

Important Note: The following is an English translation of the Chinese version of the Articles of Association of Huadian Power International Corporation Limited (华电国际电力股份有限公司公司章程). In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.



Huadian Power International Corporation Limited

Articles of Association

(Adopted by way of special resolution at the Company's general meeting on 22 September 1997)

(Amended by way of special resolution at the 2000 annual general meeting convened on 26 April 2001)

(Amended by way of special resolution at the 2002 annual general meeting convened on 24 June 2003)

(Amended by way of special resolution at the 2003 annual general meeting convened on 29 June 2004)

(Amended by way of special resolution at the 2007 first extraordinary general meeting convened on 5 February 2007)

(Amended by way of special resolution at the 2007 annual general meeting convened on 30 June 2008)

(Amended by way of special resolution at the 2008 annual general meeting convened on 2 June 2009)

(Amended by way of special resolution at the 2010 extraordinary general meeting convened on 26 October 2010)

(Amended by way of special resolution at the 2011 extraordinary general meeting convened on 22 February 2011)

(Amended by way of special resolution at the 2012 second extraordinary general meeting convened on 28 December 2012)

(Amended by way of special resolution at the 2012 annual general meeting convened on 25 June 2013)

(Amended by way of special resolution at the 2013 first extraordinary general meeting convened on 6 December 2013)

(Amended way of special resolution at the 2013 annual general meeting convened on 30 May 2014)

(Amended by way of special resolution at the 2014 second extraordinary general meeting convened on 23 December 2014)

(Amended by way of special resolution at the 2015 first extraordinary general meeting convened on 13 February 2015)

(Amended by way of special resolution at the 2015 third extraordinary general meeting convened on 28 December 2015)

(Amended by way of special resolution at the 2016 annual general meeting convened on 30 June 2017)

(Amended by way of special resolution at the 2017 first extraordinary general meeting convened on 29 December 2017)

(Amended by way of special resolution at the 2017 annual general meeting convened on 26 June 2018)

(Amended by way of special resolution at the 2019 annual general meeting convened on 30 June 2020)

(Amended by way of special resolution at the 2020 first extraordinary general meeting convened on 28 October 2020)

(Authorised by special resolution at the 2021 third extraordinary general meeting convened on 28 May 2021 and amended by way of the resolution of the 21st meeting of the 9th session of the Board convened on 26 October 2021)

(Amended by way of special resolution at the 2022 annual general meeting convened on 31 May 2023)

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Note: In the remarks column of the Articles of Association, **Company Law** means the Company Law of the People's Republic of China issued in 1993 and amended from time to time; **"Guidelines"** means the Guidelines on Articles of Association of Listed Companies issued and amended from time to time by the China Securities Regulatory Commission; **Standards for Corporate Governance** means the Standards for Corporate Governance of Listed Companies issued by the China Securities Regulatory Commission; **"Guarantee Regulatory Requirements"** means the Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements for Funds Transactions and External Guarantees by Listed Companies issued by the China Securities Regulatory Commission; and **CSRC No. 138 Document** means the Notice of China Securities Regulatory Commission on An In-depth Study on the Amendment VI to the Criminal Law.

Chapter 1 General Provisions

Article 1 The Company (formerly known as Shandong International Power Development Company Limited until 1 November 2003 when the present name was officially adopted) is a joint stock limited company which survived the consolidation and standardization carried out in accordance with the Company Law of the People's Republic of China (the "Company") and other relevant legislations and administrative regulations of the PRC.

The Company was established by way of promotion on 28 June 1994 under the approval as evidenced by Document Ti Gai Sheng No. [1994]76 issued by the State Commission for Restructuring the Economic Systems. On the same day, it was registered with the Administration Bureau of Industry and Commerce of Shandong Province and obtained its business license. The business license number was No. 16907783-5. On 17 April 1997, the Company's business license number was changed to 26717022-8. Under the approval given by the Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China as evidenced by Document [2000] Wai Jing Mao Zi Er Han Zi No. 545, the Company was transformed into a foreign-invested joint stock limited company. On 2 January 2001, the number of the Company's business license was changed to Qi Gu Lu Zong Zi No. 003922 after relevant alteration of registration particulars was made with the Administration Bureau of Industry and Commerce of Shandong Province. The current unified social credit code of the Company is 913700002671702282.

The promoters of the Company are (based on the names then):

Shandong Electric Power Corporation

Shandong International Trust and Investment Corporation

Shandong Luneng Development General Corporation

China Power Trust and Investment Company Limited

Zaozhuang City Infrastructure Investment Company

- Article 2** The registered name of the Company
Chinese: 华电国际电力股份有限公司(Abbreviation: “华电国际”)
English: Huadian Power International Corporation Limited (Abbreviation: HDPI)
- Article 3** The Company’s domicile: No.14800, Jingshi Road, Lixia District, Jinan City, Shandong Province, the PRC
Postcode: 250014
Telephone: 0531-67716222
Facsimile: 0531-67716010
- Article 4** The legal representative of the Company shall be the chairman of the board of directors of Company.
- Article 5** The Company is a joint stock limited company in perpetual existence.
- The liabilities of the shareholders of the Company are limited to the shares held by them, and the Company is liable for its debts to the extent of its entire assets.
- Article 6** This Articles of Association, as amended based on the former Articles of Association of the Company in accordance with the Company Law, the Guidelines on Articles of Association of Listed Companies (the “Guidelines”), the Standards for Corporate Governance of Listed Companies (the “Standards for Corporate Governance”), and other relevant regulations, shall become effective upon the passing of a special resolution at the shareholders’ general meeting and the approval of the companies approving department authorized by the State Council.
- From the date on which it becomes effective, the Articles of Association constitute a legally binding document regulating the Company’s organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders.

Article 7 The Articles of Association are binding on the Company and its shareholders, directors, supervisors, general manager and other senior management members, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

Subject to the relevant provisions set out in Chapter 23 herein, actions can be brought in accordance with the Articles of Association by a shareholder against the Company, by the Company against its shareholders, directors, supervisors, general manager and other senior management members, by shareholders against each other and by a shareholder against the directors, supervisors, general manager and other senior management members of the Company.

The actions referred to in the preceding clause include court proceedings and arbitration proceedings. Other senior management members referred to in the Articles of Association mean the deputy general managers, the financial controller and the secretary to the board of directors, the chief engineer and the chief economist and the chief legal counsel (if any) of the Company.

Article 8 The Company may invest in other enterprises. However, the Company shall not, unless otherwise stipulated by the laws, be the financier assuming joint liability for debts of the enterprises so invested.

Company
Law
Article 15

Article 9 Subject to the applicable PRC laws and administrative regulations, the Company shall have the power to raise and borrow money.

Article 10 In accordance with the Company Law and the Constitution of the Communist Party of China ("CPC"), the Company shall establish organisations and working organs of the CPC to play the role in leadership as well as provide general direction, control the overall situation and ensure implementation. The working organs of the CPC shall be equipped with sufficient staff and provided with sufficient funds by the Company to ensure necessary conditions for the CPC's activities.

Chapter 2 Purposes and Scope of Business

Article 11 The purposes of the Company are to: commit itself to the development, construction and management of power source projects, expedite the development of power business and increase power supply through the use of advanced management methods and flexible operation policies, thereby enhancing profitability and delivering stable and growing earnings to its shareholders.

Article 12 The Company's scope of business shall only cover the items approved by the registration authority.

The Company's scope of business includes construction, operation and management of power plants and businesses related to power generation, technological service and information consultation relating to the power business, sale, purchase and service of power and thermal products, design and construction of electric power engineering, and operation of power distribution networks.

Based on its development capability and business requirements, the Company may adjust its business scope and mode of operation when necessary according to law and establish branches and representative offices at home and abroad.

Chapter 3 Shares and Registered Capital

Article 13 There must, at all times, be ordinary shares in the Company. Subject to the approval from the companies approving department authorised by the State Council, the Company may create other classes of shares according to its requirements.

Article 14 All the shares issued by the Company shall have a par value, which shall be RMB¥1 for each share.

Article 15 Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors.

The foreign investors referred to in the preceding paragraph mean those investors who subscribe for the shares issued by the Company and who are located in foreign countries or the regions of Hong Kong, Macau and Taiwan. Domestic investors mean those investors who subscribe for shares issued by the Company and who are located within the territory of the PRC other than the abovementioned regions.

Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic-invested shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as foreign-invested shares. Foreign-invested shares which are listed outside the PRC shall be referred to as overseas-listed foreign-invested shares or simply referred to as “H Shares”.

The domestic-invested shares of the Company are deposited with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The overseas-listed foreign-invested shares of the Company are principally placed in the custody of Hong Kong Securities Clearing Company Limited.

Article 16 As approved by the companies approving department authorised by the State Council, the Company issued 3,825,056,200 ordinary shares to its promoters at the time of its establishment, accounting for 100% of all its ordinary shares then in issue.

The share capital structure of the Company upon its incorporation (based on the names at the time of the share issue) comprised 2,904,472,000 shares held by Shandong Electric Power Corporation, 794,047,400 shares held by Shandong International Trust and Investment Corporation, 86,536,800 shares held by Shandong Luneng Development General Corporation, 20,000,000 shares held by China Power Trust and Investment Company Limited, and 20,000,000 shares held by Zaozhuang City Infrastructure Investment Company, representing 75.93%, 20.76%, 2.27%, 0.52% and 0.52% of the total issued ordinary shares in the Company, respectively.

The Company issued and over-allocated 1,431,028,000 overseas-listed foreign-invested shares after its establishment, as approved by shareholders by way of special resolution at a general meeting and by the approving authorities authorised by the State Council. After the said issue of overseas-listed foreign-invested shares, the Company issued 765,000,000 ordinary shares, comprised 569,000,000 A shares and 196,000,000 shares placed to China Huadian Corporation Limited. (formerly known as China Huadian Corporation), a holder of unlisted domestic-invested shares, as approved by shareholders by way of special resolution at a general meeting and by the approving authorities authorised by the State Council.

The share capital structure of the Company following the said new issues for capital increases comprised 6,021,084,200 ordinary shares, including 3,011,075,430 shares held by China Huadian Corporation Limited. (formerly known as China Huadian Corporation), 1,009,980,770 shares held by other holders of domestic-invested shares, 569,000,000 A shares and 1,431,028,000 overseas-listed foreign-invested shares, representing 50.009%, 16.774%, 9.450% and 23.767% of the total issued ordinary shares in the Company, respectively.

The Company implemented equity division reform plan in 2006. As approved at the shareholders' meeting related to A share market by way of special resolutions and approved by the approving authorities authorised by the State Council, holders of circulating A shares in the Company were granted 3 shares for every 10 circulating A shares held which totalled 229,500,000 shares, by China Huadian Limited. (formerly known as China Huadian Corporation), Shandong International Trust and Investment Company Limited, Shandong Luneng Development (Group) Company Limited and Zaozhuang City Infrastructure Investment Company (aforesaid four shareholders are according to their names used at that time).

In 2009, under the approval of its shareholders by way of special resolution at a general meeting and the approval of the approving authorities authorised by the State Council, the Company issued 750,000,000 A shares through private placement.

In 2012, under the approval of its shareholders by way of special resolution at a general meeting and the approval of the approving authorities authorised by the State Council, the Company issued 600,000,000 A shares through private placement.

In 2014, under the approval of its shareholders by way of special resolution at a general meeting and the approval of the approving authorities authorised by the State Council, the Company issued 1,150,000,000 A shares through private placement.

In 2014, under the approval of its shareholders by way of special resolution at a general meeting and the approval of the approving authorities authorised by the State Council, the Company issued 286,205,600 H shares through private placement.

In 2015, under the approval of its shareholders by way of special resolution at a general meeting and the approval of the approving authorities authorised by the State Council, the Company issued 1,055,686,853 A shares through private placement.

In 2021, under the approval of its shareholders by way of special resolution at a general meeting and the approval of the approving authorities authorised by the State Council, the Company issued 6,881,562 A shares through private placement.

In 2021, as approved by an extraordinary resolution at the general meeting, the Company issued a total of 14,701,590 convertible corporate bonds to CCB Financial Asset Investment Co., Ltd. and BOC Financial Asset Investment Co., Ltd. upon approval by China Securities Regulatory Commission. Such bonds can be converted into shares of the Company from 28 September 2022, and the conversion period is from 28 September 2022 to 27 September 2024. As of 31 March 2023, the cumulative number of shares converted was 23,851,338.

The current share capital structure of the Company comprises 9,893,709,553 ordinary shares, including 8,176,475,953 A shares and 1,717,233,600 overseas-listed foreign-invested shares, representing 82.64% and 17.36% of the total issued ordinary shares in the Company respectively.

Article 17 Upon the Company's plan for issue of overseas-listed foreign-invested shares and domestic-invested shares being approved by the securities regulatory authority of the State Council, the board of directors of the Company may arrange for implementation of such plan by means of separate issues.

The plan for the issue of overseas-listed foreign-invested shares and domestic-invested shares may be implemented respectively by the Company pursuant to the provisions as aforesaid within fifteen (15) months upon the approval of the securities regulatory authority of the State Council.

Article 18 Where the Company issues overseas-listed foreign-invested shares and domestic-invested shares respectively within the total number of shares as stated in the issue plan, the respective shares shall be subscribed for in full at one time. If the shares cannot be subscribed for in full at one time under special circumstances, these shares may be issued in several tranches subject to the approval of the securities regulatory authority of the State Council.

Article 19 The Company's registered capital is Renminbi 9,893,709,553. The registered capital of the Company shall be registered with the industry and commerce administrative authorities, and shall be filled with the companies approving department authorised by the State Council and the securities regulatory authority of the State Council.

Article 20 The Company may, based on its operation and development needs, approve an increase in its capital in accordance with the relevant provisions of the Articles of Association.

The Company may increase its capital in the following manners:

- (1) by offering new shares to non-specific investors;
- (2) by placing new shares to existing shareholders;
- (3) by allotting bonus shares to existing shareholders

- (4) by converting capital reserve to share capital;
- (5) by any other means which is permitted by laws and administrative regulations.

The Company's increase of share capital by means of issuance of new shares shall, after being approved pursuant to the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant PRC laws and administrative regulations.

Article 21 Unless otherwise provided for by laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien.

Article 22 Domestic-invested shares and overseas-listed foreign-invested shares of the Company shall be traded, donated, inherited and pledged in accordance with the PRC laws and the Articles of Association. The transfer and assignment of shares of the Company shall follow transfer formalities in accordance with relevant regulations. However, no transfer or other change formalities will be effected from the date when the Company announces the commencement of liquidation.

Article 23 (1) All transfers of overseas-listed foreign-invested shares listed in Hong Kong shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the board of directors; such instruments of transfer may be executed by hand without seal. If the shareholder concerned is a recognized clearing house as defined in the securities listing rules or other securities laws or its nominee, instruments of transfer may be executed in mechanically-printed form.

(2) All fully paid-up overseas-listed foreign-invested shares are freely transferable pursuant to the Articles of Association; However, the board of directors may refuse to recognize any instrument of transfer without giving any reason unless such transfer fulfils the following conditions:

- (i) A fee of HK\$2.5 per instrument of transfer or such lower amount as the board of directors may from time to time require but no more than the amount as prescribed from time to time by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) has been paid to the Company for registration of transfer and other documents relating to or which will affect the ownership of the shares;
 - (ii) the instrument of transfer involves only the overseas-listed foreign-invested shares;
 - (iii) the stamp duty payable on the instrument of transfer has been paid;
 - (iv) the relevant share certificates and evidence reasonably required by the board of directors showing that the transferor has the right to transfer such shares have been provided;
 - (v) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed four (4);
 - (vi) the relevant shares are not encumbered by any Company lien.
- (3) After the completion of the transfer, the transferee’s name shall be entered into the register of shareholder as holder of the shares transferred.
- (4) Any issuance and future transfer of the overseas-listed foreign-invested shares shall be entered in the part of the register of shareholders required to be maintained in Hong Kong under Article 41(2)(ii) of the Articles of Association.

Article 24 The Company shall have the right to terminate the dispatch of dividend warrants to holders of overseas-listed foreign-invested shares by mail, but such right shall not be exercised until the dividend warrants have not been cashed for two consecutive occasions. However, where the dividend warrant is undelivered for the first time to the addressee and returned, the Company may also exercise such right.

The Company may sell the shares of untraceable shareholders and keep the sale proceeds, if:

- (1) within a period of twelve (12) years, dividends have been distributed in respect of the relevant shares at least three (3) times but were not claimed by any shareholders during such period; and
- (2) upon the expiry of twelve (12) years, the Company makes an announcement of its intention to sell the shares upon approval of the securities regulatory authority of the State Council and notifies the authority and relevant foreign securities regulators of such intention.

Chapter 4 Reduction of Capital and Repurchase of Shares

Article 25 In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.

The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten (10) days from the date of the Company's resolution on reduction of capital and shall publish an announcement in a newspaper within thirty (30) days from the date of such resolution. A creditor shall have the right, within thirty (30) days of the date of receipt of the notice from the Company or, in case of a creditor who has not received such notice, within forty-five (45) days of the date of the first public announcement, to demand the Company to repay its debts or provide a corresponding guarantee for such debt.

The registered capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

Article 26 The Company may, in accordance with the procedures set out in the Articles of Association and with the approval of the relevant governing authority of the PRC, repurchase its issued shares under the following circumstances:

- (1) to cancel shares for the purpose of capital reduction;
- (2) to merge with another company that holds shares in the Company;
- (3) to use the shares for employee stock ownership plans or as share incentives;
- (4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company; Guidelines Article 24
- (5) to use the shares for conversion of corporate bonds which are convertible into shares issued by the Company;
- (6) where it is necessary for the Company to safeguard its value and the interests of its shareholders; or
- (7) other circumstances as permitted by laws and administrative regulations.

Except for the above circumstances, the Company shall not repurchase the shares of the company.

Article 27 The Company may, with the approval of the relevant governing authority of the PRC for repurchasing its shares, conduct the repurchase in one of the following manners:

- (1) making a pro rata general offer of repurchase to all of its shareholders; Guidelines Article 24

- (2) repurchasing shares through public dealings on a stock exchange;
- (3) repurchasing through an off-market agreement;
- (4) by other methods as permitted by laws and administrative regulations and approved by the securities regulatory authority of the State Council.

If the Company repurchases its shares in the circumstances set out under items (3), (5) and (6) of Clause 1 of Article 26 of the Articles of Association, the repurchase shall be conducted through public and centralized trading.

Article 28 Where the Company repurchases its shares through an off-market agreement, it shall seek prior approval of the shareholders at a general meeting in accordance with the Articles of Association. The Company may release or vary a contract so entered into by the Company or waive its rights thereunder with prior approval by shareholders at a general meeting obtained in the same manner.

The contract to repurchase shares as referred to in the preceding paragraph includes, but not limited to, an agreement to become obliged to repurchase or to acquire the right to repurchase shares.

The Company shall not assign a contract for repurchasing its shares or any of its right thereunder.

Article 29 If the Company repurchases its shares in the circumstances set out under items (1) and (2) of Clause 1 of Article 26 of the Articles of Association, the repurchase shall be subject to the approval of the general meeting. If the Company repurchases its shares in the circumstances set out under items (3), (5) and (6) of Clause 1 of Article 26 of the Articles of Association, the repurchase may be conducted in compliance with the requirements of the Articles of Association or the authorization granted at the shareholders' general meeting upon approval by the board meeting attended by more than two-thirds of the directors.

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If the Company repurchases its shares in the circumstances set out under Clause 1 of Article 26 of the Articles of Association, in the case of item (1), the shares shall be cancelled within 10 days from the date of repurchase; in the case of items (2) and (4), the shares shall be transferred or cancelled within 6 months; in the cases of items (3), (5) and (6), the total number of shares in the Company held by a company shall not exceed 10% of total shares issued by the Company and these shares shall be transferred or cancelled within 3 years.

Article 30 Shares repurchased in accordance with the laws by the Company shall be cancelled or transferred within the period prescribed by laws, administrative regulations and the relevant listing rules. And under the circumstance of the cancellation, the Company shall carry out the registration of the change in its registered capital with its original registrar.

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The amount of the Company's registered capital shall be reduced by the total par value of the shares cancelled.

Article 31 Unless the Company is in the course of liquidation, it must comply with the following provisions in respect of repurchase of its issued shares:

- (1) where the Company repurchases its shares at par value, payment shall be made out of book balance of the distributable profits of the Company and/or out of proceeds of a fresh issue of shares made for that purpose;
- (2) where the Company repurchases its shares at a premium to their par value, payment up to the par value shall be made out of the book balance of distributable profits of the Company and/or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be handled as follows:
 - (i) if the shares being repurchased were issued at par value, payment shall be made out of the book balance of the distributable profits of the Company;

- (ii) if the shares being repurchased were issued at a premium to their par value, payment shall be made out of the book balance of the distributable profits of the Company and/or out of the proceeds of a fresh issue of shares made for that purpose, but that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased nor the current amount of the Company's capital reserve account (including the premiums on the fresh issue);
- (3) payment by the Company in consideration of the following shall be made out of the Company's distributable profits:
 - (i) acquisition of rights to repurchase its shares;
 - (ii) variation of any contract for repurchase of its shares;
 - (iii) release of any of the Company's obligation under any contract for repurchase of its shares.
- (4) after the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value portion of the shares repurchased shall be transferred to the Company's capital reserve account.

Chapter 5 Financial Assistance for the Acquisition of Shares of the Company

Article 32 The Company and its subsidiaries shall not, at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. This includes any person who directly or indirectly incurs any obligations as a result of the acquisition of shares of the Company (the "Obligor").

The Company and its subsidiaries shall not, by any means at any time, provide financial assistance to the Obligor for the purpose of reducing or discharging the obligations assumed by the Obligor.

This provision does not apply to the circumstances specified in Article 33 hereof.

Article 33 The financial assistance as referred to in this Chapter includes, but not limited to, the following:

- (1) gift;
- (2) guarantee (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), or compensation (other than compensation in respect of the Company's own default) or release or waiver of any rights;
- (3) provision of loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights arising under, such loan or agreement;
- (4) any other form of financial assistance given 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 purposes of this Chapter, "assumption of obligations" includes the assumption of obligations by way of contract or by way of arrangement (irrespective of whether such contract or arrangement is enforceable or not and irrespective of whether such obligation is to be borne solely by the Obligor or jointly with other persons) or by any other means which results in a change in his financial position.

Article 34 The following activities shall not be deemed to be the activities as prohibited by Article 31 of this Chapter:

- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose in giving the financial assistance is not for the acquisition of shares of the Company, or the giving of the financial assistance is an incidental part of some larger purpose of the Company;
- (2) the lawful distribution of the Company's assets by way of dividend;
- (3) the allotment of bonus shares as dividends;
- (4) a reduction of registered capital, a repurchase of shares or a reorganization of the share capital structure of the Company, etc. in accordance with the Articles of Association;
- (5) 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 that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company);
- (6) the provision of money by the Company for contributions to staff and workers' share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company).

Chapter 6 Share Certificates and Register of Shareholders

Article 35 Share certificates of the Company shall be in registered form.

In addition to those items provided in the Company Law, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange(s) on which the shares of the Company are listed.

- Article 36** Share certificates of the Company shall be signed by the legal representative of the Company. Where the stock exchange(s) on which the shares of the Company are listed requires the share certificates to be signed by other senior management members, the share certificates shall also be signed by such senior management members. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. Affixing the share certificates with the Company's seal shall be under the authorisation of the board of directors. The signatures of the chairman of the board of directors or other senior management members on the share certificates may also be in printed form. Guidelines Article 27 Company Law Article 128
- Article 37** The Company does not accept its shares as the subject of any pledge.
- Article 38** During their term of office, the directors, supervisors, general manager and other senior management officers of the Company shall report periodically to the Company their shareholdings in the Company and any changes therein. Transfer of shares by the aforesaid persons shall be conducted in accordance with the laws, regulations and/or relevant listing rules. Guidelines Article 28
- Article 39** Any gains from sale of shares in the Company or other securities with the nature of equity by any director, supervisor, senior management member or shareholder holding 5% or more of the shares in the Company within six (6) months after their purchase of the same, and any gains from purchase of shares in the Company or other securities with the nature of equity by any of the aforesaid parties within six (6) months after sale of the same shall be disgorged and paid to the Company. The board of directors of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holds not less than 5% shares by purchasing the remaining shares after sale pursuant to an underwriting arrangement and the securities regulatory authorities in the place where the Company's shares are listed stipulate other circumstances, the foregoing requirements shall not apply. Guidelines Article 29

Shares or other securities with the nature of equity held by directors, supervisors, senior management members, natural person shareholders referred to in the preceding paragraph include shares or other securities with the nature of equity held by their spouse, parents, children and under others' account.

Should the board of directors of the Company fail to comply with the requirements set out in the first paragraph, a shareholder shall be entitled to request the board of directors to implement the same within thirty (30) days. Should the board of directors of the Company fail to do so within the said time limit, a shareholder shall have the right to initiate proceedings in the People's Court directly in his own name for the interests of the Company.

Should the board of directors of the Company fail to comply with the requirements set out in the first paragraph, the responsible director(s) shall be held jointly liable.

Article 40 The Company shall keep a register of shareholders which shall contain the following particulars:

- (1) the name, address (residence), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid-up or payable in respect of shares held by each shareholder;
- (4) the share certificate series number(s) of the shares held by each shareholder;
- (5) the date on which a person registers as a shareholder;
- (6) the date on which any shareholder ceases to be a shareholder.

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

Article 41 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and the securities regulator in Hong Kong, maintain its register of holders of overseas-listed foreign-invested shares which are listed in Hong Kong and appoint Hong Kong agent(s) to manage such register.

The register of holders of overseas-listed foreign-invested shares is open for inspection by shareholders of the Company, but the Company may close the register of shareholders in accordance with relevant laws and regulations of Hong Kong.

The Company shall maintain a duplicate of the register of holders of overseas-listed foreign-invested shares at the Company's domicile. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of holders of overseas-listed foreign-invested shares at all times.

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

Article 42 The Company shall maintain a complete register of shareholders.

The register of shareholders shall include the following:

- (1) the register of shareholders maintained at the Company's domicile (other than those parts as described in subparagraphs (2) and (3) of this Article);
- (2) the register of shareholders in respect of the holders of overseas-listed foreign-invested shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located;
- (3) the register of shareholders maintained at such other place as the board of directors may consider necessary for the purpose of listing of the Company's shares.

Article 43 Different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.

Article 44 Alteration or rectification of each part of the register of shareholders shall be made in accordance with the laws of the place where that part of the register of shareholders is maintained.

Article 45 Where laws, regulations, securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed stipulate on the period of closure of the register of shareholders before the date of the general meeting or before the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

Article 46 In the event that the Company convenes a general meeting, distributes dividends, liquidates its assets, or engages in other activities which require the confirmation of equity interests, the board of directors or the convener of general meeting shall fix a date as a record date for the confirmation of equity interests. The shareholders of the Company entitled to the underlying interests shall be those whose names appear in the register of shareholders after the closing of trading on the record date.

Guidelines
Article 31

Article 47 Any person aggrieved and claims to be entitled to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 48 Any shareholder who is registered in, or any person requests to have his name entered in, the register of shareholders in respect of shares in the Company may, if his share certificates (the “original certificates”) are lost, apply to the Company for replacement share certificates in respect of such shares (the “relevant shares”).

If a holder of the domestic-invested shares loses his share certificates and applies for their replacements, it shall be dealt with in accordance with Article 144 of the Company Law.

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

The issue of replacement certificates to holders of overseas listed foreign invested shares shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarial certificate or statutory declaration, stating the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as declaring that no other person is entitled to request to be registered as the shareholder in respect of the relevant shares;
- (2) no statement has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant shares before the Company comes to a decision to issue the replacement certificate;
- (3) the Company shall, if it intends to issue a replacement certificate to the applicant, make an announcement of its intention to do so at least once every thirty (30) days within a period of ninety (90) consecutive days in newspapers prescribed by the board of directors;
- (4) The Company shall, prior to publication of its intention to issue a replacement share certificate, deliver a copy of the announcement to be published to the stock exchange on which its shares are listed, and may publish the announcement upon receipt of confirmation from such stock exchange that the announcement has been exhibited in the premises of the stock exchange. Such announcement shall be exhibited in the premises of the stock exchange for a period of ninety (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 mail to such registered shareholder a copy of the announcement to be published;

- (5) if, upon expiration of the 90-day period referred to in subparagraphs (3) and (4) of this Article, the Company has not received any challenge from any person in respect of the issuance of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his application;
- (6) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the original certificate and enter the cancellation and the issuance of the replacement share certificate in the register of shareholders accordingly;
- (7) all expenses relating to the cancellation of an original certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant and the Company is entitled to refuse to take any action until reasonable security is provided by the applicant therefore.

Article 49 Where the Company issues a replacement certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share 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 50 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company has acted fraudulently.

Chapter 7 Rights and Obligations of Shareholders

Article 51 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 number of shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations.

The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attaching to any shares of the Company by reason only that person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

Article 52 The ordinary shareholders of the Company shall have the following rights:

Guidelines
Article 32

- (1) the right to dividends and other distributions in proportion to the number of shares held;
- (2) the right to propose, convene and preside over, to attend or appoint a proxy to attend general meetings, to speak at the general meetings, and to exercise the voting right thereat according to the proportion of the shares held (unless any individual shareholders are, under the applicable listing rules as stipulated from time to time, required to abstain from voting to approve the matter under consideration);
- (3) the right to supervise and manage the business activities of the Company, and to put forward proposals and raise inquiries;
- (4) the right to transfer, donate or pledge the shares held by him in accordance with the laws, administrative regulations and the Articles of Association;

- (5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
 - (i) the right to obtain a copy of the Articles of Association upon payment of the cost thereof;
 - (ii) the right to inspect and copy, subject to payment of a reasonable charge:
 - (A) all parts of the register of shareholders;
 - (B) personal particulars of each of the Company's directors, supervisors, general manager and other senior management members, including:
 - (a) present and former names and any alias;
 - (b) principal address (place of residence);
 - (c) nationality;
 - (d) primary and all other part-time occupations and duties;
 - (e) identification document and its number.
 - (C) report on the state of the Company's share capital;
 - (D) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount paid by the Company for this purpose;
 - (E) minutes of shareholders meetings;
 - (F) financial reports.

- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the residual assets of the Company in proportion to the number of shares held;
- (7) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;
- (8) the right to initiate a lawsuit in the People’s Court against any act in violation of the Company’s interests or detrimental to the legal interests of the shareholders and claim relevant rights in accordance with the Company Law or other laws or administrative regulations;
- (9) other rights conferred by the laws, administrative regulations, departmental rules and the Articles of Association.

Company
Law
Articles 22
and 152

Article 53 The ordinary shareholders of the Company shall assume the following obligations:

Guidelines
Article 37

- (1) to comply with the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to return the shares unless required by the laws and regulations;

- (4) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company; Shareholders of the Company who abuse their shareholder's rights and thereby cause losses to the Company or other shareholders shall be liable for damages according to the law. Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company;
- (5) other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscribers of the relevant shares on subscription.

Article 54 Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his possession, he shall report the same to the Company in writing on the day on which he pledges his shares. Guidelines Article 38

Article 55 The controlling shareholder and the de facto controller of the Company shall not use their connected relationship to act in detriment to the interests of the Company. If they have violated the provision and caused damage to the Company, they shall be liable for such damages. Guidelines Article 39

The controlling shareholder and the de facto controller of the Company shall bear fiduciary duties towards the Company and its public shareholders. The controlling shareholder shall exercise its rights as a contributor in strict compliance with the laws. The controlling shareholder shall not do harm to the lawful interests of the Company and its public shareholders through profit distribution, asset restructuring, foreign investment, possession of capital, lending guarantees and shall not make use of its controlling status against the interests of the Company and public shareholders.

Article 56 In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which shares of the Company are listed, a controlling shareholder (as defined in Article 56) shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:

- (1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve a director or supervisor (for his own benefit or for the benefit of another person), in any guise, depriving of the Company's assets, including (without limitation to) any opportunities beneficial to the Company;
- (3) to approve a director or supervisor (for his own benefit or for the benefit of another person) depriving of other shareholders' individual rights and interests, including (without limitation to) rights to distributions and voting rights save for a restructuring of the Company submitted to a shareholders' general meeting for approval in accordance with the Articles of Association.

Article 57 For the purpose of the preceding Article, a "controlling shareholder" means a person who satisfies any one of the following conditions:

- (1) a person who, acting alone or in concert with others, has the power to elect not less than one half of the board of directors;

- (2) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30 % or more of the voting rights in the Company;
- (3) a person who, acting alone or in concert with others, holds 30 % or more of the issued and outstanding shares of the Company;
- (4) a person who, acting alone or in concert with others, has de facto control of the Company in any other way.

Chapter 8 Shareholders' General Meeting

Article 58 The shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with law.

Article 59 The shareholders' general meeting shall exercise the following functions and powers: Guidelines

- (1) to decide on the operating policies and investment plans of the Company; Article 40
- (2) to elect and replace directors and to decide on matters relating to the remuneration of directors; Guarantee
- (3) to elect and replace supervisors who are not staff representatives and to decide on matters relating to the remuneration of supervisors; Regulatory
- (4) to consider and approve the reports of the board of directors; Requirements
- (5) to consider and approve the reports of the supervisory committee;
- (6) to consider and approve the Company's annual financial budgets and final accounts;

- (7) to consider and approve the Company's profit distribution plan and loss recovery plan;
- (8) to resolve on any increase or reduction of registered capital of the Company;
- (9) to decide on matters such as merger, division, dissolution and liquidation of the Company;
- (10) to decide on the issuance of bonds by the Company;
- (11) to decide on the appointment, removal or non-reappointment of accounting firms for the Company and their remunerations;
- (12) to amend the Articles of Association;
- (13) to resolve on purchase or sale of material assets by the Company within one year, the amount of which exceeds 30% of its latest audited total assets;
- (14) to resolve on the Company's provision of a guarantee to third parties which is subject to the approval of shareholders at a general meeting as required under laws, administrative regulations and the Articles of Association;
- (15) to consider and approve any change in the use of proceeds from fund raising;
- (16) to consider share incentive plans;
- (17) to decide on other matters which are, according to the laws, administrative regulations, departmental rules and the Articles of Association, subject to the resolution of shareholders' general meeting.

Article 60 Any guarantee provided to third parties by the Company are subject to the consideration and approval by the board of directors. The following guarantees provided to third parties by the Company, after being considered by the board of directors, are subject to the consideration and approval of shareholders' general meeting:

1. any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the Company's latest audited net assets;
2. any guarantee, which when aggregated on a cumulative basis for 12 consecutive months, is in excess of 50% of the Company's latest audited net assets;
3. a guarantee to be provided in favour of a party with an asset to liability ratio exceeding 70%;
4. a single guarantee in excess of 10% of the Company's latest audited net assets;
5. any guarantee to be provided in favour of shareholders, de facto controllers and their respective related parties;
6. any guarantee provided after the total amount of guarantees to third parties provided by the Company has reached or exceeded 30% of the Company's latest audited total assets;
7. any guarantee, which when aggregated on a cumulative basis for 12 consecutive months, is in excess of 30% of the Company's latest audited total assets;
8. other guarantees subject to the consideration and approval of the shareholders' general meeting as provided in the laws and regulations and the Articles of Association.

Where any of the directors, general manager and other senior management members of the Company has committed any violations of the laws, administrative regulations or their authorities of approval and examination procedures for the external guarantees prescribed in the Articles of Association, such person shall be liable for any losses suffered by the Company arising therefrom, and the Company may institute legal proceedings against him by law.

Article 61 Matters that shall be determined at general meetings in accordance with the laws, administrative regulations and the Articles of Association must be reviewed at relevant general meeting(s) for the purpose of safeguarding the right of shareholders to decide on such matters. Where necessary and reasonable, a general meeting may authorise the board of directors to determine, within the scope of authorisation as to be granted by such general meeting, specific issues relating to matters which shall be resolved but can not be decided upon immediately at such meeting.

Company Law Article 103 Standards for Corporate Governance Article 14

Where the authority granted by the general meeting to the board of directors is related to a matter subject to an ordinary resolution, it shall be passed by votes representing more than one-half (excluding one-half) of the voting rights of the shareholders (including proxies) present at the general meeting; where it is related to a special resolution, it shall be passed by votes representing not less than two-thirds of the voting rights of the shareholders (including proxies) present at the general meeting. The substance of the authorisation shall be clear and specific.

Article 62 The Company shall not, without the prior approval of shareholders' general meeting, enter into any contract with any person other than a director, supervisor, general manager or other senior management member of the Company whereby such person is put in charge of the management of a whole or any substantial part of the Company's business.

Article 63 A general meeting shall either be an annual general meeting or an extraordinary general meeting.

Annual general meetings are held once every year and within six (6) months from the end of the preceding financial year. A general meeting shall have a venue where it shall be held in the form of an onsite meeting.

Guidelines
Articles 44
and 80

The Company shall maximize the percentage of presence of public shareholders at any general meeting by various means including the provision of modern communication technologies, giving priority to online voting, on condition that the general meeting shall be held legally and validly without detriment to the legal rights and interests of domestic and foreign shareholders. A shareholder who participated in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

The board of directors shall convene an extraordinary general meeting within two (2) months of the occurrence of any one of the following circumstances:

Company
Law Article
100

- (1) where the number of directors falls below eight (8);
- (2) where the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (3) where shareholder(s) individually or jointly holding 10 % or more of the Company's shares request(s) for the convening of an extraordinary general meeting;
- (4) whenever the board of directors deems necessary or the supervisory committee so requests;
- (5) other circumstances provided by laws, administrative regulations, departmental rules or the Articles of Association.

Guidelines
Article 43

The shareholdings referred to in subparagraph (3) above shall be calculated as at the date of written request of the shareholder(s).

Article 64 Matters to be discussed and decided at general meetings shall be determined in compliance with requirements of the Company Law and the Articles of Association. General meetings are entitled to make decisions on any matters as stipulated in the Articles of Association.

Motions on matters which are not stated in the notice as provided in Article 64 and Article 66 hereof or are in contravention with Article 65 hereof shall not be voted on and decided at general meetings.

Article 65 When the Company convenes an annual general meeting, the written notice shall be dispatched twenty (20) working days before the date of the meeting. When the Company convenes an extraordinary general meeting, the written notice shall be dispatched ten (10) working days or fifteen (15) days (whichever is longer) before the date of the meeting. Such notice shall notify all of the shareholders whose names appear in the register of shareholders of the matters to be considered at and the date and place of the meeting. Where laws, regulations, securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed stipulate on the abovementioned matters, such provisions shall prevail.

Article 66 Motions put forward at a general meeting shall be specific and related to the matters required to be considered at a general meeting. Motions put forward at a general meeting shall satisfy the following requirements:

- (1) free of conflicts with the provisions of laws, administrative regulations and the Articles of Association, and within the business scope of the Company and the terms of reference of general meetings;
- (2) with definite topics to discuss and specific matters to resolve;
- (3) be submitted or served to the convener in writing.

Article 67 When the Company convenes a general meeting, the board of directors, the supervisory committee and the shareholders either individually or jointly holding 3% or more of the Company's shares may propose motions.

Shareholders either individually or jointly holding 3% or more of the Company's shares may submit extempore motions to the convener in writing ten (10) days prior to the date of the meeting. The convener shall issue a supplementary notice of the general meeting and announce the contents of such extempore motions within two (2) days upon receipt of the motions. If the listing rules of the place where the Company's shares are listed otherwise stipulates, such other requirements shall be also complied with.

Except for the circumstance provided by the preceding paragraph, the convener of a general meeting shall not amend the motions set out in the notice of the meeting or add any new motion subsequent to the issue of the notice of the general meeting.

Article 68 The notice of a general meeting shall:

- (1) be in writing;
- (2) specify the place, the date and the time of the meeting;
- (3) set out the matters to be considered at the meeting;
- (4) provide such information and explanation as are necessary for the shareholders to make informed decisions on the matters to be considered. This principle includes but without limitation to the provision of the detailed conditions and contract (if applicable) of a proposed transaction where the company proposes to amalgamate, repurchase the shares of the Company, reorganise its share capital, or restructure the Company in any other way, and the cause and effect of such proposal must be properly explained;

- (5) contain a disclosure of the nature and extent, if any director, supervisor, general manager and other senior management member has material interests with the matters to be discussed; and an explanation of the difference if such matters have different effect on them in their capacity as shareholders compared to other shareholders of the same class, (6) contain the full text of any special resolution to be proposed at the meeting;
- (7) contain a conspicuous statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one (1) or more proxies to attend and vote at such meeting on his behalf and that a proxy need not be a shareholder;
- (8) specify the time and place for lodging proxy forms for the relevant meeting.

Article 69 Notice of a general meeting shall be served on each shareholder (whether or not such shareholder is entitled to vote at the meeting) by personal delivery or prepaid airmail to the address of the shareholder as shown in the register of shareholders. For holders of domestic shares, the notice of a general meeting may also be served by way of announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority of the State Council. Once the announcement is published, the holders of domestic shares shall be deemed to have received the notice relating to the general meeting.

Article 70 Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder:

- (1) the right of the shareholder to speak at the meeting;
- (2) the right to demand or join in demanding a poll;

- (3) unless otherwise required by applicable rules governing the listing of securities or other securities laws and regulations, the right to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

Where that shareholder is a recognised clearing house within the meaning of any applicable rules governing the listing of securities or any other applicable securities laws and regulations, such person or persons authorised by the shareholder as it thinks fit or the corporate representative may act as its representative at any general meeting or any meeting of any class of shareholders or any creditors meeting; but if more than one person is so authorised, the power of attorney must specify the number and class of shares in respect of which each such person is so authorised. A person so authorised shall be entitled to exercise the rights on behalf of the recognized clearing house (or its agent) as if such shareholder were an individual shareholder of the Company.

Article 71 The instrument appointing a proxy shall be in writing under the hand of the principal or his attorney duly authorised in writing, or if the principal is a legal entity, either under seal or under the hand of a director or a duly authorised attorney. Such instrument shall specify the number and class of shares to be represented by the proxy, or if more than one proxy is appointed, by each proxy.

Article 72 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 within 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 principal, 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.

If the principal is a legal person, its legal representative or such person as is authorized by resolution of its board of directors or other governing body may attend any meeting of shareholders of the Company as a representative of the principal (If such legal person shareholder has appointed a representative to attend any meeting, it shall be treated as being present at the meeting in person).

Article 73 Any form issued to a shareholder by the board of directors for use by him for appointing a proxy to attend and vote at a general meeting of the Company shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted on in connection with each point of discussion of the meeting. Such a form shall contain a statement that, in default of instructions, the proxy may vote as he thinks fit.

Article 74 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the principal, or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such death, incapability, revocation or transfer as aforesaid shall have been received by the Company at its residence before the commencement of the relevant meeting.

Article 75 The board of directors, independent directors and certain qualifying shareholders (as determined under the criteria made by relevant regulatory authorities from time to time) of the Company may publicly solicit votes of the Company's shareholders at general meetings, provided that sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any limitation related to minimum shareholdings on the solicitation of voting rights. Public solicitation of votes shall be made in accordance with regulations of relevant regulatory authorities and the stock exchange on which the shares of the Company are listed.

Article 76 For connected transactions to be considered at a general meeting, connected shareholders shall abstain from voting on such connected transactions, and the number of shares carrying voting rights they represent shall not be counted into the valid voting results. And the announcement of resolutions passed at the general meeting shall fully disclose the voting of non-connected shareholders on the transactions. In special circumstances impossible for the connected shareholders to abstain from voting, the Company shall, upon approval from competent authorities, proceed with the normal voting proceedings, and state its detail in the announcement of the resolutions passed at the general meeting.

Article 77 Resolutions of general meetings shall be either ordinary or special resolutions.

Company
Law Article
103

To adopt an ordinary resolution, votes representing more than one-half (excluding one-half) of the voting rights represented by the shareholders (including proxies) present at the meeting must be cast in favour of the resolution.

To adopt a special resolution, votes representing not less than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be cast in favour of the resolution.

Article 78 A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of voting shares represented by him. Each share shall have one vote, except for the adoption of the accumulative voting system for election of directors and supervisors as stipulated in the Article 105 hereof. The shares held by the Company carry no voting rights and shall not be counted into the total number of shares with voting rights held by shareholders attending the meeting. Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.

Guidelines
Article 78

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

Article 79 At a general meeting, a resolution shall be decided on a show of hands unless otherwise required by applicable rules governing the listing of securities or other securities laws and regulations or a poll is demanded by the following person(s) before or after a vote is carried out by a show of hands:

- (1) the chairman of the meeting;
- (2) at least two shareholders present in person or by proxy for the time being entitled to vote at the meeting;
- (3) one or more shareholders present in person or by proxy separately or jointly representing 10% or more of all shares carrying the right to vote at the meeting.

Unless otherwise required by applicable listing rules and other securities laws and regulations or a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the recording of such in the minutes of meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who demands the same.

Article 80 A poll demanded on the election of the chairman of the meeting, or on adjournment of the meeting, shall be taken forthwith. Unless otherwise required by applicable listing rules and other securities laws and regulations, a poll demanded on other matters shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Article 81 On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way.

Article 82 In the case of equivalency between the dissenting votes and affirmative votes, whether voting by show of hands or a poll, the chairman of the meeting shall be entitled to an additional vote.

Article 83 The following matters shall be resolved by ordinary resolution at a general meeting:

- (1) work reports of the board of directors and the supervisory committee;
- (2) profit distribution plans and loss recovery plans formulated by the board of directors;
- (3) election or removal of members of the board of directors and members of the supervisory committee, their remuneration and manners of payment thereof;
- (4) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (5) appointment, removal or non-reappointment of accounting firms and their remunerations;

- (6) matters other than those which are required by the laws and administrative regulations or by the Articles of Association to be adopted by special resolution.

Article 84 The following matters shall be resolved by special resolution at a general meeting:

Guidelines
Article 77

- (1) increase or reduction of the share capital and issue of shares of any class, warrants or other similar securities;
- (2) issue of corporate bonds;
- (3) division, merger, dissolution and liquidation (including voluntary winding up) of the Company;
- (4) amendment to the Articles of Association;
- (5) purchase or disposal of material assets, or provision of guarantee within one year, the amount of which exceeds 30% of the latest audited total assets of the Company;
- (6) share incentive schemes;
- (7) any other matters required by the laws, administrative regulations, departmental rules and the Articles of Association and considered by the general meeting, by way of an ordinary resolution, to have a substantial impact on the Company and should be adopted by special resolution.

Article 85 The independent directors of a sufficient number, the supervisory committee or shareholders individually or jointly holding 10% or more of shares of the Company may request the convening of an extraordinary general meeting or a class meeting, subject to the following procedures:

- (1) sign one or more counterpart requisition(s) stating the subject of the meeting and requiring the board of directors to convene an extraordinary general meeting or a class meeting. The board of directors shall give a reply in writing, as to whether or not it agrees to convene the meeting within ten (10) days after receiving the aforementioned requisition.

The aforesaid proportion of shareholding shall be calculated according to such shareholders' shareholding at the date of the deposit of the requisition.

- (2) where the board of directors agrees to convene the meeting, it shall issue the notice of the meeting within five (5) days after the resolution has been made by the board of directors. Prior approval from the original proposer(s) is required for any change to the original motion.
- (3) In the event that the board of directors does not give its consent to convene the meeting as requested by independent directors, it shall explain the relevant reasons and publish an announcement.
- (4) where the board of directors does not give its consent to convene an meeting as requested by the supervisory committee, or fails to give any reply within ten (10) days after the receipt of the said requisition, the board of directors shall be deemed to be unable to perform or failing to perform its function of convening a general meeting. The supervisory committee itself may convene and preside over the general meeting. The convening procedures should be as similar as possible as that in which meetings are to be convened by the board of directors.
- (5) where the board of directors refuses to convene the meeting as requested by shareholders, or does not give any reply within ten (10) days after receipt of the requisition, the shareholders shall propose to the supervisory committee in writing to convene the meeting.

Where the supervisory committee agrees to convene the meeting, it should issue the notice of the meeting within five (5) days after receipt of the requisition. Prior approval from the original proposer(s) is required for any change to the original motion.

Where the supervisory committee fails to issue notice of the meeting within the prescribed period, the supervisory committee shall be deemed not to convene and preside over the meeting, and the shareholders individually or jointly holding not less than 10% shares of the Company for a period of ninety (90) consecutive days or more are entitled to convene and preside over the meeting on their own (the shareholding of the convening shareholders shall not fall below 10% prior to the announcement of the resolution(s) passed at the meeting). The convening procedures should be as similar as possible as that in which meetings are to be convened by the board of directors.

Where the supervisory committee or shareholders decide to convene and hold the meeting on their own in accordance with the preceding paragraphs, they should inform the board of directors in writing and file for record with the competent authorities in accordance with applicable regulations. The board of directors and the secretary to the board of directors shall be cooperative for purpose of the meeting and the board of directors shall provide the register of shareholders. All reasonable expenses incurred for the meeting shall be borne by the Company, and shall be set off against any sums owed to the directors in default by the Company.

Article 86 Subject to the laws and administrative regulations and the Articles of Association, the board of directors may, at its sole discretion, accept written resolutions in lieu of a general meeting, in which case, the board of directors shall prepare and send the draft resolutions and the blank ballots for voting via telecommunication, each of the same format, to each shareholder by hand or prepaid mail. For the holders of domestic-invested shares, such draft resolutions and blank ballots may be issued by way of public announcement. A shareholder who is entitled to vote shall, within the validity period of the voting, deliver his ballot together with his identity document to the secretary to the board of directors of the Company, by hand or prepaid mail. As witnessed by the lawyer or notarized by the notary engaged by the Company, when the number of shareholders who endorse the resolution reached the necessary quorum for adoption of such resolutions, the resolutions shall be deemed to be resolutions adopted at a general meeting.

The delivery of draft resolutions and blank ballots shall comply with the relevant provisions set out in Chapter 22 hereof.

Article 87 A general meeting shall be presided over and chaired by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to perform his duties, the vice-chairman of the board of directors (in case of two or more vice-chairmen, the vice-chairman who is jointly elected by one half or more of the directors) shall preside over and chair the meeting. If the vice-chairman is unable or fails to perform his duties, the meeting shall be presided over and chaired by a director jointly elected by one half or more of the directors. If none of the directors can be elected by one half or more of the directors to preside over and chair the meeting, the shareholders present at the meeting may elect one to act as the chairman; If for any reason, the shareholders shall fail to elect a chairman, then the shareholder (including a proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

A general meeting convened by the supervisory committee shall be presided over by the chairman of the supervisory committee, or the supervisor elected by one half or more of the supervisors if the chairman is unable or fails to perform his duties.

A general meeting convened by the shareholders shall be chaired by a representative elected by the conveners.

During the course of a general meeting, if the chairman of the meeting is in breach of the rules of procedure and renders it impossible for the meeting to continue, with the consent of the shareholders present at the meeting and representing more than one half of the total voting rights of all shareholders so present, the general meeting may elect one individual to be the chairman of the meeting and the meeting shall continue.

Article 88 The chairman of the meeting shall be responsible for determining whether a resolution has been passed. His decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting. The Company shall announce the resolutions of a general meeting in accordance with applicable laws and relevant requirements of the stock exchange on which the shares of the Company are listed.

Article 89 If the chairman of the meeting has any doubt as to the result of a resolution put to vote at the meeting, he may have the votes counted. If the 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 of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted immediately.

Article 90 If votes are counted at a general meeting, the counting results shall be recorded into the minutes of the meeting.

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The convener should ensure the truthfulness, accuracy and completeness of the minutes of the meeting. The meeting minutes together with the signatures of shareholders present and proxy forms shall be kept at the legal address of the Company for at least ten (10) years.

Article 91 Copies of the minutes of any general meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within seven (7) days after receipt of reasonable fees therefor.

Chapter 9 Special Procedures for Voting by Class Shareholders

Article 92 Shareholders holding different classes of shares are referred to as class shareholders.

Class shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations and the Articles of Association.

Apart from holders of other classes of shares, holders of domestic-invested shares and overseas-listed foreign-invested shares are deemed to be shareholders of different classes.

Article 93 Any variation or abrogation of the rights of any class of shareholders proposed by the Company may only come into effect upon the adoption of a special resolution at a general meeting and approval by the affected shareholders of that class at a separate meeting held in accordance with Articles 94 to 98.

Article 94 The following circumstances shall be deemed to be a variation or abrogation of the rights of shareholders of a certain class:

- (1) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having rights on voting and distribution or other privileges equal or superior to those of shares of that class;
- (2) to exchange all or part of the shares of that class for shares of another class or to exchange or to create a right to exchange all or part of the shares of another class for shares of that class;

- (3) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of that class;
- (4) to reduce or remove a dividend preference or a liquidation preference of that class;
- (5) to add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to shares of that class;
- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of that class;
- (7) to create a new class of shares having rights on voting, distribution or other privileges equal or superior to those of the shares of that class;
- (8) to restrict the transfer or ownership of that class of shares or impose additional restrictions thereto;
- (9) to issue subscription rights or share conversion rights for shares of that class or another class;
- (10) to increase the rights and privileges of shares of another class;
- (11) to restructure the Company where the proposed restructuring scheme will result in different classes of shareholders bearing a disproportionate burden of obligations of such restructuring;
- (12) to vary or abrogate the provisions of this Chapter.

Article 95 Shareholders of the affected class, whether or not otherwise entitled to vote at general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning subparagraphs (2) to (8), (11) and (12) of Article 93 set out above, but interested shareholder(s) shall not be entitled to vote at such class meetings.

For the purpose of the preceding paragraph, an “interested shareholder” means:

- (1) in the case of a repurchase of its own shares by the Company by making offers to all shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 27 hereof, a “controlling shareholder” within the meaning of Article 56 hereof;
- (2) in the case of a repurchase of shares by an off-market agreement pursuant to Article 27 hereof, a shareholder to which the proposed agreement relates; or
- (3) in the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate burden imposed on other shareholders of that class or who has interests different from those of other shareholders of that class.

Article 96 A resolution of a class meeting shall be passed in accordance with the Article 94 hereof by shareholders present at the meeting representing not less than two thirds of the voting rights.

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

Article 97 When the Company convenes a class meeting, the written notice shall be dispatched within same time limit as the written notice for the non-class general meeting to be convened together with such class meeting and shall notify all shareholders of such class whose names appear on the register of shareholders of the matters to be considered at and the date and place of the meeting.

A shareholder who intends to attend the meeting shall serve to the Company his written reply concerning his attendance at such meeting within the time specified in the notice of the meeting.

If the number of voting shares represented by the shareholders who intend to attend the meeting amount to one-half or more of the Company's total voting shares of that class, the Company may hold the meeting; if not, the Company shall, within five (5) days, notify the shareholders by way of announcement of the matters to be considered at and the place and date of the meeting. The Company may then hold the meeting after publication of such announcement.

Where the listing rules of the stock exchanges in the place where the shares of the Company are listed stipulate on the abovementioned matters, such provisions shall prevail.

Article 98 Notice of a class meeting need only be served on shareholders entitled to vote thereat.

Class meetings shall be conducted in a manner which is as similar as possible to that of shareholders' general meetings. The provisions of the Articles of Association relating to the manner for the conduct of shareholders' general meetings are also applicable to class meetings.

Article 99 The special procedures for voting by class shareholders shall not apply in the following circumstances:

- (1) where the Company issues, upon approval by a special resolution at a general meeting, domestic-invested shares and overseas-listed foreign-invested shares once every twelve (12) months, either separately or concurrently, and the respective numbers of domestic-invested shares and overseas-listed foreign-invested shares proposed to be issued do not exceed 20% of the respective numbers of the issued domestic-invested shares and overseas-listed foreign-invested shares;
- (2) where the Company's plan to issue domestic-invested shares and overseas-listed foreign-invested shares at the time of incorporation is completed within fifteen (15) months from the date of approval by the securities regulatory authorities of the State Council.

Chapter 10 Board of Directors

Article 100 The Company shall have a board of directors, which shall be accountable to the Company's general meetings.

Subject to the requirements of relevant listing rules as applicable from time to time, the board of directors shall consist of twelve (12) directors, of whom not less than one half shall be outside directors and not less than one third shall be independent directors. At least one of the independent directors shall have accounting expertise.

The board of directors shall have one (1) chairman and two (2) vice-chairmen.

Article 101 A director shall be a natural person.

A director is not required to hold shares of the Company.

Article 102 Directors shall be elected or changed at the shareholders' general meeting, for a term of three (3) years, and may be removed from their office by the general meeting prior to the maturity of their term. Upon maturity of the term of office, a director shall be eligible for re-election and reappointment. An independent director shall not serve more than six (6) consecutive years.

The term of office of a director shall commence from the date on which he/she takes office to the expiration of the term of the current session of the board of directors. Where re-election is not carried out timely after a director's term of office expires, the existing director shall continue to perform the director's duties subject to the laws, administrative regulations, departmental rules and the Articles of Association before a new director is elected to take office.

The managers and other senior management members may also serve as directors. The total number of directors also serving as managers, other senior manager members or employees' representatives shall not be more than one half of the total number of the directors of the Company.

Article 103 The candidates for election as directors shall be placed as a motion for the resolution before a general meeting.

Candidates for directors (other than independent directors) may be nominated by the board of directors, supervisory committee or shareholders individually or jointly holding not less than 3% of the Company voting shares, and shall be elected by the shareholders' general meetings.

Candidates for independent directors may be nominated by the board of directors, supervisory committee or shareholders individually or jointly holding not less than 1% of the Company voting shares, and shall be elected by the shareholders' general meetings.

A written notice of the intention to nominate a person for election as a director and a notice in writing by that person indicating his acceptance of such nomination shall be lodged with the Company after the notice of relevant general meeting is dispatched and no later than seven (7) days before the holding of relevant general meeting.

Article 104 The following procedure shall be followed prior to the election of independent directors:

- (1) before nominating a candidate for independent director, the nominator shall seek the consent of the nominee, acquire all the personal particulars of the nominee as to his occupation, academic qualification, title, detailed work experience and concurrent jobs, and shall provide such particulars in writing to the Company. The candidate shall undertake in writing to the Company that he accepts the nomination, that the information publicly disclosed about him is true and complete, and that he will earnestly perform directorship duties if elected;
- (2) the person nominating a candidate for independent director shall give opinion on the qualification and independence of the nominee to act as an independent director and, if required under applicable laws and regulations and/or relevant listing rules, the nominee shall make an open announcement to the effect that there is no relationship between the Company and him which may possibly affect his independent and objective judgment;
- (3) where a candidate for independent director is nominated before the Company holds a meeting of the board of directors, the written information regarding the nominee set out in subparagraphs (1) and (2) of this Article shall be, if required under applicable laws and regulations and/or relevant listing rules, announced together with the resolutions of the board of directors;

- (4) in the case where a temporary motion for the election of an independent director is put forward by shareholders holding 3% or more of the Company's voting shares, the intent to nominate a candidate for independent director and the written notice indicating the nominee's willingness to accept the nomination, together with the relevant written information and undertakings of the nominee as set forth in subparagraphs (1) and (2) hereof, shall be delivered to the Company no later than ten (10) days before the holding of the general meeting;
- (5) prior to the holding of a general meeting for the purpose of electing independent director(s), the Company shall, if required under applicable laws and regulations and/or relevant listing rules, submit the relevant information of the nominee(s) to the securities regulatory authorities of the State Council and its local office and the stock exchange where the shares of the Company are listed and traded. In the case that the board of directors of the Company dissents from the relevant information on the nominees, written opinions of the board of directors shall be also submitted. If the securities regulatory authority of the State Council opposes to the nomination of any nominee, such nominee shall be eliminated as a candidate for independent director. At the general meeting for the purpose of election of independent directors, the board of directors shall make a statement as to whether any candidate for independent director is opposed by the securities regulatory authority of the State Council.

Article 105 The following procedure shall be followed prior to the election of non-independent directors:

- (1) Before nominating a candidate for non-independent director, the nominator shall seek the consent of the nominee, acquire all the personal particulars of the nominee as to his occupation, academic qualification, title, detailed work experience and concurrent jobs, and shall provide such particulars in writing to the Company. The candidate shall undertake in writing to the Company that he accepts the nomination, that the information publicly disclosed about him is true and complete, and that he will earnestly perform directorship duties if elected;

- (2) where a candidate for non-independent director is nominated before the Company holds a meeting of the board of directors, the written information regarding the nominee set out in subparagraph (1) of this Article shall be, if required under applicable laws and regulations and/or relevant listing rules, announced together with the resolutions of the board of directors;
- (3) in the case where a temporary motion for the election of non-independent director is put forward by shareholders holding 3% or more of the Company's voting shares, the intent to nominate a candidate for the director and the written notice indicating the nominee's willingness to accept the nomination, together with the relevant written information and undertakings of the nominee as set forth in subparagraph (1) above, shall be delivered to the Company no later than ten (10) days before the holding of the general meeting;

Article 106 The cumulative voting system will be adopted for the election of directors and supervisors at a general meeting, i.e., when two or more directors or supervisors are being elected at a general meeting, each of the shares held by the shareholders participating in voting shall carry voting rights equal in number to the total number of directors or supervisors to be elected; a shareholder may cast all of his votes on a particular candidate or on multiple candidates.

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Article 107 Subject to compliance with relevant laws and administrative regulations, the general meeting may remove any director (including executive director) by ordinary resolution before the expiration of his term of office. However, the director's right to claim for damages which arise out from his removal shall not be affected thereby.

Any director who fails to attend meetings of the board of directors in person for two consecutive times, nor appoints another director to be present on his behalf, shall be deemed incapable of performing his duties, and the board of directors shall propose to the general meeting to replace such director.

Where any existing director falls within any of the circumstances specified in Article 147 of the Company Law or is prohibited from entering the securities market by the China Securities Regulatory Commission, the board of directors shall cause such director to cease performing his duties and propose to the general meeting for the dismissal and replacement of such director forthwith from the date it became aware of the above situation.

Should an independent director fail to attend in person the meetings of the board of directors for three consecutive times, the board of directors may propose to the general meeting to replace such director. An independent director shall not be dismissed without a justified cause before the expiration of his term, unless under the above circumstances or the circumstances specified in subparagraph (2) of Article 106 hereof or any of the conditions specifying the disqualification of a director under the Company Law has occurred. The Company shall disclose any dismissal of an independent director prior to expiration of his term as a special disclosure matter. Should an independent director think he was dismissed without a justified cause, he may make a public statement in respect thereof.

Article 108 A director may tender resignation prior to the expiry of his term. A resigning director shall submit to the board of directors a written resignation report which, in case of an independent director, shall contain explanations on matters related to his resignation or any other matters that he may consider necessary to be brought to the attention of the shareholders and creditors of the Company.

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In the event that the number of occupied seats on the board of directors falls below the statutory minimum as a result of the resignation of a director, such resignation shall not become effective until the vacancy resulting from his resignation is filled up by a succeeding director. The remaining directors shall convene an extraordinary general meeting as early as possible to elect a director to fill up the vacancy resulting from the said resignation. Prior to any resolution made on the election of director(s) at the general meeting, powers of the resigning director and the remaining directors shall be subject to reasonable restraints.

Should the resignation of an independent director result in the proportion of independent directors in the board of directors the Company falling below the minimum requirement as required by the relevant regulatory authorities, the resignation report of the said independent director shall not take effect until the vacancy resulting from his resignation is filled up by a succeeding director.

Save for the abovementioned circumstances, the resignation of a director shall take effect when his resignation report is served to the board of directors.

Article 109 The board of directors shall be accountable to general meetings and exercise the following functions and powers:

- (1) to convene general meetings and to report on its work to the shareholders in general meetings;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plan and loss recovery plan;
- (6) to formulate proposals for increase or decrease of the Company's registered capital and for issue of corporate bonds;
- (7) to draw up plans for repurchase of the Company's shares or for merger, division or dissolution of the Company;

(8) to determine external investments, acquisition and disposal of assets, assets pledge, entrusted asset management and connected transactions of the Company within the authorisation of the general meeting; and to decide on external guarantees;

matters other than those requiring approval of the shareholders at general meeting according to relevant laws, administrative regulations and the provisions of the Articles of Association;

(9) to decide on the establishment of the Company's internal management structure;

(10) to appoint or remove the Company's general manager or the secretary to the board of directors and, based on the nomination by the general manager, to appoint or remove senior management members including deputy general manager, financial controller, the chief engineer, the chief economist and the chief legal counsel of the Company and to determine their remunerations, incentives and punishments;

(11) to formulate the Company's basic management system to facilitate the development of legal governance;

(12) to formulate proposals for any amendment to the Articles of Association;

(13) to manage the information disclosure of the Company;

(14) to propose at general meetings for the appointment or change of accounting firm conducting auditing for the Company;

(15) to hear the work report and inspect the work of the general manager;

(16) to exercise any other functions and powers specified in relevant laws, administrative regulations and the Articles of Association and conferred by the shareholders' general meetings.

The board of directors of the Company has established the Audit Committee, the Remuneration and Assessment Committee, the Strategic Committee and the Nomination Committee. All the special committees shall be accountable to the Board, perform their duties in accordance with Articles of Association of the Company and the authorization of the Board, and submit resolutions to the Board for consideration and decision. Special committees are all made up of directors, of which the majority of members of Audit Committee, Nomination Committee, and Remuneration and Assessment Committee shall be independent directors who shall also be the convener of the said committees. The convener of the Audit Committee shall be an accounting professional. The board of directors is responsible for formulating the working procedures of the special committees and regulating their operation.

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Except for the board resolutions in respect of the matters specified in subparagraphs (6), (7) and (12) of this Article which shall be passed by two-thirds or more of the directors, the board resolutions in respect of all other matters (of which external guarantees specified in subparagraph (8) shall also be passed by two-thirds or more of the directors present at the board meeting) may be passed by more than half of the directors.

If any director is connected with the enterprises that are associated with the matters to be resolved by directors at a board meeting, he shall not exercise his voting rights on such matters, nor shall such director exercise voting rights on behalf of other directors. Such a board meeting may be held if attended by more than one half of the non-connected directors. Decisions made at the board meeting shall be passed by more than one half of the non-connected directors. The abovementioned matters which require the approval of two-thirds or more of the directors shall be passed by two-thirds or more of the non-connected directors. If the non-connected directors present the board meetings are less than three, such matters shall be placed before shareholders' general meeting of the Company for consideration.

The resolutions made by the board of directors in relation to connected transactions shall not become effective until being signed by the independent directors.

The opinions of the CPC Committee of the Company shall be heard before the board of directors decides on material issues of the Company.

Article 110 All directors of the Company shall carefully deal with and strictly control the liability risks arising from external guarantees, and shall adhere to the following principles when making decision on matters relating to external guarantees:

- (1) the provision of guarantees by the Company to other parties should be based on the principles of equality, willingness, fairness, honesty and mutual benefits;
- (2) before deciding on the matters relating to the provision of guarantees to other parties or deciding to present such matters before a general meeting for shareholders' consideration, full understanding of the credit records of the parties to which a guarantee is given shall be obtained and sufficient analysis on the interests and risks that such guarantees may bring to the Company shall be made;
- (3) guarantees may only be provided to the enterprises with good credit records and sound repayment ability;

Applicable laws shall be complied with and no guarantees shall be provided to the parties to which the Company is prohibited to provide guarantees according to law.

Article 111 With authorisation of the board of directors, the chairman of the board of directors may excise certain powers of the board of directors during the recess period of board meetings. The content of the authorisation shall be clear and specific.

Article 112 In addition to the functions and powers provided by the Company Law, other applicable laws, administrative regulations and the Articles of Association, the independent directors shall have the following specific functions and powers:

- (1) Significant connected transactions (as determined by the competent regulatory authority from time to time) that are subject to consideration and approval of shareholders' general meeting as required by the laws, regulations and/or applicable listing rules and appointment or dismissal of the Company's accounting firm shall be subject to the approval of one half or more of the independent directors before they are put forward to the board of directors for discussion, provided that relevant requirements (if any) under applicable laws, regulations and/or applicable listing rules shall be complied with. A resolution of the board of directors in respect of connected transactions shall not become effective until being signed by the independent directors. Before making their decision, the independent directors may engage intermediaries to provide an independent financial advice to form the basis of their decision;
- (2) to propose to the board of directors for the appointment or dismissal of accounting firms;
- (3) two independent directors or one half or more of the independent directors may jointly propose to the board of directors to convene an extraordinary general meeting;
- (4) to propose to hold a board meeting;
- (5) to engage external auditors and consultants on their own;
- (6) to publicly solicit voting rights from the shareholders prior to the convening of a general meeting;
- (7) to report directly to the general meetings, the securities regulatory authority of the State Council and other relevant authorities.

The exercise of the functions and powers specified in subparagraphs (2), (3), (4), (6) and (7) of this Article requires the consent of one half or more of all the independent directors, and the exercise of the function and power specified in subparagraph (5) of this Article requires the unanimous consent of all the independent directors.

In the event that the above proposals have not been accepted or above powers can not be exercised in the normal manner, the Company shall, in accordance with relevant requirements (if any) under applicable laws and regulations and relevant listing rules, disclose relevant circumstance.

Article 113 Independent directors shall present an annual work report at each annual general meeting of the Company, stating their performance of duties.

Article 114 In case where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets disposed within four (4) months before the proposed disposal, exceeds 33% of the fixed assets value as shown in the latest balance sheet considered by the shareholders at the general meeting, the board of directors shall not dispose or consent to dispose such fixed assets without prior approval by shareholders ' general meeting.

The term of “disposal of fixed assets” referred to in this Article represents (among other things) transferring interests in certain assets, but not including provision of guarantees by way of fixed assets.

The validity of transactions regarding disposal of fixed assets by the Company will not be affected due to a breach of the first paragraph of this Article.

Article 115 Unless otherwise provided in the applicable laws and regulations and/or listing rules, the board of directors has the right to make decisions on venture investment which does not exceed 25% of the Company's net assets. For a major investment falling beyond the scope of authority of the board of directors, the board of directors shall, if required under applicable laws and regulations and/or listing rules, engage relevant experts and professionals to conduct valuation and report it to shareholders at a general meeting for approval.

Article 116 The chairman and vice-chairmen of the board of directors shall be elected and removed by more than one half of all directors. The term of office of the chairman and vice-chairman of the board of directors shall be three years, renewable upon re-election and re-appointment.

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

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

The vice-chairman shall assist the chairman in performing duties. If the chairman is unable or fails to perform his duties, such duties will be performed by the vice-chairman (in case of two or more vice-chairmen, the one who is elected by one half or more of all directors); and if the vice-chairman is unable or fails to perform his duties, such duties will be performed by a director jointly elected by one half or more of all directors.

Article 118 At least four meetings of the board of directors shall be held every year, which shall be convened by the chairman of the board of directors. Notice of a board meeting shall be served on all of the directors fourteen (14) days before the date of the meeting.

The chairman of the board of directors shall convene an extraordinary meeting of the board of directors within ten (10) days upon occurrence of any of the following circumstances, in which case the aforesaid limitation on the notification period shall not apply but the reasonable notice should be given to all directors:

- (1) when proposed by shareholders representing 10% or more of voting rights;
- (2) when deemed as necessary by the chairman of the board of directors;
- (3) when proposed jointly by one third or more of the directors;
- (4) when proposed jointly by one half or more of the independent directors;
- (5) when proposed by the supervisory committee;
- (6) when proposed by the general manager.

Notices of board meetings and extraordinary board meetings should be served on all directors, either by facsimile, by express mail, by registered airmail, by hand or by electronic mail.

Should a director attend a meeting, and does not raise a contention regarding non-receipt of notice of the meeting prior to or at the meeting, such notice shall be deemed as served to him.

Article 119 Where the time and place of regular board meetings are stipulated by the board of directors in advance, such meetings can be convened without giving notice. Otherwise, the chairman of the board of directors or the proposer(s) shall notify in writing the secretary to the board of directors of the proposal and agenda of the meeting. Except otherwise stipulated in Article 117 hereof, the secretary to the board of directors shall, within fourteen (14) days upon receipt of the said notice, notify all directors of the time, place and agenda of the meeting, and any directors shall be entitled to waive his right to receive such notice, whether before or after the dispatch of such notice. The secretary to the board of directors should send a copy of the above-mentioned notice of the board meeting to the chairman of the supervisory committee before the holding of the meeting.

Article 120 A meeting of the board of directors may not be held unless more than one half of the directors are present.

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Each director has one vote. A resolution of the board of directors requires the affirmative votes of more than one half of all the directors in order to be passed, unless otherwise stipulated in the Articles of Association.

Article 121 Directors shall attend the board meeting in person. A regular or extraordinary board meeting may be held by way of telephone conference or other similar telecommunication equipment, as long as the participating directors can hear clearly what the other directors are saying and communicate with each other in a normal manner, and all participating directors shall be deemed as attending the meeting in person.

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Any director who is unable to attend the board meeting may, by power of attorney, appoint another director to attend the board meeting on his behalf. Such power of attorney shall specify the attorney's name, matters of entrustment, the scope of authorization and its period of validity, and shall be signed or sealed by the principal. Independent directors shall not appoint non-independent directors to vote on their behalf.

Any director attending a board meeting shall, in terms of his capacity as an attorney of another director, only exercise the rights within the scope of authorization. Should a director neither attend a board meeting nor appoint an attorney to attend on his behalf, he shall be deemed as waiving his right to vote at such meeting.

Article 122 The meetings of the board of directors may be conducted by way of circulating written resolutions for adoption instead of convening a physical meeting provided that the draft of such resolutions shall be sent to each director by hand, mail, telegram or facsimile. Unless otherwise stipulated by applicable laws and regulations and/or relevant listing rules, when a resolution is endorsed by the directors satisfying the quorum for adoption of such resolution required under the laws and regulations and the Articles of Association and is returned to the secretary to the board of directors by the aforesaid means, such resolution shall become a resolution of the board of directors without convening a board meeting.

Article 123 The board of directors shall keep minutes of resolutions passed at each meeting of the board of directors, and the minutes shall be signed by the directors present at the meeting and the person who recorded the minutes. Each director present at the meeting shall have the right to request explanatory remarks on his speech at the meeting to be written down in the minutes. The minutes of board meetings shall be kept as corporate archives for a period not less than ten (10) years.

Guidelines
Article 122

Article 124 Any written resolution without execution by directors in accordance with legal procedures, even opined by each director by otherwise means, shall not come into legal force as a resolution of the board of directors.

For a resolution of the board of directors that is in breach of laws, administrative regulations, the Articles of Association and resolutions of the general meetings of the Company, the directors who voted in favour of such resolution shall be held directly liable for it; the directors who are proven to have voted against such resolution during the voting and whose dissents have been recorded in the minutes of the board meeting can be exempted from liabilities; the directors who have abstained from voting, or who have been absent at the meeting and have not authorised another person to be present on his behalf at the meeting shall not be exempted from liabilities; and the directors who have clearly expressed their dissent during the discussion but have not voted against the resolution shall not be exempted from liabilities.

Chapter 11 Secretary to the Board of Directors

Article 125 The Company shall have one secretary to the board of directors. The secretary is a senior management member of the Company.

Article 126 The secretary to the board of directors shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the board of directors. His/her primary responsibilities are:

- (1) to assist directors to handle the day-to-day work of the board of directors;
- (2) to ensure that the Company has complete organizational documents and records;
- (3) to ensure that the Company prepares and delivers the reports and documents required by competent authorities in accordance with law;
- (4) to handle matters in relation to information disclosure and ensure information is disclosed in a timely, accurate, legitimate, truthful and complete manner;

- (5) to ensure that the Company's registers of shareholders are properly maintained, and that persons entitled to access to the relevant records and documents are furnished with such records and documents without delay;
- (6) to perform other duties as provided for in relevant laws, administrative regulations, the Articles of Association and the listing rules of the stock exchange where the Company's shares are listed.

Article 127 Directors or other senior management members may also act as the secretary to the board of directors. The accountant(s) of the certified public accounting firm appointed by the Company shall not act as the secretary to the board of directors.

Provided that where the office of secretary is held concurrently by a director and an act is required to be done by a director and the secretary to the board of directors separately, the person who holds the offices of director and secretary to the board of directors shall not perform the act in dual capacity.

Chapter 12 General Manager of the Company

Article 128 The Company shall have a general manager who shall be responsible for the day-to-day business operations and administrative management of the Company. The Company shall also have several deputy general managers who shall assist the general manager. The general manager and deputy general managers shall be appointed or removed by the board of directors.

Where the general manager or a deputy general manager is found to be involved in the cases as provided for in Article 147 of the Company Law, or is confirmed by the CSRC to be denied entry into the securities market, the board of directors, from the date of obtaining such knowledge, shall immediately suspend performance of duties by such general manager or deputy general manager, and dismiss him at a board meeting.

The general manager and deputy general managers have a term of office of 3 years and shall be eligible for reappointment and re-election.

Article 129 The general manager of the Company shall be accountable to the board of directors and exercise the following powers:

- (1) to preside over the production, operation and management of the Company and to implement resolutions of the board of directors;
- (2) to draft the Company's development plans, annual production and business plans, annual financial budget and final accounts, proposal on after-tax distribution of profits and proposal on loss recovery;
- (3) to organise the implementation of the Company's annual business plans and investment proposals;
- (4) to draft the plan for establishment of the Company's internal management organization;
- (5) to formulate the Company's basic management system;
- (6) to formulate the basic rules and regulations of the Company;
- (7) to propose the appointment or dismissal of the Company's deputy general managers and the financial controller;
- (8) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (9) to determine the wages, benefits, bonuses and punishment and to decide on the employment and dismissal of the Company's employees;

(10) to propose convening of extraordinary meetings of the board of directors;

(11) to handle significant external business on behalf of the Company;

(12) to exercise other functions and powers conferred by the Articles of Association and the board of directors.

Article 130 The general manager of the Company shall report the Company's execution and performance of major contracts, use of funds and profit and loss situation to the board of directors or at the request of the supervisory committee. The general manager must ensure the truthfulness of such reports.

Article 131 The general manager shall attend board meetings. The general manager who is not a director does not have any voting right at board meetings.

Article 132 The general manager of the Company, in performing his/her functions, shall act honestly and diligently and in accordance with the laws, administrative regulations, and the Articles of Association.

Chapter 13 Supervisory Committee

Article 133 The Company shall have a supervisory committee. The supervisory committee is a standing internal supervisory body of the Company.

Article 134 The Supervisory Committee shall comprise three (3) supervisors, including two (2) shareholders' representatives and one (1) employees' representative of the Company.

The term of office of supervisors shall be three years, renewable upon re-election and re-appointment.

Article 135 The list of shareholders' representative candidates shall be submitted to the shareholders' general meeting in the form of a proposal for a resolution. Shareholders' representative candidates shall be nominated by the board of directors, the supervisory committee or shareholders holding (alone or jointly) 3% or more of the total number of voting shares of the Company, and shall be elected and dismissed by the shareholders' general meeting of the Company.

Guidelines
Article 143

Employee representatives shall be democratically elected and removed by the Company's employees.

Article 136 The Company's directors, the general manager, deputy general managers, the financial controller and the secretary to the board of directors shall not serve concurrently as supervisors.

Company
Law Article
Article 117

Article 137 Where a supervisor is found to be involved in the cases as provided in Article 147 of the Company Law, or is confirmed by the CSRC to be denied entry into the securities market, the supervisory committee, from the date of obtaining such knowledge, shall immediately suspend performance of duties by such supervisor, and terminate his/her appointment at a shareholders' general meeting or the employees' congress.

Article 138 In the event that the terms of supervisors fall upon maturity whereas new members of the board of directors are not re-elected in time, or the resignation of any supervisor during his term of office results in the number of members of the Supervisory Committee falling below the statutory or minimum requirement, the existing supervisors shall continue to perform their duties in accordance with the laws, the administrative regulations and the Articles of Association until the re-elected supervisors assume their office.

Guidelines
Article
Article 138

Article 139 The supervisory committee shall have a chairman, whose appointment and dismissal shall be passed by not less than two-thirds of its members.

Article 140 The supervisory committee shall convene at least one meeting every six months, which shall be convened and presided over by the chairman of supervisory committee. Should the chairman of the supervisory committee be unable to, or fail to perform his duties, a supervisor elected by half or more of the supervisors shall convene and preside over the meeting.

Guidelines
Article 148
Company
Law Article
119

Notices of the meetings of the supervisory committee shall be delivered in writing to all supervisors ten days before the date on which the meeting is proposed to be held. A meeting notice shall include the following:

- (1) the date, venue, and duration of the meeting;
- (2) the reason for convening the meeting and the agenda;
- (3) the date on which the notice is served.

Article 141 The supervisory committee shall be accountable to the shareholders' general meeting and exercise the following powers in accordance with law:

Guidelines
Articles
144 and
140

- (1) to examine the Company's financial affairs and, when necessary, to separately appoint, in the name of the Company, an accounting firm to independently examine the Company's finances;
- (2) to review and provide a written opinion on the regular reports of the Company prepared by the board of directors;
- (3) to supervise directors, the general manager, deputy general managers and other senior management members in performing their duties to the Company and to propose dismissal of directors and senior management members who violate any laws, administrative regulations, the Articles of Association or resolutions of shareholders' general meetings;

- (4) to demand rectification from a director, the general manager and any other senior management members when the acts of such persons are harmful to the Company's interest;
- (5) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board of directors to the shareholders' general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practising auditors to conduct a re-examination;
- (6) to submit proposals to the shareholders' general meeting;
- (7) to propose the convening of a extraordinary general meeting and to convene and preside over the general meeting when the board of directors fails to perform such duties;
- (8) to propose to convene extraordinary meetings of the board of directors;
- (9) to deal with or take legal actions against directors and senior management members on behalf of the Company;
- (10) to exercise any other powers as specified in relevant laws, regulations and the Articles of Association and conferred by the shareholders' general meetings.

Supervisors may attend board meetings as non-voting participants, and raise enquiries or suggestions regarding resolutions of such meetings.

Article 142 The supervisory committee may require the Company's directors, general manager, deputy general managers, financial controller, secretary to the board of directors, internal auditors or external auditors to attend meetings of the supervisory committee to answer questions on issues of concern to the supervisory committee.

Article 143 Resolutions of the supervisory committee shall be passed by two-thirds or more of its members for adoption.

Article 144 Minutes shall be kept for the decisions made on the matters considered at meetings of the supervisory committee. Supervisors attending the meeting and the recorder shall sign the minutes of the meeting. Each supervisor is entitled to request that an explanation of his comments made at the meetings be noted in the minutes. The minutes of supervisory committee meetings shall be maintained as important archives of the Company for a period of at least 10 years.

Guidelines
Article 146

Article 145 All reasonable expenses incurred in respect of the employment of professionals such as lawyers, certified public accountants or practicing auditors as are required by the supervisory committee in discharging its duties shall be borne by the Company.

Article 146 A supervisor shall carry out his duties honestly and faithfully in accordance with laws, administrative regulations and the Articles of Association.

Chapter 14 Qualifications and Obligations of Directors, Supervisors, General Manager and Other Senior Management Members of the Company

Article 147 A person may not serve as a director, supervisor, general manager or any other senior management member of the Company if any of the following circumstances applies:

Company
Law
Article 146
Guidelines
Article 95

- (1) a person without capacity or with limited capacity for civil acts;
- (2) a person who was sentenced to criminal punishment for the crime of corruption, bribery, misappropriation of property or diversion of property or for disrupting the order of the socialist market economy, where not more than five years have elapsed since the expiration of the period of punishment; or a person who was deprived of his political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation;

- (3) a person who served as a director, or factory director or manager, who bears personal liability for the bankruptcy liquidation of his company or enterprise, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation;
- (4) a person who served as the legal representative of a company or enterprise that had its business licence revoked for breaking the law, where such representative bears individual liability therefor and not more than three years have elapsed since the date of revocation of the business licence;
- (5) a person with comparatively large debts that have fallen due but have not been settled;
- (6) a person whose case has been placed on the docket and is being investigated by the judicial authorities because of the violation of the criminal law, and such case is still pending;
- (7) a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- (8) a non-natural person;
- (9) a person ruled by a competent authority to have violated securities-related regulations, where such violation involved fraudulent or dishonest acts and not more than five years have elapsed since the date of the ruling;
- (10) a person who has been prohibited from entering the market by the State Council securities regulatory authorities, and whose prohibition has yet to be lifted.
- (11) other circumstances prescribed by laws, administrative regulations, or departmental rules.

Article 148 No more than two persons holding the position of the chairman of the board of directors, vice chairmen of the board of directors or directors of the Company's controlling shareholder may concurrently serve as the chairman of the board of directors, vice chairmen of the board of directors or directors of the Company. Any person holding any executive position other than directors or supervisors in the controlling shareholder of the Company may not concurrently serve as the senior management members including the general manager, deputy general managers, financial controller, the chief engineer, the chief economist, marketing manager, secretary to the board of directors and the chief legal counsel of the Company.

Article 149 An independent director shall meet the following basic conditions:

- (1) to be qualified for corporate directors in accordance with laws, administrative regulations and other relevant regulations;
- (2) being independent as specified in relevant laws, administrative regulations and departmental rules;
- (3) having basic knowledge of the operation of listed companies and being familiar with the relevant laws, administrative rules, regulations, and rules;
- (4) having no less than five years' experience in the legal or economic field, or other work experience necessary for performing the duties and responsibilities of an independent director;
- (5) other conditions specified in the Articles of Association.

Article 150 An independent director must be independent. Unless otherwise prescribed in applicable laws, regulations and/or relevant listing rules, the following persons may not serve as independent directors:

- (1) the persons who are employed by the Company or its subsidiaries, or direct relatives and major social relationships thereof (direct relatives shall refer to spouses, parents, and children; and major social relationships shall include siblings, fathers-in-law and mothers-in-law, daughters-in-law and sons-in-law, brothers-in-law and sisters-in-law, and the siblings of the spouses);
- (2) the shareholders of natural persons who directly or indirectly hold not less than 1% of the issued shares of the Company, or who are among the top ten shareholders of the Company, and the direct relatives thereof;
- (3) the persons employed by corporate shareholders which directly or indirectly hold not less than 5% of the issued shares of the Company or are among the top five shareholders of the Company, and the direct relatives thereof;
- (4) the persons who fell under the category described in any of the above three sub-clauses in the past one year;
- (5) the persons who provide financial, legal or consulting services to the Company or any of its subsidiaries;
- (6) such other persons specified by the securities regulatory authorities under the State Council.

Article 151 The validity of an act of a director, general manager or any other senior management member on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his office, election or any defect in his qualification.

Article 152 Without the authorisation specified in the Articles of Association or lawfully granted by the board of directors, a director may not act on the behalf of the Company or the board of directors in his own name. When a director acts in his own name and a third party could reasonably believe that he is acting on behalf of the Company or the board of directors, he shall first declare his position and capacity.

Guidelines
Article 102

Article 153 In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchanges on which the Company's shares are listed, each of the Company's directors, supervisors, general manager and other senior management members owes a duty to each shareholder, in the exercise of the functions and powers entrusted by the Company to him:

- (1) not to cause the Company's operation to exceed the scope of the business stipulated in its business licence;
- (2) to act honestly in the best interest of the Company;
- (3) not to expropriate, in any guise, the Company's property, including (without limitation to) usurpation of opportunities advantageous to the Company;
- (4) not to expropriate the individual rights of shareholders, including (without limitation to) rights to distribution and voting rights, unless pursuant to a restructuring of the Company submitted to shareholders for approval in accordance with the Articles of Association.

Article 154 Each of the Company's directors, supervisors, general manager and other senior management members owes a duty that in the exercise of his/her powers and discharge of his/her duties, to perform his act with the care, diligence and skill that a reasonably prudent person should exercise in comparable circumstances.

Each of the Company's directors, supervisors, general manager and other senior management members shall safeguard the safety of the Company's assets. Any director, supervisor, general manager or other senior management member of the Company who assists or indulges the controlling shareholder and any of its subsidiaries in misappropriating the Company's assets shall be subject to punishment by the Company, and even removal or termination of appointment in grave cases of default of obligations; and such person shall be handed over to the judiciary for prosecution of criminal liability when such acts constitute a crime.

Article 155 The Company's directors, supervisors, general manager and other senior management members must, in the performance of their duties and responsibilities, abide by the fiduciary principle and shall not place themselves in a position where their personal interests and their duties may conflict. This principle includes (without limitation to) discharging the following obligations:

- (1) to act honestly in the best interest of the Company;
- (2) to exercise powers within his terms of reference and not to exceed such powers;
- (3) to exercise the discretion vested in him personally and should not be manipulated by another person; and, unless permitted by laws or with the informed consent of the shareholders' general meeting, should not delegate the exercise of his discretion to others;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise provided for in the Articles of Association or with the informed consent of the shareholders' general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) not to use the Company's property for his own benefit in any disguise, without the informed consent of the shareholders' general meeting;
- (7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property in any way, including (without limitation to) any opportunity which may benefit the Company;
- (8) not to accept commissions in connection with the Company's transactions, without the informed consent of the shareholders' general meeting;

- (9) to abide by the Articles of Association, faithfully execute his official duties and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;
- (10) not to compete with the Company in any way, except with the informed consent of the shareholders' general meeting;
- (11) not to misappropriate the Company's funds or lend the Company's funds to others; not to use the Company's assets to set up deposit accounts in his own name or in any other name; not to lend the Company's funds to others or provide a guarantee for other individual(s) with the Company's assets without approval of the shareholders' general meeting or the board of directors;
- (12) without the informed consent of the shareholders' general meeting, not to disclose confidential information relating to the Company that was acquired by him or her during his or her tenure; and not to use such information except in the interests of the Company; however, such information may be disclosed to a court or other competent government authorities if:
 - (i) provided for by law;
 - (ii) required in the public interest;
 - (iii) required in the personal interest of such director, supervisor, general manager or other senior management member of the Company.

Income generated by any directors, supervisors, general manager, or other senior management members in violation of this Article shall be returned to the Company; and such person(s) shall be liable for indemnity to any loss so caused to the Company.

Article 156 Directors, supervisors, general manager and other senior management members of the Company shall attend the shareholders' general meeting, if so required by the shareholders' general meeting, and shall give explanations and clarification to queries and suggestions raised from shareholders.

Directors, supervisors, general manager and other senior management members of the Company shall provide accurate information and materials to the supervisory committee and shall not obstruct the supervisory committee from exercising its powers and performing its duties.

Article 157 Each director, supervisor, general manager or other senior management member of the Company shall not cause the following persons or institutions ("associates") to do what he is prohibited from doing:

- (1) the spouse or minor child of that director, supervisor, general manager and other senior management member;
- (2) a person acting in the capacity of trustee of that director, supervisor, general manager or other senior management member or any person referred to in subparagraph (1) of this Article;
- (3) a person acting in the capacity of partner of that director, supervisor, general manager or other senior management member or any person referred to in subparagraphs (1) and (2) of this Article;
- (4) a company in which that director, supervisor, general manager or other senior management member, alone or jointly with one or more persons referred to in subparagraphs (1), (2) and (3) above or other directors, supervisors, general manager and other senior management members of the Company have a de facto controlling interest;

(5) the directors, supervisors, general manager and other senior management members of the controlled company referred to in subparagraph (4) of this Article.

Article 158 When a director, supervisor, general manager or other senior management member of the Company submits his resignation or when his tenure expires, his fiduciary duties towards the Company and shareholders are not automatically terminated prior to the taking effect of his resignation or within a reasonable period of time after the taking effect thereof or within a reasonable period of time after the expiry of his tenure. His duty of confidence in relation to the Company's business secrets survives the expiry of his tenure until such secrets become public information. Other duties may continue for such period as fairness may require depending on the time lapses between such termination or expiry and the act concerned and the circumstances and conditions under which the relevant relationship with the Company terminates or expires.

Article 159 Any director, supervisor, general manager or other senior management member of the Company who violates any laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties and causes losses to the Company shall be liable for any indemnity thereto.

Guidelines
Articles 103,
134
and 142

Any director, supervisor, general manager or other senior management member of the Company who has unduly vacated his office without authorisation before his tenure expires, thereby causing loss to the Company, shall be liable to indemnify the Company for such loss.

Article 160 A director, supervisor, general manager or other senior management member of the Company may, by informed decision of the shareholders' general meeting, be relieved from liability for a specific breach of his or her obligations, except in circumstances as specified in Article 55 of the Articles of Association.

Article 161 Where a director, supervisor, general manager, or other senior management member of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the board of directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal thereof is otherwise subject to the approval of the board of directors.

A director shall not vote on the resolution matters of the board of directors in relation to any contract, transaction, or arrangement in which he or any of his associates (as defined in the applicable Listing Rules) is materially interested, and shall not be included in the quorum of the meeting.

Unless the interested director, supervisor, general manager or other senior management member discloses his interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the board of directors at a meeting in which the interested director, supervisor, general manager or other senior management member is not counted in the quorum and refrains from voting, a contract, transaction or arrangement in which that director, supervisor, general manager or other senior management member is materially interested is voidable at the instance of the Company, except as against a bona fide party thereto acting without knowledge of the breach of duty by the interested director, general manager or other senior management member.

A director, supervisor, general manager or other senior management member of the Company shall be deemed to be interested in any contract, transaction or arrangement in which an associate of that director, supervisor, general manager or other senior management member is interested.

Article 162 If a director, a supervisor, the President or other senior management staff of the Company gives a written notice to the Board of Directors before the conclusion of the contract, transaction or arrangement is first considered by the Company stating that, by reason of the contents of the notice, he is interested in the contract, transaction or arrangement that may subsequently be made by the Company, such director, supervisor, President or other senior management staff of the Company shall be deemed for the purposes of the preceding Articles of this Chapter to have declared his interest, to the extent stated in the notice.

Article 163 The Company shall not in any manner pay taxes for or on behalf of its directors, supervisors, general manager or other senior management members.

Article 164 The Company shall not directly or indirectly provide a loan to, or loan guarantees for, its directors, supervisors, general manager or other senior management members or those of its parent company, or provide loans to or loan guarantees for associates of the above-mentioned persons.

The provisions of the preceding paragraph shall not apply to the following circumstances:

- (1) the provision by the Company of a loan or a guarantee for a loan to a company which is a subsidiary of the Company;
- (2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its directors, supervisors, general manager or other senior management members to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in general meeting;

- (3) the Company may make a loan or provide a guarantee in connection with the making of a loan to any of the relevant directors, supervisors, general manager or other senior management members or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.

Article 165 A loan made by the Company in breach of the above provisions shall be forthwith repaid by the recipient of the loan regardless of the terms of the loan.

Article 166 A loan guarantee provided by the Company in breach of Article 162(1) shall be unenforceable against the Company, unless:

- (1) a loan was advanced to an associate of any of the directors, supervisors, general manager and other senior management members of the Company or of the Company's parent company where the lender did not know the relevant circumstances;
- (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 167 For the purposes of the foregoing provisions of this Chapter, a guarantee includes an undertaking or property provided to secure the performance of obligations by the obligor.

Article 168 Subject to the approval of the shareholders' general meeting, the Company may purchase liability insurance for its directors, supervisors, general manager and other senior management members, except for liabilities arising from the violation of laws, administrative regulations or the Articles.

Article 169 In addition to any rights and remedies provided for by laws and administrative regulations, where a director, supervisor, general manager and other senior management members of the Company is in breach of his duties to the Company, the Company has a right to:

- (1) claim damages from the director, supervisor, general manager and other senior management members in compensation for losses sustained by the Company as a result of such breach;
- (2) rescind any contract or transaction entered into by the Company with the director, supervisor, general manager and other senior management members or with a third party (where such third party knows or should know that there is such a breach of duties by such director, supervisor, general manager and other senior management members);
- (3) demand the director, supervisor, general manager and other senior management members to surrender the profits made by him in breach of his duties;
- (4) recover any monies received by the director, supervisor, general manager and other senior management members which should have been otherwise received by the Company, including (without limitation to) commissions;
- (5) demand payment of the interest earned or which may have been earned by the director, supervisor, general manager and other senior management members on the monies that should have been paid to the Company.

Article 170 The Company shall conclude written contracts with each director and supervisor of the Company concerning his or her remuneration, with the prior approval of the shareholders' general meeting. The aforementioned remuneration shall include:

- (1) remuneration in respect of his service as director, supervisor or senior management member of the Company;

- (2) remuneration in respect of his service as director, supervisor or senior management member of any subsidiary of the Company;
- (3) remuneration in respect of the provision of other services in connection with the management of the affairs of the Company or any of its subsidiaries;
- (4) compensation for loss of office, or as consideration for or in connection with his retirement from office.

A director or supervisor may not sue the Company for benefits due to him or her on the basis of the aforementioned matters, except under a contract as mentioned above.

Article 171 The contract for remuneration entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the shareholders' general meeting, have the right to receive compensation or other payment for loss of office or retirement. A takeover of the Company as referred to above means:

- (1) a takeover offer made by any person to all shareholders;
- (2) an offer made by any person with a view to the offeror becoming a "controlling shareholder" within the meaning of Article 57.

If the relevant director or supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the said offer made. The expenses incurred in distributing that sum pro rata amongst those persons shall be borne by the relevant director or supervisor and shall not be paid out of that sum.

Chapter 15 The CPC Committee

Article 172 The Company shall establish the CPC Committee consisting of a secretary and several other members. Eligible members of the CPC Committee may be elected as members of the directors, supervisors, general manager and other senior management through statutory procedures. Eligible members in the directors, supervisors, general manager and other senior management who are members of the CPC may be considered and appointed as members of the CPC Committee in accordance with relevant requirements and procedures. Meanwhile, the Company shall establish the Discipline Inspection Committee in accordance with relevant regulations.

Article 173 The CPC Committee of the Company shall perform its duties in accordance with the Constitution of the CPC and other internal requirements of the CPC.

- (1) to ensure and supervise the Company's implementation of the policies and guidelines of the CPC and the State and to implement major strategic decisions of the Central Committee of the CPC and the State Council, as well as important work arrangements of the CPC Committee of the State-owned Assets Supervision and Administration Commission and other CPC organisations of higher levels;
- (2) to uphold the integration of the principle of management of cadres by the CPC with the function of the board of directors in the lawful selection of the operation management and with the lawful exercise of the authority of employing personnel by the operation management. The CPC Committee shall consider and provide opinions on the candidates nominated by the board of directors or the general manager, or recommend candidates to the board of directors or the general manager. The CPC Committee, together with the board of directors, shall evaluate the proposed candidates and put forth comments and suggestions collectively;

- (3) to consider and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employee interests, and provide comments and suggestions thereon;
- (4) to undertake the main responsibility to overall and strictly administer the CPC, lead the Company's ideological and political work, united front work, spiritual civilisation construction, enterprise cultural construction and the work of organisations such as the labor union and the communist youth league. To take the lead on improving the honesty of conduct of the CPC and to support the fulfillment of the supervision responsibility of the Discipline Inspection Committee.

Chapter 16 Financial and Accounting System, Profit Distribution and Audit

Article 174 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

Article 175 At the end of each financial year, the Company shall prepare a financial report which shall be examined and verified in compliance with the laws.

Article 176 The board of directors shall place before the shareholders at every annual general meeting such financial reports as are required by laws, administrative regulations or directives promulgated by local governments and competent authorities to be prepared by the Company.

Article 177 The Company's financial reports shall be made available for shareholders' inspection at the Company twenty days before the date of every annual shareholders' general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

The Company shall send the aforementioned financial reports (along with the printed copy of the report of the board of directors) to each holder of overseas-listed foreign-invested shares by prepaid mail at the recipient's address shown in the register of shareholders at least twenty-one days prior to an annual shareholders' general meeting.

Article 178 The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, should also be prepared in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

Article 179 Any interim results or financial information published or disclosed by the Company must be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed.

Article 180 Subject to the satisfaction at all times and from time to time of laws, regulations and all applicable requirements under relevant listing rules, the Company shall, within every financial year, issue four financial reports: i.e., the first quarterly report shall be issued within 30 days after the first three months' period of the financial year; the interim report shall be issued within 60 days after the first six months' period of the financial year; The third quarterly report shall be issued within 30 days after the first nine months' period of the financial year; and the annual report shall be issued within 120 days after the end of the financial year.

The aforementioned financial and accounting reports shall be prepared in accordance with the relevant laws, administrative regulations and departmental rules.

Article 181 The Company shall not keep accounts other than those provided for by law.

Article 182 After the Company has paid its various taxes in accordance with tax codes, its after-tax profits shall be distributed in the following order of priority:

Company
Law Article
166

- (1) making up losses for the previous year;
- (2) allocating 10 percent of such profits to the statutory reserve;
- (3) allocating to the discretionary reserve;
- (4) paying dividends to shareholders.

When the aggregate balance in the statutory reserve has reached 50 percent or more of the Company's registered capital, the Company need not make any further allocations to that fund. The shareholders' general meeting shall decide whether to make an allocation to the discretionary reserve after the allocations to the statutory reserve have been made. The Company shall not distribute profits to its shareholders before making up the Company's losses and making the allocations to the statutory reserve. No profit shall be distributed in respect of the shares of the Company which are held by itself.

Article 183 The Company shall implement active profits distribution methods, give priority to cash dividends, and value reasonable investment returns to investors. The Company shall distribute cash dividends provided that the Company has no significant cash outlay required for its operation and development in the foreseeable future, that the net profit for the year is positive, that the accumulated and undistributed profit at the end of the year is positive, that the cash flow generated from operating activities is positive and that the Company's normal operation will not be affected. The accumulated profit distributed by the Company in cash in the last three years shall not be less than 30% of the average annual distributable profit realized in the last three years.

Public
Shareholders
Article 4

Where the cash dividend conditions are satisfied, if the Company is in a mature development stage without significant cash outlay arrangements, the minimum percentage of cash dividend in profit distribution shall be 80%; if the Company is in a mature development stage with significant cash outlay arrangements, the minimum percentage of cash dividend in profit distribution shall be 40%; and if the Company is in a growth stage with significant cash outlay arrangements, the minimum percentage of cash dividend in profit distribution shall be 20%.

The Company's profit distribution plan shall incorporate the opinions of Shareholders (minority Shareholders in particular) and independent directors before being submitted to the Board for consideration. The Board shall discuss the profit distribution plan adequately and then form a special resolution before submitting the same to the general meeting for consideration. The Company shall communicate and exchange ideas with Shareholders (minority Shareholders in particular) by phone and email, and fully heed the opinions and requests of minority Shareholders on the cash dividends distribution plan and give timely reply to issues that concern minority Shareholders. Independent directors may solicit opinions of minority shareholders, put forth cash dividends distribution proposals and directly submitted to the Board for consideration.

If profit distribution plan for the current year can not be decided in compliance with the cash dividends policy hereof under special circumstances, the Company shall disclose specific reasons and definite opinions of independent directors in the annual report for the current year. Profit distribution plan for the current year shall be passed by more than two thirds of the voting rights held by shareholders attending the general meeting.

If profit is recorded for the period and the Board does not put forth any cash dividends distribution proposal, reasons therefor and the use of such funds to be retained by the Company which may otherwise be used as dividends shall be explained in details in its announcement of resolutions passed at the Board meeting and its periodic report. Independent directors shall express independent opinions thereon.

The Company shall ensure the continuity and stability of its profit distribution policy. If it is necessary to adjust or change the profit distribution policy stipulated in the Articles of Association in light of its production and operation conditions, investment plans, needs for long-term development, changes of external business environments and regulatory requirements of CSRC or the Shanghai Stock Exchange, the relevant resolution shall be considered by the Board and then submitted to the general meeting for approval. To be effective, the resolution must be passed by votes representing not less than two-thirds of the voting rights held by Shareholders attending the general meeting. Independent directors shall express independent opinions thereon.

The Board of the Company shall conduct specific researches and discussions on the matters related to shareholders' return, and formulate a definite and clear shareholders' return plan for a term of three years and submit the same to the general meeting for consideration.

The supervisory committee of the Company shall supervise the implementation of the cash dividends policy and shareholders' return plan by the Board, as well as the execution of appropriate decision-making procedures and information disclosure. The supervisory committee shall express explicit opinions and urge the Board to make correction in a timely manner in case of any of the following circumstances:

- (I) Failure to strictly implement the cash dividends policy and shareholders' return plan;
- (II) Failure to strictly execute appropriate decision-making procedures for cash dividends;
- (III) Failure to make an authentic, accurate and complete disclosure of the cash dividends policy and its implementation.

If a shareholder misappropriates the Company's capital in violation of relevant regulations, the Company shall deduct the cash bonus distributed to the shareholder so as to offset the capital so misappropriated by him.

Any amount paid up in advance of calls on any shares may carry interest but the holder of such shares shall not be entitled to participate in respect thereof in a dividend subsequently declared.

Article 184 The capital reserve fund shall include the following items:

- (1) the premiums obtained from the issue of shares above par value;
- (2) any other income required to be included in the capital reserve fund by the competent finance department of the State Council.

Article 185 The Company's reserves shall be used to make up the Company's losses, to expand the Company's production and operations or, through conversion into capital, to increase the Company's capital. However, capital reserve fund shall not be used for recovery of the Company's losses.

Company
Law Article
168

The Company may convert its capital reserve fund into capital upon a resolution adopted in shareholders' general meetings and issue new shares to existing shareholders in proportion to their respective shareholdings, it is provided, however, that when the statutory reserve is converted into capital, the balance of the statutory reserve shall not fall below 25% of the Company's registered capital prior to such conversion.

Article 186 After the profit distribution plan has been resolved at a general meeting, the board of directors shall complete the dividend (or share) distribution within two months after the holding of such meeting.

Guidelines
Article 154

Article 187 The Company may distribute dividends in the following manner:

- (1) in cash;
- (2) by shares.

In profit distribution by the Company, cash dividend is prior to share dividend. If the Company satisfies the cash dividends conditions, it is required to make profit distribution with cash dividends.

Where the Company's share capital size and equity structure are rational and its share capital increases in line with its results growth, the Company may distribute its profit by shares; The profit distribution by shares by the Company shall be on the premise of giving reasonable cash dividends return to shareholders and maintaining proper share capital size, and give comprehensive consideration to the growth, dilution of net asset value per share and other factors.

As required by the laws and administrative regulations of the PRC, the Company shall, in accordance with the law, withhold and pay on behalf of its shareholders the tax payable on their dividend income. The Company's profit distribution policy shall remain consistent and stable. The Company may distribute interim cash dividends.

Article 188 Subject to compliance with relevant laws and administrative regulations, the Company may distribute dividends annually. Having considered the Company's standing and when deemed fit under relevant laws and administrative regulations, the board of directors may also declare an interim dividend.

Article 189 Dividends on ordinary shares shall be denominated in RMB. Dividends on domestic-invested shares shall be paid in RMB, and those on overseas-listed foreign-invested shares shall be paid in HK dollars. When dividends are paid in Hong Kong dollars, the exchange rate shall be the average mean of the closing rate of RMB against Hong Kong dollars published by the People's Bank of China for the calendar week prior to the declaration of payment of such dividends.

Article 190 The Company shall appoint receiving agents on behalf of the holders of overseas-listed foreign-invested shares. The receiving agents shall receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company's shares are listed. The receiving agents appointed on behalf of holders of overseas-listed foreign-invested shares listed on the Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Article 191 The Company shall implement an internal audit system, and shall retain full-time auditors to conduct internal audit of its income and expenditure and economic activities.

Guidelines
Article 156

Article 192 The internal audit system and duties of the internal auditors of the Company shall be implemented upon the approval by the board of directors. The chief auditor shall be accountable and report his/her work to the board of directors.

Guidelines
Article 157

Chapter 17 Appointment of accounting firm

Article 193 The Company shall appoint an independent accounting firm which complies with the relevant requirements of the PRC to audit the Company's annual financial reports, review other financial reports of the Company, carry out net asset verifications and provide other related consulting services.

The appointment of an accounting firm shall be decided by the shareholders' general meetings.

Article 194 The term of office of an accounting firm appointed by the Company shall be one year commencing from the conclusion of the annual general meeting and expiring at the conclusion of the next annual general meeting of the Company. At the expiration of its term of appointment, it may be reappointed.

Article 195 The accounting firm appointed by the Company shall have the following rights:

- (1) a right to inspect at any time the books, records and vouchers of the Company, and to require the directors, general manager or other senior management members of the Company to provide any relevant information and explanation thereof;
- (2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties by such accounting firm;
- (3) a right to attend shareholders' general meetings and to receive all notices of, and other communications relating to, any shareholders' general meeting which any shareholder is entitled to receive, and to be heard at any shareholders' general meeting in relation to matters concerning its role as the accounting firm of the Company.

Article 196 Before the convening of the shareholders' general meeting, the board of directors may fill any casual vacancy in the office of the accounting firm; however, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy persists, such accounting firms may continue to act.

Article 197 The shareholders' meeting may, by way of ordinary resolution, remove an accounting firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

Article 198 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders' general meeting. The remuneration of an accounting firm appointed by the board of directors to fill in vacancy shall be determined by the board of directors, subject to the approval of the shareholders' general meeting.

Article 199 The Company's appointment of, removal of and non-reappointment of an accounting firm shall be resolved by the shareholders' general meeting. The resolution of the shareholders' general meeting shall be filed with the securities regulating authority of the State Council.

Article 200 Prior to the removal or the non-renewal of the appointment of an accounting firm, a ten days prior notice of such removal or non-renewal shall be given to such firm and such firm shall be entitled to make representation at the shareholders' general meeting. Where the accounting firm resigns from its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

Article 201 Where it is proposed that any resolution be passed at a shareholders' general meeting concerning the appointment of an accounting firm, which is not an incumbent firm, to replace an existing accounting firm or to fill a casual vacancy in the office of the accounting firm, or to reappoint a retiring accounting firm which was appointed by the board of directors to fill a casual vacancy, or to remove the accounting firm before the expiration of its term of office, the following provisions shall apply:

- (1) A copy of the proposal about appointment or removal shall be sent to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant financial year (leaving includes leaving by removal, resignation and retirement) before notice of meeting is given to the shareholders.

- (2) If the leaving firm makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):
 - (i) in any notice given to shareholders about a resolution to be made, state the representations that has been made by the accounting firm which is about to leave;
 - (ii) attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.
- (3) If the firm's representations are not sent in accordance with subparagraph (2) above, the relevant firm may require that the representations be read out at the shareholders' general meeting and may lodge further complaints.
- (4) An accounting firm which is leaving its post shall be entitled to attend:
 - (i) the shareholders' general meeting relating to the expiry of its term of office;
 - (ii) any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;
 - (iii) any shareholders' general meeting convened on its resignation.

An accounting firm which is leaving its post shall be entitled to receive all notices of, and other information relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former accounting firm of the Company.

Article 202 An accounting firm may resign from its office by depositing at the Company's legal residence a resignation notice, which shall include the following:

- (1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
- (2) a statement of any matters of which an account should be given.

Such notice shall become effective on the date of such deposit or on such later date as may be stipulated in such notice.

Where a notice is deposited under the preceding paragraph, the Company shall within 14 days send a copy of the notice to the competent authority. If the notice contains a statement referred to in subparagraph (2) above, a copy of such notice shall be delivered to each shareholder entitled to obtain the financial reports of the Company.

Where the notice of resignation of an accounting firm contains a statement referred to in subparagraph (2) above, the accounting firm may require the board of directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

Chapter 18 Merger and Division

Article 203 The Company may carry out mergers or divisions in accordance with the law.

In the event that the Company is merged or divided, the board of directors of the Company shall take necessary measures to safeguard the legitimate rights and interests of those shareholders who oppose the merger or division.

Shareholders who oppose the plan of merger or division of the Company shall have the right to request that the Company or the shareholders who consent to such plan purchase their shares at a fair price.

A special document of the Company's resolution on the merger or division should be prepared for inspection by the shareholders. The aforesaid document should be dispatched to the holders of overseas-listed foreign-invested shares by prepaid mail at the address as registered in the register of shareholders.

Article 204 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Company
Law Articles
172 and 173

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on merger and shall make newspaper announcement within thirty (30) days of the date of the Company's resolution on merger.

After the merger, the respective claims and liabilities of the parties to the merger shall be taken over by the continuing company or the newly established company.

Article 205 When the Company is divided, its assets shall be split up accordingly.

Company
Law Articles
175 and 176

In the event of a division of the Company, all the parties involved shall execute a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on division and shall make newspaper announcement within thirty (30) days of the date of the Company's resolution on division.

Debts incurred by the Company before its division shall be jointly borne by the companies after the division, unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to such division.

Article 206 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with law. When the Company dissolves, the Company shall cancel its registration in accordance with law. When a new company is established, its establishment shall be registered in accordance with law.

Chapter 19 Labour Management

Article 207 The Company formulates its systems regarding labour management, wages and welfare and social insurance in accordance with the Labour Law of the People's Republic of China, and other relevant laws and administrative regulations of the PRC.

- (1) The Company implements a contract system for employees of all levels; The Company may decide by itself on its staffing, and may exercise its own discretion to recruit and dismiss management personnel as well as other employees in accordance with law;
- (2) The Company shall have the right to, based on its own economic efficiency, decide by itself the levels of wages and welfare benefits for all levels of management personnel and other employees to the extent as provided for in the relevant administrative regulations;
- (3) The Company shall arrange for medical insurance, retirement insurance, labour insurance, retirement insurance, unemployment insurance and other social insurance for its employees in accordance with relevant regulations of the central and local governments, and thus ensure labour protection.

Chapter 20 Labour Union

Article 208 The Company sets up the labour union organization. Employees are entitled to participate in labour union activities in accordance with PRC laws. The labour union committee of the Company shall be democratically elected by the congress of member representatives of the labor union. The Company shall appropriate and use labor union expenditures in accordance with relevant laws and regulations.

Chapter 21 Dissolution and Liquidation

Article 209 The Company shall be dissolved and liquidated in accordance with law under any of the following circumstances:

Company
Law Article
180

- (1) a resolution on dissolution is passed by the shareholders' general meeting;
- (2) dissolution is necessary due to a merger or division of the Company;
- (3) the Company is legally declared bankrupt due to its failure to repay debts due;
- (4) the Company's business licence is revoked or it is ordered to close down or it is cancelled according to law;
- (5) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of its shareholders, and no solution can be found through any other channel, shareholders representing 10% or more of the total voting rights of the Company may request the people's court to dissolve the Company, and the Company is so dissolved according to law.

Article 210 Where the Company is dissolved under subparagraphs (1), (3), (4) and (5) of the preceding Article, a liquidation committee shall be set up within fifteen (15) days from the occurrence of the dissolution events, and its members shall be determined by shareholders at a general meeting by way of ordinary resolution. If a liquidation committee is not set up within the specified period to carry out liquidation procedures, creditors may apply to the people's court for appointment of relevant persons to form a liquidation committee so as to proceed with the liquidation.

Article 211 Where the board of directors proposes to liquidate the Company due to causes other than where the Company has declared that it is insolvent, the board of directors shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the board of directors is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

Upon the passing of the resolution by the shareholders in general meeting for the liquidation of the Company, all functions and powers of the board of directors shall cease.

The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once every year to the shareholders' general meeting on the committee's receipts and payments, the business of the Company and the progress of the liquidation and to present a final report to the shareholders' general meeting upon completion of the liquidation.

Article 212 The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make newspaper announcement within sixty (60) days of that date. The liquidation committee shall register the creditor's claims.

Article 213 During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (1) to ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;
- (2) to notify creditors by sending notice or by making announcement;
- (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (4) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (5) to settle all claims and debts;
- (6) to dispose of the remaining assets of the Company after the repayment of debts;
- (7) to represent the Company in any civil proceedings.

Article 214 After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same to a shareholders' general meeting or relevant competent authorities for confirmation.

Company
Law Article
186

Pursuant to relevant laws and administrative regulations of the PRC, the assets of the Company shall be applied for liquidation in the following order of priority:

- (1) liquidation costs;
- (2) outstanding salaries payable to the employees of the Company;
- (3) social insurance premiums and statutory compensation;
- (4) outstanding taxes;
- (5) debts of the Company;

If there are no applicable laws or regulations, such liquidation shall be carried out in an order as deemed fair and reasonable by the liquidation committee.

The remaining assets of the Company after liquidation in accordance with the provisions above shall be distributed to the shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings.

During the liquidation period, the Company shall not carry out any business activities irrelevant to the liquidation.

Article 215 In the event of Company's liquidation owing to dissolution, if the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall immediately apply to the people's court for a declaration of bankruptcy.

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

Article 216 Following the completion of liquidation, the liquidation committee shall present a report on liquidation and prepare a statement of the receipts and payments and the financial accounts for the period of the liquidation which shall be audited by PRC certified public accountants and then submitted to the shareholders' general meeting or relevant competent authorities for confirmation.

The liquidation committee shall also within thirty (30) days after such confirmation, submit the documents referred to in the preceding paragraph to the company registration authority and apply for cancellation of registration of the Company, and announce the termination of the Company.

Chapter 22 Procedures for Amendments to the Articles of Association

Article 217 The Company may amend these Articles of Association in accordance with laws, administrative regulations and these Articles of Association.

Article 218 The Company shall amend the Articles of Association under any of the following situations:

- (1) there is a discrepancy between the provisions of the Articles of Association and those of laws and administrative regulations after the amendment to the Company Law or relevant laws and administrative regulations;
- (2) there are changes in the situation of the Company resulting in inconsistency in relation to the matters mentioned in the Articles of Association;
- (3) the shareholders' general meeting resolves to amend the Articles of Association.

Article 219 Any amendment to the Articles of Association subject to approval by competent authorities must be submitted to the competent authorities for approval. If there is any change relating to the registered particulars of the Company, change of registration shall be made in accordance with law.

Any amendment to the Articles of Association shall be subject to announcement if so required to be disclosed by laws and administrative regulations.

Chapter 23 Notices and Announcements

Article 220 Unless otherwise prescribed in applicable laws, regulations and/or relevant listing rules, notices of the Company shall be given by one or of the following means:

- (1) by hand;
- (2) by mail;
- (3) by way of a public announcement;
- (4) by any other means as provided for in the Articles of Association.

If a Company notice is given in the form of an announcement, it shall be deemed as received by all relevant persons upon publication of such announcement.

Unless otherwise specified herein or provided for under relevant listing rules, notices, information or written statements sent to holders of overseas-listed foreign-invested shares must be delivered by hand or by prepaid mail to the registered address of each holder of such shares.

Article 221 Where a notice of the Company is served by hand, the addressee shall be required to sign his name (or affix his chop) on the receipt, and the date on which the addressee signs the receipt shall be the date of service;

For any notices issued by the Company by way of public announcement, the date of first publication shall be the date of service.

Where a notice is to be sent by post, it shall be placed in an envelope properly specified with the address and the postage prepaid, and any such notice is deemed to be served five (5) days after the date of dispatch when it is deposited at the post office.

Article 222 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 223 Unless otherwise provided, any notice or report required or permitted to be given by the Company by public announcement under the Articles of Association must be published in at least one newspaper with national circulation approved by the State Council securities regulatory authorities and in other Chinese newspapers specified by the board of directors, and must be simultaneously published on the same day in Chinese and English languages, respectively, in one major Chinese and one major English newspaper in Hong Kong.

Chapter 24 Settlement of Disputes

Article 224 The Company shall act according to the following principles to settle disputes:

- (1) Whenever any disputes or claims arise between holders of the overseas-listed foreign-invested shares and the Company, holders of the overseas-listed foreign-invested shares and the Company's directors, supervisors, general manager or other senior management members, or holders of the overseas-listed foreign-invested shares and holders of domestic-invested shares, based on the Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where a dispute or claim of rights abovementioned is referred to arbitration, the entire claim or dispute must be referred to arbitration and any person (being the Company or a shareholder, director, supervisor, general manager or other senior management members of the Company) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration.

Disputes in relation to the identification of shareholders and disputes in relation to the register of shareholders need not be referred to arbitration.

- (2) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre 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 elected by the claimant.

If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- (3) If any disputes or claims of rights prescribed in subparagraph (1) above are referred to arbitration, the laws of the PRC shall apply, save as otherwise provided in laws and administrative regulations.
- (4) The award of an arbitration body shall be final and conclusive and binding on all parties.

Chapter 25 Supplementary Provisions

Article 225 For the purposes of these Articles of Association, the term “accounting firm” shall have the same meaning as the term “auditor”.

Article 226 These Articles of Association are written in Chinese and English; both versions carry the same validity. In case of any discrepancies between the two versions, the Chinese version shall prevail.

Article 227 The right to interpret these Articles of Association shall vest in the board of directors of the Company.

Article 228 The terms “not less than”, “within” and “not more than” in these Articles of Association shall include the number itself; and the terms “more than half of”, “less than”, “other than”, and “more than” shall not include the number itself.

Article 229 The appendices to these Articles of Association include the Rules of Procedures for Shareholders’ General Meetings, the Rules of Procedures for Board Meetings, and the Rules of Procedures for Supervisory Committee Meetings.

Guidelines
Article
Article 197

Important Note: The following is an English translation of the Chinese version of the Rules of Procedures for Shareholders' Meeting of Huadian Power International Corporation Limited (华电国际电力股份有限公司股东大会议事规则). In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.



华电国际电力股份有限公司
HUADIAN POWER INTERNATIONAL CORPORATION LIMITED

RULES OF PROCEDURES FOR GENERAL MEETINGS
(Amended by way of special resolution at the 2022 annual general meeting
convened on 31 May 2023)

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Chapter 1 General Provisions

Article 1 In order to safeguard the legitimate interests of Huadian Power International Corporation Limited (the “Company”) and its shareholders, to specify the duties, responsibilities and authorities of the general meeting, to ensure the proper, efficient and smooth operation of the general meeting and to ensure the general meeting exercises its functions and powers according to laws, these rules are formulated according to laws and regulations including the Company Law of the People’s Republic of China (the “Company Law”), the Guidelines for the Articles of Association of Listed Companies, the Standards for the Governance of Listed Companies, the Rules of General Meetings of Listed Companies, as well as the requirements of the rules governing the listing of relevant securities or shares on the stock exchanges (including but not limited to The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange) where the Company’s shares are listed (collectively as the “Listing Rules”) and the Articles of Association of Huadian Power International Corporation Limited (the “Articles of Association”).

Article 2 These Rules apply to the general meetings of the Company and shall be binding on the Company, its shareholders, proxies of the shareholders attending such meetings, directors, supervisors and other relevant personnel present at such meetings.

Article 3 The Company shall, through various ways and means, giving priority to utilizing modern information technology such as providing online voting platforms, increase the proportion of shareholders participating in the general meeting, presupposed by the legibility and validity of such meetings and without prejudice to the legitimate rights and interests of domestic and overseas shareholders. The time and venue selected for convening the general meeting shall be convenient to shareholders' participation as far as possible. Shareholders who attend a meeting by the said means are deemed to be present at such meeting.

Article 4 The board of directors of the Company (the "Board") shall organize the general meeting in strict compliance with all requirements on convening such a meeting set out in relevant laws, regulations and the Articles of Association. The directors of the Company shall not prevent the general meeting exercising its functions and powers.

Article 5 All shareholders who lawfully and effectually hold the Company's shares and whose names appear on the register of members on the shareholding record date are entitled to attend the general meeting in person or by proxy, and shall enjoy various rights thereat according to laws, including the right to be informed, the right to speak, question and vote.

Chapter 2 Rules for the General Meeting

Article 6 Shareholders and their proxies attending the general meeting shall comply with the relevant laws, regulations and the Articles of Association and these Rules to maintain the order of the meeting conscientiously. The legitimate rights and interests of other shareholders shall not be infringed upon.

Article 7 The Securities Affairs Department of the Company is responsible for various preparation and organization work for convening the general meeting.

Article 8 The general meeting shall be convened by adhering to the principles of cost-saving and simplicity. No additional economic benefits shall be granted to the shareholders (or their proxies) attending such meetings.

Article 9 General meetings can be classified as annual general meetings (the “AGM”) and extraordinary general meetings.

All shareholders of the Company are entitled to attend AGMs and extraordinary general meetings.

In cases as stipulated in the Articles of Association, the Company shall convene class shareholders’ meetings. Class shareholders are classified in according to different classes of shares held by them. Apart from holders of other classes of shares, holders of domestic-invested shares and overseas-listed foreign-invested shares shall be regarded as different classes of shareholders.

Article 10 The AGM is convened once every year and shall be held within six months from the end of the preceding financial year. Where a general meeting cannot be held within the aforesaid time limit, the Company shall report to the local office of the China Securities Regulatory Commission (the “CSRC”) in the locality of the Company as well as the stock exchange on which the Company’s shares are listed, giving reasons therefor, and making an announcement accordingly.

Article 11 The Board shall convene an extraordinary general meeting within two months upon the occurrence of one of the following circumstances:

- (1) the number of directors is less than the quorum required by the Company Law or two-thirds of the number of directors specified in the Articles of Association;

- (2) the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (3) shareholders individually or jointly holding 10% or more of the Company's issued shares carrying voting rights request the convening of an extraordinary general meeting;
- (4) deemed as necessary by the Board;
- (5) proposed by the supervisory committee;
- (6) such other circumstances as provided for by laws, administrative regulations, departmental rules, and the Articles of Association.

The number of shares held as stated in sub-paragraph (3) above shall be calculated as at the date of written request of the shareholders.

Article 12 If the Company intends to alter or annul the rights of any class of shareholders, it shall have such alteration or annulment approved by a special resolution at the general meeting and by the shareholders of the affected class at a meeting separately convened for such purpose in accordance with the provisions of the Articles of Association.

Article 13 The Board, independent directors and qualified shareholders may collect voting rights from other shareholders to vote at the general meeting, provided that sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any limitation related to minimum shareholdings on the solicitation of voting rights. Open collection of voting rights by the said persons shall comply with the provisions of relevant regulatory authorities and the stock exchanges on which the shares of the Company are listed.

Article 14 The Board and other conveners shall take necessary measures to safeguard the proper order of the general meeting. The Board shall take measures to stop and report in a timely manner to the relevant authorities for investigation any acts of disturbing the general meeting, stirring up fights and causing troubles, or infringing upon shareholders' legal rights and interests.

Article 15 The Company shall, in connection with the holding of a general meeting, engage lawyers to issue legal opinions in respect of the following matters and make announcements accordingly:

- (1) whether the procedures for convening and holding the general meeting comply with laws and regulations as well as the Articles of Association;
- (2) the legality and validity of the qualifications of the attendees and the convener of the meeting;
- (3) the legality and validity of the voting procedures and results of the voting at the meeting;
- (4) legal opinions on other related matters as requested by the Company.

Chapter 3 Functions and Powers of the General Meeting

Article 16 The general meeting may exercise the following functions and powers:

- (1) to determine the Company's operating policies and investment plans;
- (2) to elect and replace directors and to determine matters relating to the remuneration thereof;
- (3) to elect and replace supervisors who are not employee's representatives and to determine matters relating to the remuneration thereof;

- (4) to consider and approve the reports of the Board;
- (5) to consider and approve the reports of the supervisory committee;
- (6) to consider and approve the Company's proposed annual financial budget and final accounts;
- (7) to consider and approve the Company's profit distribution plan and loss recovery plan;
- (8) to pass resolutions on the increase or reduction of the Company's registered capital;
- (9) to pass resolutions relating to matters including the merger, division, dissolution and liquidation of the Company;
- (10) to pass resolutions on the Company's issue of bonds;
- (11) to pass resolutions on the appointment, dismissal or non-reappointment of accounting firms;
- (12) to amend the Articles of Association;
- (13) to pass resolutions on transactions relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
- (14) to pass resolutions on external guarantees as required by laws, administrative regulations and the Articles of Association;
- (15) to consider and approve matters relating to changes in the use of proceeds raised;

- (16) to consider the share incentive plan;
- (17) to determine any other matters which shall be determined by general meeting, as required by laws, administrative regulations, departmental rules, the Articles of Association and listing rules.

The general meeting shall exercise its functions and powers to the extent as permitted by the Company Law and the Articles of Association. It shall not interfere with shareholders in respect of disposal of their own rights.

Article 17 Any of the Company's external guarantees shall be subject to consideration and approval by the Board. The following guarantees provided by the Company are subject to approval of the general meeting after consideration by the Board:

- (1) any guarantee provided after the total amount of guarantees to third parties provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the Company's latest audited net assets;
- (2) any guarantee, which when aggregated on a cumulative basis for 12 consecutive months, is in excess of 50% of the Company's latest audited net assets;
- (3) a guarantee to be provided in favour of an object which has a liability-to-total assets ratio in excess of 70%;
- (4) a single guarantee in excess of 10% of the Company's latest audited net assets;
- (5) guarantees to be provided in favour of shareholders, de facto controllers and their related parties;
- (6) any guarantee provided after the total amount of guarantees to third parties provided by the Company has reached or exceeded 30% of the Company's latest audited total assets;

- (7) any guarantee, which when aggregated on a cumulative basis for 12 consecutive months, is in excess of 30% of the Company's latest audited total assets;
- (8) other guarantees shall be proposed to general meeting for consideration and approval, as required by laws, regulations and the Articles of Association.

Article 18 Matters to be determined by the general meeting as provided for in laws, administrative regulations, departmental rules and the Articles of Association shall be subject to consideration and approval of the general meeting so as to ensure the right of the Company's shareholders to decide on such matters.

Article 19 The general meeting may reasonably authorize the Board to determine, to the extent as permitted by the general meeting, any specific matters in connection with relevant resolutions which are unable to be determined thereat forthwith when and as necessary and appropriate.

For the purpose of authorization to the Board, those that fall into the category of ordinary resolutions shall be passed by votes representing more than one half (excluding one half) of the voting rights held by the shareholders (including their proxies) present at the general meeting; those that fall into the category of special resolutions shall be passed by votes representing more than two-thirds of the voting rights held by the shareholders (including their proxies) present at the general meeting. The content of such authorization shall be clear and specific.

Chapter 4 Proposals tabled at the General Meeting

Article 20 Proposals tabled at the general meeting shall be the specific resolutions in relation to the matters put forth for discussion at such meeting.

Proposals tabled at a general meeting shall meet the following requirements:

- (1) its contents shall be in compliance with laws, administrative regulations and the Articles of Association and shall be within the functions and powers of the general meeting;
- (2) it shall set out definite proposals and specific matters for consideration and resolution;
- (3) it shall be submitted to the convener of such meeting in written form.

Article 21 The Board, the supervisory committee, and shareholders individually or jointly holding 3% or more of the Company's shares shall have the right to submit proposals at a general meeting of the Company.

Shareholders individually or jointly holding 3% or more of the Company's shares may submit extra proposals to the convener of a general meeting in writing 10 days prior to the meeting. The convener shall issue a supplementary notice of the general meeting and announce the contents of such extra proposals within 2 days after receipt thereof. If there are other relevant provisions by the listing rules at places where the Company's shares are listed, such provisions shall also be satisfied.

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

Article 22 Shareholders individually or jointly holding 10% or more of the shares may propose to convene an extraordinary general meeting or a class meeting by signing and submitting one or several written requests with the same format and contents in which the agenda of the meeting shall be set out clearly, and submit to the Board proposals which meet the requirements of these Rules.

Article 23 Proposals submitted at a general meeting involving any of the following circumstances are deemed as alteration or annulment of the rights of shareholders of a certain class, and the Board shall submit such proposals to a class meeting for consideration:

- (1) to increase or decrease the number of shares of that class, or increase or decrease the number of shares of another class having voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (2) To convert all or part of the shares of such class into another class, or convert all or part of the shares of other classes into shares of such class, or grant rights to effect such conversion;
- (3) To cancel or reduce the rights in respect of accrued dividends or cumulative dividends attached to shares of such class;
- (4) to reduce or cancel the priority to dividends or to distribution of assets (in the event of liquidation of the Company) attached to shares of such class;
- (5) to increase, cancel or reduce the right of conversion, options, voting rights, the right to transfer, priority in placement and the right to acquire securities of the Company attached to shares of such class;
- (6) to cancel or reduce the right to receive payables in specific currencies from the Company attached to shares of such class;
- (7) to create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (8) to restrict the transfer or ownership of the shares of such class or increase such restrictions;

- (9) to issue the right to subscribe for, or convert into, shares of such or another class of shares;
- (10) to increase the rights and privileges attached to shares of other classes;
- (11) to conduct the proposed restructuring of the Company in such a way that may result in the holders of different classes of shares having to assume disproportionate liabilities;
- (12) to alter or repeal the provisions in Chapter 9 “Special Procedures for Voting by Class Shareholders” of the Articles of Association.

Article 24 The Board shall provide to all shareholders (and their proxies), directors, supervisors and other senior management members present at the general meeting with documents containing the agenda, proposals and relevant background information in respect of the topics to be considered at such meeting, to ensure the attendees’ knowledge of the content for consideration. In case that the supervisory committee or shareholders convene a general meeting in accordance with laws, the convener shall provide such documents as required above.

Chapter 5 Notices of the General Meeting

Article 25 When the Company convenes an annual general meeting, the written notice shall be dispatched twenty (20) working days before the date of the meeting. When the Company convenes an extraordinary general meeting, the written notice shall be dispatched ten (10) working days or fifteen (15) days (whichever is longer) before the date of the meeting. Such written notice shall notify all of the shareholders whose names appear in the register of shareholders of the matters to be considered at and the date and place of the meeting. Where laws, regulations, securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed stipulate on the abovementioned matters, such provisions shall prevail.

Notice of a general meeting shall be served on each shareholder (whether or not such shareholder is entitled to vote at the meeting) by personal delivery or prepaid airmail to the address of the shareholder as shown in the register of shareholders. For holders of domestic shares, the notice of a general meeting may also be served by way of announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority of the State Council. Once the announcement is published, the holders of domestic shares shall be deemed to have received the notice relating to the general meeting.

Save and except for other provisions stipulated by applicable laws, the above notice period shall commence from the date when the notice is dispatched (the date for convening such meeting shall be excluded).

Article 26 A notice of a class meeting shall be delivered exclusively to shareholders entitled to vote at such meeting.

Article 27 The notice of a general meeting shall satisfy the following requirements:

- (1) in writing
- (2) specify the place, date and time of the meeting;
- (3) set out the matters to be discussed;
- (4) provide the shareholders with such information and explanation as necessary to enable the shareholders to make an informed decision in connection with the matters to be discussed. Such a principle includes (but not limited to) where the Company proposes to merge, repurchase its shares, restructure its share capital, or undergo other reorganization. The requirement for the specific terms and contracts (if exist) of the proposed transaction to be provided and the reasons for and effects of the same are to be properly explained;

- (5) if any director, supervisor, general manager and other senior management members have material interests in the matters to be discussed, the nature and extent of such material interests shall be disclosed, and if the effect of the matters to be discussed on such director, supervisor, general manager and other senior management members in their capacity as shareholders is different from the effect thereof on other shareholders of the same class, the differences shall be stated;;
- (6) fully and completely disclose all the details of the proposed special resolutions;
- (7) contain a clear statement that a shareholder entitled to attend and vote at such meeting shall have the right to appoint one or more proxies to attend and vote at such meeting on his behalf and that such proxies need not be a shareholder;
- (8) specify the date and place for delivery of proxy forms for the meeting;
- (9) state the shareholding record date in relation to eligibility of shareholders for participation in the general meeting;
- (10) specify the names and telephone numbers of the contact persons in connection with the meeting.

Article 28 Subsequent to the dispatch of a notice of the general meeting, the general meeting shall not be convened in advance, nor be postponed or cancelled without proper reasons, and the proposals set out in the notice of the general meeting shall not be withdrawn. Once the meeting is postponed or cancelled, the convener shall make an announcement and give reasons therefor at least two working days prior to the original date of the meeting.

In the event of postponement by the Company of a general meeting, the date of determination of equity entitlements (also known as the shareholding record date) of shareholders entitled to attend such meeting as stipulated in the original notice shall not be altered.

Article 29 The supervisory committee shall have the right to make a proposal to the Board for the holding of an extraordinary general meeting, which shall be in writing. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to hold an extraordinary general meeting within 10 days after receipt of such proposal.

If the Board agrees to hold an extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the passing of a relevant resolution of the Board. Changes made to the original proposal set out in the notice shall be subject to the approval of the supervisory committee.

If the Board does not agree to hold an extraordinary general meeting, or gives no written response within 10 days after receipt of such proposal, the Board shall be deemed to be unable or to have failed to perform its duty to convene the general meeting, and the supervisory committee may convene and preside over such meeting by itself.

Article 30 Independent directors shall have the right to make a proposal to the Board for the holding of an extraordinary general meeting. In respect of such proposal by the independent directors, the Board shall, in accordance with laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to hold an extraordinary general meeting within 10 days after receipt of such proposal.

If the Board agrees to hold an extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the passing of a relevant resolution of the Board. If the Board does not agree to hold an extraordinary general meeting, it shall give an explanation of the reasons therefor and issue an announcement accordingly.

Article 31 Shareholders individually or jointly holding more than 10% of the Company's shares shall have the right to make a request to the Board for the holding of an extraordinary general meeting, which shall be in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to hold an extraordinary general meeting within 10 days after receipt of such request.

If the Board agrees to hold an extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the passing of a relevant resolution of the Board. Changes made to the original request set out in the notice shall be subject to the approval of the relevant shareholders.

If the Board does not agree to hold an extraordinary general meeting, or gives no response within 10 days after receipt of such request, shareholders individually or jointly holding more than 10% of the Company's shares shall have the right to make a proposal to the supervisory committee for the holding of such meeting, and such request shall be in writing.

If the supervisory committee agrees to hold an extraordinary general, a notice of such meeting shall be issued within 5 days after receipt of such request. Changes made to the original proposal set out in the notice shall be subject to the approval of the relevant shareholders.

If the supervisory committee fails to issue the notice of such meeting within the specified time limit, it shall be deemed to have failed to convene and preside over such meeting, shareholders individually or jointly holding more than 10% of the Company's shares for not less than 90 consecutive days, shall have the right to convene and preside over such meeting by themselves.

Article 32 When the supervisory committee or shareholders decide to convene a general meeting by themselves, they shall notify the Board in writing, and file with the relevant competent authorities pursuant to applicable provisions. The Board and the Secretary to the Board shall provide support accordingly. The Board shall provide the register of shareholders as at the shareholding record date. If the Board fails to provide the register of shareholders, the convener may apply to the relevant securities registration and clearing company or agent to obtain a copy of such register by presentation of the relevant notice or announcement relating to the holding of the general meeting. The register of shareholders so obtained by the convener shall not be used for any purpose other than the holding of the general meeting.

Prior to the announcement of the resolution of a general meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

Chapter 6 Registration of the General Meeting

Article 33 Shareholders may attend general meetings in person or appoint proxies to attend and vote thereat on their behalf. When convening the general meeting, all directors and supervisors and the secretary to the Board of the Company shall attend the meeting, and the general manager and other senior management members shall also be present as non-voting participants.

Article 34 Where a shareholder intends to appoint a proxy to attend and vote at a general meeting on his behalf, he shall do so in writing form. The proxy form issued by a shareholder appointing another person to attend a general meeting shall specify the following:

- (1) the name of the proxy;
- (2) the number of shares held by the shareholder who appoints the proxy;
- (3) whether or not the proxy is entitled to vote;

- (4) the instructions as to whether the proxy should vote for or against or abstain from voting on each item to be considered at the general meeting;
- (5) a proxy form shall indicate whether or not, in the absence of specific instructions by the relevant shareholder, the proxy of the shareholder may vote at his own discretion;
- (6) the date and period of validity of the proxy form.

The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person, such instrument shall be under its seal or under the hand of its director or executive duly authorized or attorney duly authorized. Where more than one proxy is appointed, such instrument shall specify the number of shares represented by each proxy.

Article 35 Proxy forms appointing proxies with the authority to vote shall be deposited at the address of the Company or such other place as may be specified in the notice of the relevant meeting at least 24 hours before the relevant meeting at which such proxies are authorized to vote under such proxy forms, or 24 hours before the designated time for the relevant voting. Where a proxy form is signed by a person under a power of attorney on behalf of the appointer, such power of attorney or other authorization document shall be notarized. A notarized copy of that power of attorney or other authorization document, together with the proxy form appointing a proxy with the authority to vote, shall be deposited at the address of the Company or such other place as may be specified in the notice of the relevant meeting.

Article 36 A register of attendance at general meetings shall be prepared by the Company. Such register shall set forth the names of attendees (or the names of the companies they represent), their identity card numbers, residential address, number of voting shares held or represented, and the names of the appointers of proxies (or the appointing companies), etc.

Article 37 Shareholders and their proxies shall enter the meeting venue prior to the beginning of the meeting. The number of the shareholders and their proxies as well as the number of shares with voting rights they held shall be based on the register of attendance. The chairman of the meeting shall announce the number of shareholders and proxies attending the meeting and the total number of shares with voting rights held or represented by them prior to the voting. The registration for a meeting shall end before such announcement by the chairman of the meeting. Those who enter the meeting venue after close of the registration shall be taken as attendees without voting rights and the shares held by such persons shall not be counted into the total number of shares carrying voting rights. The total number of shares carrying voting rights shall not be affected by shareholders and their proxies who fail to fill in the voting tickets due to midway exit or other reasons.

Chapter 7 Consideration of and Voting at the General Meeting

Article 38 A general meeting shall be convened and presided over by the chairman of the Board. Where the chairman of the Board is unable or fails to perform his duties, the vice chairman shall convene and preside over the meetings (and if the Company has two or more vice chairmen, such meetings shall be presided over by the vice chairman jointly elected by not less than a half of the directors); if the vice chairman is unable or fails to perform his duties, a director shall be jointly elected by not less than a half of the directors to convene and preside over the meetings.

Where not less than half of the directors fail to elect one director to preside over the meeting, shareholders attending such meeting may elect one person to chair the meeting. If, for any reason, the shareholders cannot elect a chairman, the shareholder (including his proxy) holding the largest number of voting shares shall preside over the meeting.

For a general meeting convened by the supervisory committee, such meeting shall be presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable to perform or fails to perform his duties, a supervisor jointly elected by not less than half of all supervisors shall preside over the meeting.

For a general meeting convened by the shareholders themselves, such meeting shall be presided over by a representative elected by the convener.

During the course of a general meeting, if the chairman of the meeting is in breach of these Rules and renders it impossible for the meeting to continue, with the consent of shareholders present at the meeting and representing more than half of the total voting rights held by all shareholders so present, the general meeting may elect one individual to be the chairman of the meeting and the meeting shall continue.

Article 39 After the chairman declaring the opening of general meetings, he shall first announce that the numbers of shareholders attending meetings and of shares held by such shareholders comply with lawful requirements and the Articles of Association, and then announce the meeting agenda as stated in the notice, and inquire the attendees whether there is any objection to the sequence of the proposals.

Article 40 After announcing the agenda of the general meeting, the chairman shall read out proposals and demand explanation provided by proposers when necessary.

- (1) Should the proposer be from the Board, explanation shall be made by the Chairman of the Board or other directors or the Secretary to the Board authorized by the Chairman of the Board
- (2) Should the proposer be not from the Board, explanation shall be made by the proposer or his authorized attorney.

Article 41 For matters included in the meeting agenda, the chairman of meeting may determine at his discretion as to whether a summary report, item-based consideration and voting shall be adopted, or an item-by-item approach shall be adopted for complicated matters.

Article 42 At the AGM, the Board and the supervisory committee shall report to the general meeting their work in the preceding year, and each independent director shall also make a work report.

Article 43 At the AGM, the supervisory committee shall make a supervisory report on specific matters of the Company for the preceding year, the contents of which shall include:

- (1) The result of the examination of the financial position of the Company;
- (2) The performance of the duties of the directors and senior management and the execution of the laws, regulations, the Articles of Association and the resolutions passed at general meetings;
- (3) Other significant events deemed by the supervisory committee as necessary to be reported to the general meeting.

If the supervisory committee thinks necessary, it may provide its opinion on the proposals to be tabled at the general meeting and submit an independent report in relation thereto.

Article 44 In accordance with relevant laws, regulations, the Articles of Association or other company policies, independent directors shall provide comments on matters that require their opinions.

Article 45 The Board shall explain to the general meeting any non-standard auditors' opinions issued by the certified accountants regarding the financial statements of the Company.

- Article 46** For proposals included in the agenda of the general meeting, reasonable question time shall be provided for each proposal before voting.
- Article 47** Shareholders and their proxies present at general meetings may require to speak thereat either in writing or spoken form. Speeches by such shareholders and their proxies shall be subject to the approval of the chairman of the meeting, who can arrange for such speech based on meeting proceedings. In general, each shareholder and his proxy shall not address each proposal more than twice, with each speech running not more than 10 minutes. The speech so made by shareholders and their proxies shall not interrupt any reports or speeches by others at the meeting.
- Article 48** When considering proposals at the general meeting, only the shareholders and their proxies have the right to speak. Any speaker shall obtain the permission of the chairman of the meeting by show of hands before speaking.
- Article 49** Shareholders and their proxies may make inquiries or suggestions in connection with content of proposals, and the chairman of the meeting shall offer corresponding replies or explanations in person or by designating directors, supervisors and other relevant persons. The chairman of the meeting may decline to respond in connection with the following circumstances but shall specify the reasons:
- (1) when a speech is not related to the proposal;
 - (2) when inquiries are pending further investigation;
 - (3) where it involves the Company's commercial secrets which cannot be revealed at the general meeting;
 - (4) where any response to inquiries will seriously harm the common interests of shareholders; and
 - (5) other important reasons.

Article 50 When considering a proposal at the general meeting, no change shall be made thereto. Otherwise, such related change shall be treated as a new proposal which shall not be put up for voting at the general meeting.

Article 51 Save for the accumulative voting system, all proposals shall be voted at the general meeting separately. Unless a general meeting is suspended or no resolution can be passed due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the general meeting. In case of different proposals for the same matter, the proposals shall be voted according to the order of being proposed accordingly.

Article 52 For proposals regarding the election of directors and supervisors, the general meeting shall vote on each candidate of directors and supervisors one by one.

Article 53 Shareholders or their authorized proxies shall exercise their voting rights at a general meeting according to the number of shares with voting rights they represent, with one vote for each share, save as prescribed in Article 56 of these Rules. Shares held by the Company have no voting rights. This portion of shares is not considered as part of the total number of shares with voting rights and present at the shareholders' general meetings. Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.

Article 54 On a poll taken at a meeting, a shareholder (including proxy) entitled to 2 or more votes need not cast all his votes in favour of or against in the same way.

In case of equality between the dissenting votes and affirmative votes, the chairman of the meeting has the right to cast one more vote.

Article 55 In the case of voting of the proposal to elect directors or supervisors at the general meeting, the accumulative voting method is adopted in accordance with relevant requirements of the Articles of Association, and details for the accumulative system are as follows:

- (1) The cumulative voting method must be adopted where the number of directors or supervisors to be elected is not less than two;
- (2) When the cumulative voting method is adopted, each of the shares held by a shareholder shall carry the same number of voting rights as the number of directors or supervisors to be elected;
- (3) The notice of the general meeting shall notify shareholders of the adoption of the cumulative voting method for electing directors or supervisors. The meeting convenor shall prepare such ballot papers as are suitable for carrying out the cumulative voting method and specify and explain, in written form, the method for casting cumulative votes, completing the ballot papers and calculating the votes;
- (4) When voting on director or supervisor candidates at a general meeting, shareholders may exercise their voting rights separately and cast the same number of votes for each director or supervisor candidate as the number of shares he/she holds; or they may exercise the voting rights in a way to concentrate his votes on a particular director or supervisor candidate by casting the total number of votes carried by all of his shares while the number of voting rights carried by each of his shares is the same as the number of directors or supervisors to be elected; or they may spread their votes over several candidates and cast for each of them part of the total number of votes carried by the shares they hold while the number of voting rights carried by each of his shares is the same as the number of directors or supervisors to be elected;

- (5) Once a shareholder exercises his voting right by focusing his votes on one or several director(s) or supervisors while the number of voting rights carried by each of his shares is the same as the number of directors or supervisors to be elected, he shall have no right to vote on other director or supervisor candidates;
- (6) In the event that the total number of the votes cast by a shareholder on one or several directors or supervisors exceeds the voting rights represented by the total number of shares he holds, the votes cast by such shareholder shall be null and void and he is deemed to abstain from voting; in the event that the total number of the votes cast by a shareholder on one or several directors or supervisors is less than the voting rights represented by the total number of shares he held, the votes cast by such shareholder shall still be valid and the voting rights attached to the shortfall between the votes actually cast and the votes which such shareholder is entitled to cast shall be deemed to have been waived by him;
- (7) In the event that the number of affirmative votes received by a director or supervisor candidate exceeds one half of the total number of shares with voting rights represented by the shareholders attending the general meeting (on the basis of the total number of shares if cumulative voting is not adopted) and the number of affirmative votes exceeds the number of dissenting votes, such candidate shall be the elected. In the event that the number of the proposed candidates exceeds the number of directors or supervisors required to be elected at the general meeting, the candidate who wins the largest number of affirmative votes shall be the elected director or supervisor (provided that where elected candidates receiving fewer affirmative votes win the same number of affirmative votes, and the number of candidates so elected would exceed the number of directors or supervisors required to be elected, then such candidates shall be treated as having not been elected); in the event that the number of elected candidates is less than the number of directors or supervisors required to be elected, a new round of voting shall be conducted for the remaining vacancies until the election of all the directors or supervisors required to be elected is completed.

(8) Where the general meeting holds a new round of voting for directors or supervisors in accordance with the requirements set out in paragraph (7) above, the cumulative votes of the shareholders shall be re-calculated based on the number of directors or supervisors elected in each round of voting.

Article 56 When considering matters in relation to connected transactions at the general meeting, the connected shareholders should abstain from voting and the number of shares with voting rights represented by them shall not be calculated in the total number of valid votes. The announcement on the resolutions at the general meeting should contain a sufficient disclosure of the voting details of non-connected shareholders.

Article 57 The poll taken on each matter considered at the meeting shall be counted and scrutinized by a lawyer, two shareholder representatives and one supervisor, and the voting result shall be made public on the spot by vote counters. In case of consideration of matters in relation to connected transactions, connected shareholders shall not participate in counting the votes so cast.

Article 58 In the event that the chairman of a general meeting has any doubt as to the voting result in respect of a resolution tabled at the meeting, he may check the numbers of relevant votes cast. If the chairman of the meeting fails to do so, any shareholder or proxy present at the meeting who objects to the result announced by the chairman of the meeting shall have the right to demand that the numbers of relevant votes cast be checked immediately after the declaration of the voting result, in which case the chairman of the meeting shall have the numbers of relevant votes cast checked immediately. The shareholder or his proxy who objects to the voting result can participate in scrutinizing ballot counting, but the counting result shall be final. Any objection subsequent to the meeting shall be deemed as null and void.

Article 59 The chairman of the meeting shall decide whether a resolution has been passed based on the voting result, which shall be final and shall be declared at the meeting and filed in the minutes of the meeting.

Article 60 Shareholders attending the general meeting shall submit their voting on the proposals in the following ways: “for”, “against” or “abstain”, except for the securities registration and settlement institutions which, being the nominal holders of shares under the interconnection mechanism for transactions in the Mainland and Hong Kong stock markets, shall make declarations according to the intentions of the actual holders.

Ballot papers that are left in blank, unduly completed or illegible or that have not been used shall be deemed to be a waiver by the voter, and the voting results corresponding to the number of shares they hold shall be treated as “abstain from voting”.

Article 61 Resolutions of general meetings are divided into ordinary resolutions and special resolutions.

(1) Ordinary resolution

An ordinary resolution of a general meeting shall be passed by votes representing more than one half (excluding one half) of the voting rights held or represented by the shareholders (including their proxies) present at the general meeting.

The following matters shall be resolved by ordinary resolutions at a general meeting:

- (1) work reports of the Board and the supervisory committee;
- (2) profit distribution plan and loss recovery plan formulated by the Board;
- (3) appointment and removal of members of the Board and the supervisory committee, their remuneration and methods of payment thereof;

- (4) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (5) appointment, removal or termination of appointment of accounting firms and their remunerations; and
- (6) matters other than those required by laws and administrative regulations or the Articles of Association to be approved by special resolutions.

(2) Special resolutions

A special resolution of a general meeting shall be passed by votes representing not less than two-thirds of the voting rights held or represented by the shareholders (including their proxies) present at the meeting.

The following matters shall be resolved by special resolutions at a general meeting:

- (1) the Company's increase or decrease in the share capital, issue of shares of any class, warrants and other similar securities;
- (2) issuance of corporate bonds;
- (3) division, merger, dissolution and liquidation (including voluntary winding up) of the Company;
- (4) amendments to the Articles of Association of the Company;
- (5) acquisition or disposal of material assets or provision of guarantees by the Company within 1 year which involves an amount exceeding 30% of the Company's latest audited total assets;
- (6) share incentive plans;

- (7) such other matters as may be required by laws, administrative regulations, departmental rules or the Articles of Association or which, pursuant to ordinary resolutions passed at general meetings, are considered to have material effects on the Company and require approval by special resolutions.

Article 62 Shareholders of the affected class, whether or not having the right to vote at general meetings, shall have the right to vote at the relevant class meeting in relation to any of the matters under Articles 23(2) to (8) and Articles 23(11) to (12) of these Rules, but interested shareholders shall not be entitled to vote at the relevant class meeting.

Interested shareholders mentioned in the preceding paragraph shall have the following meanings:

- (1) in the case of an offer by the Company to repurchase its own shares to all shareholders on a pro rata basis or a repurchase by the Company of its own shares on a stock exchange in accordance with the provisions in Article 27 of the Articles of Association, “interested shareholder” shall mean the controlling shareholder as defined in Article 56 of the Articles of Association;
- (2) in the case of a repurchase by the Company of its own shares by an off-market agreement in accordance with the provisions in Article 27 of the Articles of Association, “interested shareholders” shall mean the shareholders connected with such agreement;
- (3) in the case of a proposed restructuring of the Company, “interested shareholder” shall mean a shareholder of a class assuming a smaller proportion of liabilities than the other shareholders of that class or who has interests different from those of the other shareholders of the same class.

Article 63 A resolution of a class meeting shall be passed in accordance with Article 63 of these Rules by at least a two-thirds majority calculated on the basis of the voting rights held by the shareholders present and entitled to vote at the class meeting.

The special procedures for voting by class shareholders shall not apply in the following circumstances:

- (1) where the Company issues, subject to approval by a special resolution of a general meeting, domestic-invested shares and overseas-listed foreign-invested shares once every 12 months, either separately or concurrently, and the numbers of domestic-invested shares and overseas-listed foreign-invested shares proposed to be issued do not exceed 20% of its issued domestic-invested shares and overseas-listed foreign-invested shares respectively;
- (2) where the Company's plan to issue domestic-invested shares and overseas-listed foreign-invested shares at the time of incorporation is carried out within 15 months from the date of approval by the securities regulatory authorities of the State Council.

Chapter 8 Adjournment and Conclusion of the General Meeting

Article 64 The chairman of the meeting has the right to announce the temporary adjournment of general meetings in accordance with the arrangement and the proceedings of such meetings. The chairman of the meeting also has the right to announce the adjournment of the meeting as necessary.

Article 65 Following the approval of resolutions at general meetings without objection from shareholders and their proxies, the chairman of the meeting shall announce the conclusion of the meeting.

Chapter 9 Resolutions and Minutes of the General Meeting

Article 66 The general meeting shall pass resolutions on the proposals included in the agenda of such meeting.

Article 67 Minutes of general meetings shall be kept. The minutes of such meeting shall include the following matters:

- (1) the date, place and agenda of the meeting, and the name of the convener;
- (2) the name of the chairman of the meeting, and the names of directors, supervisors, the Secretary to the Board, managers and other senior management members of the Company attending the meeting (with or without the right to vote);
- (3) the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held or represented by them and the percentage thereof in relation to the total number of shares in the Company;
- (4) the discussions carried out, major comments made, and voting results in respect of each resolution;
- (5) details of the inquiries or suggestions of the shareholders, and the corresponding answers or explanations;
- (6) the names of lawyers, vote counting officers and scrutineer;
- (7) such other matters which shall be recorded in the minutes of the meeting as required by the general meeting and the provisions of the Articles of Association.

Article 68 The directors, the Secretary to the Board, the convener or his representative, and the chairman of the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept by the Secretary to the Board as the Company's archives for a term not less than 10 years.

Article 69 The register of attendance, power of attorney, copies of identification cards, voting statistics, meeting minutes, resolutions of such meetings and etc. shall be maintained by the Secretary to the Board.

Chapter 10 Information Disclosure

Article 70 The Board shall strictly implement the State’s relevant laws, regulations and the provisions regarding information disclosure issued by the stock exchanges where the Company’s shares are listed and traded, and disclose the issues discussed and/or resolutions passed at the general meeting in a timely, true, accurate and complete manner.

Chapter 11 Supplementary Provisions

Article 71 These Rules are an appendix to the Articles of Association. These Rules are prepared by the Board and will come into force, subject to the approval of the general meeting by way of special resolution. Any amendment thereto shall be proposed by the Board and come into effect upon approval of the general meeting by way of special resolution..

Article 72 The Board is authorized by the general meeting to interpret these Rules.

Article 73 In the event that matters not covered in these Rules are inconsistent with laws, administrative regulations, other regulatory documents and the Articles of Association, the laws, administrative regulations, other regulatory documents and the Articles of Association shall prevail.

Article 74 The term “not less than” referred to in these Rules is inclusive, while such terms as “exceed”, “less than”, “more than” and “more than one half” are exclusive.

Important Note: The following is an English translation of the Chinese version of the Rules of Procedures for the Board of Directors of Huadian Power International Corporation Limited (华电国际电力股份有限公司董事会议事规则). In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.



华电国际电力股份有限公司
HUADIAN POWER INTERNATIONAL CORPORATION LIMITED

**RULES OF PROCEDURES FOR THE BOARD OF
DIRECTORS**

**(Amended by way of special resolution at the 2022 annual general meeting
convened on 31 May 2023)**

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Chapter 1 General Provisions

Article 1 These Rules are formulated in accordance with provisions of the Company Law of the People's Republic of China ("Company Law"), the Guidelines to Articles of Association of Listed Companies, the Standards for Corporate Governance of Listed Companies and the relevant PRC laws and regulations, the rules governing the listing of securities or stocks on the stock exchanges where the Company's shares are listed (including but not limited to The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange) (collectively referred to as "Listing Rules") and Articles of Association ("Articles of Association") of Huadian Power International Corporation Limited (the "Company") to specify the work procedures of the board of directors ("the Board") of the Company, so as to ensure efficient work and rational decision-making of the Board.

Article 2 As appointed by the general meeting, the Board is responsible for operating and managing the Company's corporate properties as a decision-making centre of the Company's business. The Board reports to the general meeting.

Chapter 2 Composition of and Organisations under the Board

Article 3 In accordance with the Articles of Association, the Board is structured with proper percentages of independent directors and external directors.

Article 4 Directors shall be elected or changed by the general meeting, for a term of three (3) years, and may be removed from their office by the general meeting prior to the maturity of their term. Upon maturity of the term of office, a director shall be eligible for re-election and reappointment, provided that independent directors shall not serve more than six (6) consecutive years.

The term of office of a director shall commence from the date on which he/she takes office to the expiration of the term of the current session of the board of directors. Where re-election is not carried out timely after a director's term of office expires, the existing director shall continue to perform the director's duties subject to the laws, administrative regulations, departmental rules and the Articles of Association before a new director is elected to take office.

Each newly appointed director shall, at his first inauguration, be provided with a full and formal instruction specific to his office, as well as necessary introduction and professional development thereafter to ensure a proper understanding of the Company's operation and business, and the full awareness of his duties under regulations, common laws, legal provisions applicable to the Listing Rules and other regulatory provisions as well as the Company's business and corporate governance policies.

The managers and other senior management members may also serve as directors. The total number of directors also serving as managers, other senior management members or employees' representatives shall not be more than one half of the total number of the directors of the Company.

Article 5 In the event that the term of directors falls upon maturity whereas new members of the Board are not re-elected, the existing members of the Board shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the re-elected directors assume their office.

Article 6 The Board shall have one (1) Chairman and two (2) vice Chairmen which shall be elected and dismissed by over one half of all members of the Board.

The Chairman of the Board is entitled to exerting the following powers:

- (1) to preside over general meetings and to convene and preside over Board meetings;

- (2) to examine the implementation of resolutions of Board meetings;
- (3) to exercise other powers vested by the Board and the Listing Rules.

The vice Chairman shall assist the Chairman in performing his duties. If the Chairman is unable or fails to perform his duties, such duties shall be performed by the vice Chairman (and if the Company has two or more vice Chairmen, such duties shall be performed by the vice Chairman jointly elected by not less than a half of the directors). In the event that the vice Chairmen is unable or fails to perform his duties, a director shall be elected jointly by not less than a half of the directors to perform such duties.

Article 7 The Board has one (1) secretary to the Board, who are nominated by the Chairman and is appointed or dismissed by the Board. The secretary to the Board reports to the Board. Responsibilities of the secretary to the Board mainly include:

- (1) to assist directors to handle the daily work of the Board;
- (2) to ensure that the Company maintain complete organisational documents and records;
- (3) to ensure that the Company prepares and delivers such reports and documents as required by competent authorities in accordance with laws;
- (4) to be responsible for information disclosure of the Company on a timely, accurate, legitimate and complete basis;
- (5) to ensure that the Company's registers of shareholders are properly maintained, and that persons entitled to access to the relevant records and documents are furnished with such records and documents without delay;

- (6) to perform other duties as provided in relevant laws and regulations, the Articles of Association and the Listing Rules of the stock exchange where the Company's shares are listed.

Article 8 The Board may establish and maintain special committees including Strategies, Audit, Nomination, Remuneration and Assessment committees pursuant to relevant resolutions of general meetings. All the special committees shall be accountable to the Board, perform their duties in accordance with Articles of Association of the Company and the authorization of the Board, and submit resolutions to the Board for consideration and decision.

Special committees are all made up of directors, of which the majority of Audit Committees, Nomination Committees, and Remuneration and Assessment Committees shall be independent directors who shall also be the convener of the said committees. The convener of the Audit Committee shall be an accounting professional. The Board is responsible for formulating the working procedures of the special committees and regulating the operation.

Chapter 3 Powers of the Board

Article 9 The Board reports to general meetings and exercises the following powers:

- (1) to convene general meetings and report its work to general meetings;
- (2) to implement the resolutions passed at general meetings;
- (3) to decide the Company's business plans and investment schemes;
- (4) to formulate the Company's annual budget scheme and budget implementation proposal;
- (5) to formulate the Company's profit distribution plan and loss recovery plan;

- (6) to formulate proposals for increases or reductions of the Company's registered capital and the issue of corporate debentures;
- (7) to draw up plans for repurchase of the Company's shares or the proposal for merger, division or dissolution of the Company;
- (8) to determine the external investment, purchase and sale of assets, assets mortgage, entrusted asset management, connected transactions of the Company and the external guarantees other than those requiring approval of the general meeting in accordance with relevant laws, administrative regulations or the Articles of Association within the authorization of the general meeting;
- (9) to determine the establishment of the Company's internal management structure;
- (10) to appoint or dismiss the Company's general manager and the secretary to the Board, and pursuant to the general manager's nominations to appoint or dismiss the senior management members including the deputy general managers, financial officers, chief engineer, chief economist and chief legal counsel of the Company and determine their remuneration, bonus and punishment;
- (11) to formulate the Company's basic management system and to promote legal construction;
- (12) to formulate the proposed amendments to the Articles of Association;
- (13) to manage the information disclosure of the Company;
- (14) to propose at general meetings for the appointment or change of accounting firms providing audit service for the Company;
- (15) to hear the work report and inspect the work of the general manager;

(16) to exercise any other powers specified in relevant laws, regulations or the Articles of Association and conferred by general meetings.

In accordance with Article 173 of the Articles of Association, the CPC Committee of the Company shall consider and provide opinions on the candidates nominated by the board of directors or the general manager, or recommend candidates to the board of directors or the general manager. The CPC Committee, together with the board of directors, shall evaluate the proposed candidates and put forth comments and suggestions collectively.

Article 10 With authorisation of the Board, the Chairman is entitled to exercise certain powers of the Board during the intermission of Board meetings.

Chapter 4 Rules for Board Meetings

Article 11 The Board meetings comprise regular meetings and extraordinary meetings. Regular meetings comprise annual meeting, interim meeting, first quarterly meeting and third quarterly meeting of the Board.

(1) Regular meetings

i. Annual meeting

An annual meeting shall be held within 120 days following the end of the financial year of the Company or other appropriate time as determined by the Board, primarily to consider resolutions to be proposed at the annual general meeting. The holding time of the Board's annual meeting shall allow the convening of the annual general meeting within six (6) months following the end of financial year.

ii. Interim meeting

An interim meeting shall be held within 60 days following the end of the first six months in the financial year or other appropriate time as determined by the Board, primarily to consider the interim report of the Company and deal with other relevant matters.

iii. First quarterly meeting and third quarterly meeting

The said meetings are held respectively in the first month of the second and fourth quarters of a calendar year, primarily to consider the quarterly report of the Company for the previous quarter.

(2) Extraordinary meeting

The Chairman of the Board shall convene an extraordinary Board meeting, not being subject to time limit of notice to Board meetings (provided that reasonable notices shall be served on all directors), within ten (10) business days in case of any of the following circumstances:

- i. when proposed by shareholders representing 10% or more of voting rights;
- ii. when deemed as necessary by the Chairman of the Board;
- iii. when proposed jointly by not less than one-third of the directors;
- iv. when proposed jointly by not less than one half of the independent directors;
- v. when proposed by the supervisory committee; and
- vi. when proposed by the general manager.

Article 12 The Board meeting can be held by way of on-site meeting, teleconference meeting, written proposal meeting, etc.

The Board meeting can be held by way of teleconference meeting or by virtue of similar telecommunication devices. So long as the participating director can hear and communicate with each other, all participating directors are deemed to have participated in such meeting in person. An oral poll may be adopted for any proposed resolution unable to be signed at the meeting by directors, provided that the directors shall complete the execution thereto as soon as practicable. Oral poll by directors has the same effect as that of execution in writing, however subsequent execution in writing shall be consistent with oral poll at such meetings.

The proposals to be resolved at a meeting shall be despatched to each director, either by hand, mail, telegraph, facsimile or e-mail, in case that a written proposal is adopted by the Board instead of convening the Board meeting. A resolution shall come into effect without otherwise convening a Board meeting upon that the number of directors signing consent meets the quorum for resolution as required by laws, regulations and the Articles of Association in connection therewith, and the signed resolution is returned to the secretary to the Board by the aforesaid means.

Article 13 The Board meetings shall be convened and presided over by the Chairman of the Board. In the event that the Chairman of the Board is unable or fails to convene and preside over the meetings, the vice Chairman shall convene and preside over the meetings (if there are two or more vice Chairmen, the one who is jointly elected by not less than a half of directors shall convene and preside over the meetings); if the vice Chairman of the Board is unable or fails to convene and preside over the meetings, a director shall be jointly elected by not less than a half of directors to convene and preside over the meetings.

Article 14 The Board meetings may not be held unless not less than half of the Directors are present (including attendance in person and by other directors through written power of attorney under due provisions).

Article 15 A director shall attend the Board meeting in person, or appoint in writing another director to attend the meeting on his behalf due to his absence. The name of the proxy, the matters for entrustment, the authorisation scope and the validity period shall be specified in the power of attorney which shall be signed or sealed by the entrusting director.

Article 16 Under the precondition of concurrently complying with the requirements of subparagraph 2 of this article, any independent director who is absent from Board meetings for three consecutive times shall be removed from his office as proposed by the Board to the general meeting.

Any of the other director's failing to attend, either in person or by other director on his behalf, two consecutive Board meetings shall be deemed as default of his duties, and shall be removed from his office as proposed by the Board to the general meeting.

Chapter 5 Proposals of Board Meetings

Article 17 The proposals of Board meetings are put forward for the following:

- (1) matters proposed by the Chairman;
- (2) matters proposed jointly by not less than one-third of the directors;
- (3) matters proposed by the supervisory committee;
- (4) matters proposed by the special committees under the Board;
- (5) matters proposed by the general manager;
- (6) matters proposed jointly by not less than one half of independent directors;

- (7) matters proposed by shareholders representing not less than 10% of the voting rights in the Company;
- (8) other circumstances as specified by relevant laws, regulations and the Articles of Association.

Article 18 The secretary to the Board is responsible for collecting proposals for matters to be considered at Board meetings. The relevant proposals and explanatory information shall be filed with the secretary to the Board five days prior to dispatch of the notice of the Board meeting. A proposal that involves material connected transactions subject to consideration by the Board meeting or the general meeting (as required by the provisions promulgated by competent authorities from time to time) or is in connection with appointment or removal of the auditors shall be subject to a prior approval by not less than one half of independent directors. After collecting relevant materials, the secretary to the Board shall submit the time, venue and agenda of the Board meeting to the chairman or the convener.

Article 19 The secretary to the Board is responsible for communication and liaisons with the directors during the period from dispatch of the notice of the Board meeting to the convening of the Board meeting, and shall supplement the information for decision-making by directors on the proposed matters on a timely basis. The Board and each director shall have independent access to the senior management members of the Company.

Should not less than one quarter of the directors or at least two (2) external directors hold that the information is insufficient or the argumentation is imprecise, they can jointly propose in writing to postpone the Board meeting or postpone the consideration of certain matters on the meeting agenda, and the Board shall accept the proposal. Saved for proposed directly at the Board meeting, the secretary to the Board shall, upon receiving such proposal jointly proposed in writing by directors to postpone the Board meeting or postpone the consideration of certain matters on the meeting agenda, dispatch a notice to directors, supervisors and participants on a timely basis.

Any director may seek independent professional advice as appropriate upon reasonable request, with relevant fees payable by the Company. The Board shall separately resolve on providing independent profession advice to its member so as to assist them in performing their duties.

Chapter 6 Notices of Board Meetings

Article 20 A prior notice shall be served on all directors, supervisors and other participants to the Board meeting before its convening. The notice of such meeting shall be issued by the secretary to the Board.

The notice of such meeting shall set out the following matters:

- (1) the time and venue of the meeting;
- (2) the duration of the meeting;
- (3) agenda, subject, topic and other related information;
- (4) date on which the notice is dispatched.

Article 21 The notice of the Board meeting shall be served in accordance with the requirements or by means as follows:

- (1) If the time and venue for a regular meeting have been determined in advance by the Board, the notice is not necessary unless the time and venue are changed.
- (2) If the time and venue for a meeting have not been determined in advance by the Board, a notice of time, venue and agenda of the Board meeting shall be served on all directors, either by facsimile, express mail, registered mail, by hand or e-mail at least 14 days prior to the convening of such meeting, save as otherwise provided for in Article 11 of the Rules.

(3) The notice shall be in Chinese and an English version may be attached as necessary, in which agenda and topic of the meeting shall be set out.

Article 22 A confirmation on participation in the meeting shall be made two (2) days prior to the convening with the secretary to the Board by the recipient of such notice.

Any director may waive his right to be served with the notice of Board meetings.

In the case of participation in effect and without objection to not being served with the notice of Board meeting prior to or upon his participation, the director shall be deemed as if he has been served with the notice of meeting.

Article 23 In case of delay or cancellation, a notice shall be served on participants one (1) day prior to the original date.

Chapter 7 Consideration of and Voting at Boarding Meetings

Article 24 The Chairman of the Board meeting shall announce the beginning of the Board meeting as scheduled.

Article 25 The meeting shall be presided over by the chairman of the meeting. At the beginning, the proposer or relevant person shall make explanations to his proposal.

Article 26 In the spirit of democracy for discussions, each director's opinion shall be respected at Board meetings.

In accordance with Article 109 of the Articles of Association, the opinions of the CPC Committee of the Company shall be heard before the board of directors decides on material issues of the Company.

Article 27 In order to get informed of key points and background, the Board may request the heads of relevant departments to attend Board meetings as non-voting participants, and answer relevant inquiries for the purpose of consideration of relevant proposals or matters. In case of any uncertainty or questionable feasibility for a certain matter during the course of consideration, the Board may determine to postpone the consideration of such matter.

Article 28 Non-voting participants may speak at the meeting but have no voting rights. Before a proposal is resolved, the Board shall fully consider the opinions of non-voting participants.

Article 29 Independent directors shall give their independent opinions to the Board or general meetings on the following matters:

- (1) nomination, appointment and dismissal of directors;
- (2) appointment or dismissal of senior management members;
- (3) remuneration of directors and senior management members;
- (4) Borrowings or other capital transactions made between the Company and the shareholders, de facto controllers of the Company and their connected parties with an amount equal to or higher than the limit on material connected transactions (as defined in the provisions promulgated by competent authorities from time to time), and if the Company has adopted any effective measures to recover the arrears;
- (5) no profit distribution in cash as recommended by the Board;
- (6) any matter deemed by independent directors as possibly infringing upon the interest of minority shareholders;

(7) other matters as specified in applicable laws, regulations and the Articles of Association.

The categories of opinions to be duly made by the independent directors in respect of the abovementioned matters are: consent; qualified opinion and the reasons thereof; dissent and the reasons thereof; unable to present opinions and the obstacles thereto.

The Company shall announce the independent directors' opinions on discloseable matters. If no consensus is reached by the independent directors, the Board shall disclose the opinions of each independent director respectively.

Article 30 For proposals under consideration by the Board, all directors present at the Board meeting shall give such opinions as "For", "Against" or "Abstain". A proposal shall be resolved by show of hands or a poll, as decided by the chairman of the Board meeting.

The director attending such meeting on behalf of another entrusting director shall exercise relevant rights within the authorization scope.

Article 31 Should a director neither attend a Board meeting nor appoint another director to attend on his behalf, the said director shall be deemed as having waived his voting rights at the meeting.

Article 32 Except for the Board's resolutions in respect of the matters specified as below which shall be passed by not less than two thirds of the directors, the Board's resolutions in respect of any other matters may be passed by more than one half of the directors.

- (1) to formulate proposals for increases or reductions of the Company's registered capital and the issue of corporate debentures;
- (2) to draw up plans for repurchase of the Company's shares or the proposal for merger, division or dissolution of the Company;

- (3) to formulate proposals for any amendments to the Articles of Association;
- (4) other matters as specified by relevant laws, regulations and the Articles of Association.

In addition, any resolution on the Company's external guarantees shall be approved by more than one half of all the directors and by not less than two-thirds of the directors present at Board meetings.

Article 33 Each director has one vote. Should the dissenting votes equal to consenting votes, the Chairman of the Board is entitled to an additional vote.

Article 34 If a director or his associate (as defined by applicable securities listing rules as revised from time to time) is directly or indirectly interested in any contract, transaction or arrangement to be considered by the Board, such director shall disclose to the Board the nature and extent of his interest therein, abstain from voting and shall not exercise any voting right on behalf of other directors. Such Board meeting can be held when more than half of the non-connected directors are present; any resolution passed at such meeting shall be approved by more than half of the non-connected directors. The matters requiring approval of not less than two-thirds of the directors present at a board meeting as specified in the Article 32 herein shall be approved by not less than two-thirds of the non-connected directors. Where the number of the non-connected directors is less than three, relevant matters shall be submitted to the general meeting for consideration.

Chapter 8 Resolutions and Minutes of Board Meetings

Article 35 In general, a matter proposed at the Board meeting for consideration shall be resolved as a resolution.

Article 36 The resolutions made by the Board on connected transactions shall come into effect only upon signature by independent directors.

Article 37 Any written resolution without execution by directors in accordance with legal procedures, even though voted on by each director by various means shall not have the legal effect of Board resolutions.

Article 38 Detailed minutes shall be prepared for the matters discussed at Board meetings, and set out the following information:

- (1) the date and venue of the meeting as well as names of convener and chairman;
- (2) the names of the directors present at the meeting and the names of the proxies entrusted to attend the meeting and their principals;
- (3) agenda of the meeting;
- (4) key points of a director's speech (the written feedback of a director shall be taken as reference for a meeting convened by way of written proposals);
- (5) voting method and result of each resolution (the voting result shall state the number of consenting votes, dissenting votes, and abstention votes).

Article 39 The minutes shall be circulated among all directors for review as soon as practicable. The directors who wish to make amendments or supplements to the minutes shall submit their opinions in written form to the Chairman of the Board within one week commencing from receipt of the minutes.

Article 40 The directors and the recorder present at the meeting shall sign on the meeting minutes. A director has the right to request to make descriptive statements of his speech at the meeting minutes. The minutes of Board meetings shall be properly maintained at the domicile of the Company as important archives for a term of not less than 10 years.

Article 41 Should a resolution of the Board constitute violation of laws or regulations or the Articles of Associations, the directors who have voted for it therefore shall assume direct liabilities; whereas the director who is proven to have expressly objected to the resolution during voting with his dissenting vote recorded in the meeting minutes may be exempted from such liabilities. The director who abstains from voting at the meeting, or neither attends the meeting nor entrusts others to attend on his behalf shall not be exempted from such liabilities. The director who expressly disputes the resolution during discussion but fails to specifically cast a dissenting vote in the poll shall also not be exempted from such liabilities.

Chapter 9 Information Disclosure of Board Meetings

Article 42 The Board shall strictly observe relevant State laws, regulations and the information disclosure requirements from the stock exchange where the Company's shares are listed, and disclose the proposed matters and/or resolutions of Board meetings on a timely, truthful, accurate and complete basis.

Article 43 Each participant of a Board meeting shall by no means divulge the Board's resolutions or even thereby advance his own interests before any resolution is disclosed through legitimate sources.

Chapter 10 Implementation of and Feedback to Board Resolutions

Article 44 Implementation of the following matters shall be subject to consideration and approval by the Board meeting and a further approval by the general meeting:

- (1) formulating the Company's proposals for annual financial budget and final accounts;
- (2) formulating the Company's profit distribution plan and loss recovery plan;
- (3) formulating proposals for increases or reductions of the Company's registered capital and the issue of corporate debentures;

- (4) drawing up plans for repurchase of the Company's shares or the proposal for merger, division or dissolution of the Company;
- (5) formulating proposals for any amendments to the Articles of Association;
- (6) proposing to the general meeting the appointment or change of the accounting firms which provide audit service for the Company.

Article 45 After a resolution is passed, the matters falling within the term of reference of the general manager or authorisation to the general manager by the Board shall be organised and carried out by the general manager, who shall then report the implementation result to the Board. Save for the aforesaid, the Board shall designate relevant departments to carry out all other matters and hear the relevant reports. The secretary to the Board is responsible for delivering the above-mentioned written reports to the directors.

Article 46 The Chairman of the Board has the right to inspect, supervise and urge, either in person or by appointing the vice Chairman or other directors, the implementation of the resolutions passed at Board meetings.

Article 47 Under the leadership of the Board and the Chairman, the secretary to the Board shall take initiatives to get informed of implementation of Board resolutions, and report any important issue in implementation to the Board and the Chairman and provide his suggestions.

Chapter 11 Supplementary Provisions

Article 48 These Rules are an appendix to the Articles of Association. These Rules shall be formulated by the Board and come into effect upon approval of the general meeting by way of special resolution. Any amendment thereto as proposed by the Board shall take effect only upon approval of the general meeting by way of special resolution.

Article 49 The Board is authorized by the general meeting to interpret these Rules.

Article 50 The laws, regulations, other relevant regulatory documents, the Articles of Associations and the Rules of Procedures for General Meetings shall prevail over these Rules for any uncovered matters herein or any inconsistency therewith.

Article 51 The term “not less than” referred to in these Rules is inclusive, while such terms as “more than” and “more than one half” are exclusive.

Important Note: The following is an English translation of the Chinese version of the Rules of Procedures for Supervisory Committee of Huadian Power International Corporation Limited (华电国际电力股份有限公司监事会议事规则). In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.



华电国际电力股份有限公司
HUADIAN POWER INTERNATIONAL CORPORATION LIMITED

**RULES OF PROCEDURES FOR SUPERVISORY
COMMITTEE**

**(Amended by way of special resolution at the 2022 annual general meeting
convened on 31 May 2023)**

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Chapter 1 General Provisions

Article 1 These rules of procedures (“these Rules”) are formulated in accordance with the relevant PRC laws and regulations including the Company Law of the People’s Republic of China (“Company Law”), the Guidelines to Articles of Association of Listed Companies, and the Standards for Corporate Governance of Listed Companies, as well as the requirements of the rules governing the listing of relevant securities or shares on the stock exchanges (including but not limited to the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange) where the Company’s shares are listed (collectively as the “Listing Rules”) and the Articles of Association (“Articles of Association”) of Huadian Power International Corporation Limited (the “Company”) to specify the work procedures of the Supervisory Committee of the Company, so as to ensure the Supervisory Committee performs its duties authorized by shareholders.

Article 2 The Company’s Supervisory Committee is accountable to the Company’s general meeting, supervises the financial affairs of the Company as well as the compliance of laws and regulations by directors, general manager(s) and other senior management of the Company during their performance of duties, and safeguards the lawful rights and interests of the Company and its shareholders.

Chapter 2 Composition of the Supervisory Committee

Article 3 The supervisory committee shall comprise three members, including two (2) shareholders' representatives and one (1) employees' representative.

In addition to the qualifications stated in the Company Law and the Articles of Association, supervisors shall also have professional knowledge or experience such as in law and accounting.

Article 4 The Supervisory Committee shall have one chairman.

The chairman of the Supervisory Committee shall take charge of the Supervisory Committee and exercise the following powers:

- (1) to convene and preside over meetings of the Supervisory Committee;
- (2) to organise the formulation of work plans and implementation of resolutions of the Supervisory Committee;
- (3) to execute relevant documents of the Supervisory Committee;
- (4) to make work reports to the general meeting on behalf of the Supervisory Committee;
- (5) to supervise and inspect the implementation of the resolutions of the Supervisory Committee;
- (6) to exercise any other powers as specified in relevant laws, regulations and the Articles of Association or conferred by the Supervisory Committee.

In the case that the chairman of the Supervisory Committee is unable or fails to exercise his powers, a supervisor jointly elected by not less than half of all supervisors shall perform such duties on the chairman's behalf.

Article 5 The term of office of supervisors is three (3) years; supervisors are eligible for re-election and re-appointment upon expiration of their office.

If a supervisor is not re-elected in time upon expiration of his office or the members of the existing Supervisory Committee fall below the quorum due to resignation of a supervisor during his term, the original supervisor shall perform his supervisory duty pursuant to the laws, administrative regulations and the Articles of Association until a new supervisor is appointed.

Chapter 3 Duties of Supervisory Committee

Article 6 The Supervisory Committee shall be accountable to the general meeting and exercise the following powers in accordance with law:

- (1) to check the financial affairs of the Company, and separately appoint accounting firms in the name of the Company to check the Company's financial affairs on an independent basis when necessary;
- (2) to review the Company's regular reports prepared by the board of directors (the "Board) and produce review opinions in writing;
- (3) to examine whether the directors, general manager(s) and other senior management act in contradiction with the laws, regulations and the Articles of Association during their performance of duties; and to propose the removal of the directors and other senior management members for any violations of the laws, administrative regulations, the Articles of Association or any resolutions of the general meetings;
- (4) to demand rectification from directors, general manager(s) and other senior management members when the acts of such persons are harmful to the Company's interest;

- (5) to verify the financial information such as the financial report, operating report and plans for profit distribution to be submitted by the Board to the shareholders' general meeting and, should any queries arise, appoint certified public accountants and practising auditors in the name of the Company to re-examine the financial information;
- (6) to submit proposals to the general meetings;
- (7) to propose the convening of an extraordinary general meeting and, in case the Boards does not perform the obligations to convene and chair general meetings, to convene and chair such meetings;
- (8) to propose the convening of extraordinary meetings of the Board;
- (9) to represent the Company in negotiation with or raise a legal action against a director or a senior management member;
- (10) to exercise any other powers as specified in relevant laws, regulations and the Articles of Association and conferred by the general meeting.

The supervisors may attend the Board meeting as observers and make inquiries or suggestions on the resolutions of the Board meeting.

Article 7 At the annual general meeting, the Supervisory Committee shall declare the special supervision report on the Company for the preceding year, including the following:

- (1) inspection of the financial performance of the Company;
- (2) compliance of relevant laws, regulations, the Articles of Association and execution of resolutions of general meetings by the directors, general manager(s) and other senior management members;

- (3) other significant events deemed as necessary by the Supervisory Committee to be reported at general meetings.

The Supervisory Committee may, wherever it holds as necessary, provide comments on the proposals discussed at the general meeting, and produce its independent report thereto.

Article 8 During performance of its supervisory duties, the Supervisory Committee shall report to the Board, general meetings or securities regulatory authorities under the State Council and other relevant authorities, in case that the Company's financial affairs are in contradiction of laws or regulations, and directors, general manager(s) or other senior management members act in contradiction with laws, regulations or the Articles of Association.

Article 9 The Company shall provide supervisors with necessary assistance to smoothly perform their duties, and no one shall intervene or hinder. The Company shall bear reasonable expenses incurred from performance of duties by the supervisors.

Article 10 To exercise its powers, the Supervisory Committee may engage experts such as lawyers and accounting firms, to provide professional assistance if necessary, reasonable expenses incurred for which shall be borne by the Company.

Article 11 In the exercise of its supervisory powers, the Supervisory Committee shall not perform the duties in lieu of the Board or the general manager, nor undertake any operating activity on behalf of the Company.

Article 12 In the exercise of its powers, the Supervisory Committee or the supervisors shall perform their supervisory duties under the applicable laws and the Articles of Association, and discharge the obligations of honesty and diligence, and protect and secure the lawful interests of shareholders and the Company from any damage.

Upon submission of a resignation or expiration of the tenure of a supervisor, the obligations owed by such supervisor to the Company do not necessarily cease when his resignation has not yet been effective or within a reasonable period of the resignation and within a reasonable period of the expiration of tenure. His obligations of confidentiality in respect of commercial secrets of the Company shall survive the expiration of his tenure until the same has become open information. The duration of other obligations shall be decided on a fair basis.

Chapter 4 Rules for Supervisor Committee Meetings

Article 13 Meetings of the Supervisory Committee shall be held at least once every six months. A supervisor may propose to convene an extraordinary meeting of the Supervisory Committee.

Article 14 Proposals of the Supervisory Committee shall be put forward mainly based on the matters considered by the Board or raised by supervisors.

Article 15 The notice of a Supervisory Committee meeting shall include: the date, venue, period, subjects and topics of the meeting, and date on which the notice is served.

The notice of such meeting shall be served by fax, express mail, registered mail, by hand or by e-mail on all members of the Supervisory Committee ten (10) days prior to the date of the meeting.

Article 16 Meetings of the Supervisory Committee shall be convened and chaired by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or has failed to perform his duties, a supervisor shall be elected by a simple majority of supervisors to convene and chair such meetings. The quorum of the meeting of the Supervisory Committee shall be two-thirds or more of its members. Directors, the general manager or other senior management members, if necessary, may be required to attend the meeting of the Supervisory Committee as observers.

Article 17 A supervisor shall attend the meeting of the Supervisory Committee in person, or appoint in writing another supervisor to attend the meeting on his/her behalf due to his/her absence. The name of the proxy, the matters for entrustment, the authorities and the validity period shall be specified in the power of attorney which shall be signed or sealed by the entrusting supervisor. Any supervisor failing to attend, either in person or by proxy, shall be deemed to waive his/her voting rights thereat.

Article 18 The chairman of a Supervisory Committee meeting shall announce the beginning of such meeting as scheduled. Upon the unanimous agreements concerning agenda of the meeting made by present supervisors, the proposed topics shall be reviewed one by one at the meeting. All the present supervisors are required to declare their opinions by affirmative votes, dissenting votes or abstaining votes. The supervisor attending the meeting on behalf of the entrusting supervisor shall exercise due rights within the authorization scope.

At the Supervisory Committee meeting prior to the annual general meeting, the Supervisory Committee shall review its special supervision report for the preceding year in accordance with Article 7 herein.

Article 19 The Supervisory Committee may request the directors, general manager, deputy general manager, financial controller, the Secretary to the Board, as well as internal and external auditors to attend Supervisory Committee meetings and answer the concerned issues of the Supervisory Committee.

Article 20 The proposals shall be voted on an item-by-item basis at a Supervisory Committee meeting. Voting on resolutions at such meeting shall be conducted by poll or show of hands. Each supervisor has one vote. All resolutions of such meetings shall come into force subject to the approval by not less than two-thirds of the committee members.

Article 21 Resolutions shall generally be passed in respect of all proposals at Supervisory Committee meetings. The resolutions of such meetings shall be announced prior to the closing of the meeting and signed by all present supervisors.

Article 22 Minutes shall be kept for meetings of the Supervisory Committee. The minutes shall include: the date and place of the meeting, name of the chairman; the name of present supervisors and entrusting supervisors and the proxies; agenda of the meeting; the key points of supervisors' speeches; the voting method and results of each resolution (the voting results shall include the number of affirmative votes, dissenting votes and abstaining votes).

The supervisors attending such meeting and the minutes-keeper shall sign on the meeting minutes. A supervisor has the right to request to make descriptive statements of his speech in the meeting minutes. Minutes for meetings of the Supervisory Committee shall be kept as the Company's significant archives for not less than ten (10) years.

Article 23 The inspection and audit department of the Company, as a routine organ under the Supervisory Committee, is responsible for various preparation and organization work for the committee meetings.

Chapter 5 Information Disclosure of Supervisor Committee Meetings

Article 24 It is the duty of the chairman of the Supervisory Committee to supervise and inspect the implementation of the resolutions of Supervisory Committee meetings. The Company shall file and/or announce the resolutions of such meetings in accordance with applicable laws and relevant provisions of the stock exchanges where the Company's shares are listed and traded.

Chapter 6 Implementation of the Resolutions of Supervisor Committee Meetings

Article 25 For resolutions which involve suggestions on the Company's operation and management or require responses from the Board and management, the Supervisory Committee shall designate supervisor(s), who shall be responsible for negotiation with the Board and the general manager for implementation of the resolutions, and file a written report to the Supervisory Committee in respect of implementation of such resolutions.

Chapter 7 Supplementary Provisions

- Article 26** These Rules are an appendix to the Articles of Association. Formulated by the Supervisory Committee, these Rules shall come into effect subject to approval of the general meeting by way of special resolution. Any amendment thereto shall be proposed by the Supervisory Committee and subject to approval of the general meeting by way of special resolution.
- Article 27** The Supervisory Committee is authorized by the general meeting to interpret these Rules;
- Article 28** The laws, regulations, other relevant regulatory documents, the Articles of Associations and the Rules of Procedures for General Meetings shall prevail over these Rules for any uncovered matters herein or any inconsistency therewith.
- Article 29** As mentioned in the articles, the term “more than” shall include the number itself; and the terms “exceeding” and “more than one half” shall not include the number itself.