at the Secretariat of the Board at the Company's principal place of business in the PRC (for holders of the Domestic Shares) or at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of the H Shares), not less than 24 hours before the time fixed for the meeting (i.e. not later than 10:30 a.m. on Wednesday, 24 May 2023 (Hong Kong time)) (the "Closing Time").
7. Shareholders who have lodged the First Form of Proxy with the Company should note the following arrangements:
 - (i) each Updated Form of Proxy deposited at the Secretariat of the Board at the Company's principal place of business in the PRC (in the case of holder of Domestic Shares) or at the Company's H share registrar, Computershare Hong Kong Investor Services Limited (in the case of holder of H Shares) by the Closing Time shall be treated as a valid form of proxy and shall revoke and supersede the First Form of Proxy previously deposited by the same Shareholder if correctly completed, signed and returned in accordance with the instructions printed thereon; and
 - (ii) if no Updated Form of Proxy is deposited at the Secretariat of the Board at the Company's principal place of business in the PRC (in the case of holder of Domestic Shares) or at the Company's H share registrar, Computershare Hong Kong Investor Services Limited (in the case of holder of H Shares) by the Closing Time, the First Form of Proxy will be treated as a valid form of proxy if correctly completed, signed and returned. Each proxy so appointed by the Shareholders will be entitled to vote according to the instructions given on the First Form of Proxy and to vote at his/her discretion or to abstain from voting on any additional resolution properly put to the AGM as set out in the Supplemental Notice of AGM.

SUPPLEMENTAL NOTICE OF AGM

8. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the form of proxy was executed, or the transfer of shares in respect of which the proxy was given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the AGM.
9. Save for the inclusion of the additional resolution and the arrangements regarding the appointment of proxies, there is no change to the resolutions to be proposed at the AGM as set out in the First Notice of AGM or any part of the contents thereof. Please refer to the First Notice of AGM and the First Circular for details of the other resolutions to be proposed at the AGM, the arrangements in relation to the closure of the register of members of the Company and other relevant matters.
10. The address and contact details of the Company's H share registrar, Computershare Hong Kong Investor Services Limited, are as follows:

As to the form of proxy:
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Telephone No.: (+852) 2862 8555
Facsimile No.: (+852) 2865 0990
11. The address and contact details of the Company's principal place of business in the PRC are as follows:

No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC
Telephone No.: (+86) 311 88929020
E-mail: yichenshiye@hbys.com.cn
12. In accordance with the Company's articles of association, where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this supplemental notice, and this supplemental notice, when served on such a person, shall be deemed to have been given to all joint holders of such a share.
13. The AGM is expected to be concluded within half a day. Shareholders attending the AGM (in person or by proxy) are responsible for their own transportation and accommodation expenses.
14. Shareholders or their proxies shall produce their identification documents for inspection when attending the AGM.

As at the date of this supplemental notice, the executive Directors are Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Chao, Mr. Zhang Lihuan and Ms. Ma Xuehui; the non-executive Director is Ms. Zheng Zhixing; and the independent non-executive Directors are Mr. Jip Ki Chi, Mr. Zhang Liguang and Mr. Wang Fujun.

NOTICE OF H SHAREHOLDERS CLASS MEETING



Hebei Yichen Industrial Group Corporation Limited* 河北翼辰實業集團股份有限公司

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

(Stock Code: 1596)

NOTICE OF H SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting of the H Shareholders of Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司) (the “Company”) will be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the People’s Republic of China (the “PRC”) on Thursday, 25 May 2023 at 10:30 a.m. or immediately following conclusion of the annual general meeting of the Company to be held on the same date or any adjournment thereof (whichever is the later) to consider, and if thought fit, approve (with or without amendments or supplements) the following resolution (unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as those defined in the supplemental circular of the Company dated 10 May 2023 (the “Supplemental Circular”)):

AS SPECIAL RESOLUTION

To consider and approve the proposed amendments to the Articles of Association (the details of which are set out in the section headed “2. Proposed Amendments to the Articles of Association” in the Letter from the Board in and in the Appendix to the Supplemental Circular), and to authorise any one or more of the Directors to do all such acts and things, sign all such documents and generally take all such steps as he/she/they shall, in his/her/their absolute discretion, consider necessary, desirable or expedient for the purpose of implementing and/or giving effect to the proposed amendments to the Articles of Association.

By order of the Board of Directors

Hebei Yichen Industrial Group Corporation Limited*

Zhang Haijun

Chairman

Shijiazhuang, the PRC, 10 May 2023

* For identification purpose only

NOTICE OF H SHAREHOLDERS CLASS MEETING

Notes:

All resolutions at the meeting will be taken by poll pursuant to the Listing Rules. The Chairman of the Board of Directors may demand poll for voting pursuant to the Articles of Association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

1. For the purpose of determining the entitlement to attend and vote at the AGM, the register of members of the Company has been closed from Wednesday, 26 April 2023 and will remain closed up to and including Thursday, 25 May 2023, during which period no transfer of shares has been and will be registered. H Shareholders whose names appear on the register of members of the Company on Wednesday, 26 April 2023 are entitled to attend and vote at the H Shareholders Class Meeting.
2. A Shareholder entitled to attend and vote at the H Shareholders Class Meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a Shareholder. Where a Shareholder appoints more than one proxy, his proxies can only vote on a poll.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised. If the Shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised executive officer(s) or duly authorised attorney(ies). If that instrument is signed by an attorney of the Shareholder, the power of attorney or other document authorising that attorney to sign must be notarised.
4. In order to be valid, the form of proxy together with the notarised power of attorney or other authorisation document (if any) must be deposited at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for H Shareholders), not less than 24 hours before the time fixed for the meeting (i.e. not later than 10:30 a.m. on Wednesday, 24 May 2023 (Hong Kong time)).
5. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the form of proxy was executed, or the transfer of shares in respect of which the proxy was given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the H Shareholders Class Meeting.
6. The address and contact details of the Company's H share registrar, Computershare Hong Kong Investor Services Limited, are as follows:

As to the form of proxy:
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Telephone No.: (+852) 2862 8555
Facsimile No.: (+852) 2865 0990
7. In accordance with the Company's articles of association, where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, and this notice, when served on such a person, shall be deemed to have been given to all joint holders of such a share.
8. The H Shareholders Class Meeting is expected to be concluded within half a day. H Shareholders attending the H Shareholders Class Meeting (in person or by proxy) are responsible for their own transportation and accommodation expenses.
9. H Shareholders or their proxies shall produce their identification documents for inspection when attending the H Shareholders Class Meeting.

As at the date of this notice, the executive Directors are Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Chao, Mr. Zhang Lihuan and Ms. Ma Xuehui; the non-executive Director is Ms. Zheng Zhixing; and the independent non-executive Directors are Mr. Jip Ki Chi, Mr. Zhang Liguo and Mr. Wang Fujun.

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING



Hebei Yichen Industrial Group Corporation Limited* 河北翼辰實業集團股份有限公司

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

(Stock Code: 1596)

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting of the Domestic Shares of Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司) (the “**Company**”) will be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the People’s Republic of China (the “**PRC**”) on Thursday, 25 May 2023 at 10:30 a.m. or immediately following conclusion of the H shareholders class meeting of the Company to be held on the same date or any adjournment thereof (whichever is the later) to consider, and if thought fit, pass (with or without amendments or supplements) the following resolution (unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as those defined in the supplemental circular of the Company dated 10 May 2023 (the “**Supplemental Circular**”)):

AS SPECIAL RESOLUTION

To consider and approve the proposed amendments to the Articles of Association (the details of which are set out in the section headed “2. Proposed Amendments to the Articles of Association” in the Letter from the Board in and in the Appendix to the Supplemental Circular), and to authorise any one or more of the Directors to do all such acts and things, sign all such documents and generally take all such steps as he/she/they shall, in his/her/their absolute discretion, consider necessary, desirable or expedient for the purpose of implementing and/or giving effect to the proposed amendments to the Articles of Association.

By order of the Board of Directors

Hebei Yichen Industrial Group Corporation Limited*

Zhang Haijun

Chairman

Shijiazhuang, the PRC, 10 May 2023

* For identification purpose only

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

Notes:

All resolutions at the meeting will be taken by poll pursuant to the Listing Rules. The Chairman of the Board of Directors may demand poll for voting pursuant to the Articles of Association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

1. For the purpose of determining the entitlement to attend and vote at the AGM, the register of members of the Company has been closed from Wednesday, 26 April 2023 and will remain closed up to and including Thursday, 25 May 2023, during which period no transfer of shares has been and will be registered. Domestic Shareholders whose names appear on the register of members of the Company on Wednesday, 26 April 2023 are entitled to attend and vote at the Domestic Shareholders Class Meeting.
2. A Shareholder entitled to attend and vote at the Domestic Shareholders Class Meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a Shareholder. Where a Shareholder appoints more than one proxy, his proxies can only vote on a poll.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised. If the Shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised executive officer(s) or duly authorised attorney(ies). If that instrument is signed by an attorney of the Shareholder, the power of attorney or other document authorising that attorney to sign must be notarised.
4. In order to be valid, the form of proxy together with the notarised power of attorney or other authorisation document (if any) must be deposited at the Secretariat of the Board at the Company's principal place of business in the PRC (for Domestic Shareholders), not less than 24 hours before the time fixed for the meeting (i.e. not later than 10:30 a.m. on Wednesday, 24 May 2023 (Hong Kong time)).
5. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the form of proxy was executed, or the transfer of shares in respect of which the proxy was given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the Domestic Shareholders Class Meeting.
6. The address and contact details of the Company's principal place of business in the PRC are as follows:

No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC
Telephone No.: (+86) 311 88929020
E-mail: yichenshiye@hbvc.com.cn
7. In accordance with the Company's articles of association, where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, and this notice, when served on such a person, shall be deemed to have been given to all joint holders of such a share.
8. The Domestic Shareholders Class Meeting is expected to be concluded within half a day. Domestic Shareholders attending the Domestic Shareholders Class Meeting (in person or by proxy) are responsible for their own transportation and accommodation expenses.
9. Domestic Shareholders or their proxies shall produce their identification documents for inspection when attending the Domestic Shareholders Class Meeting.

As at the date of this notice, the executive Directors are Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Chao, Mr. Zhang Lihuan and Ms. Ma Xuehui; the non-executive Director is Ms. Zheng Zhixing; and the independent non-executive Directors are Mr. Jip Ki Chi, Mr. Zhang Liguo and Mr. Wang Fujun.