

This is a consolidated version of the Articles of Association of Anhui Conch Cement Company Limited 安徽海螺水泥股份有限公司 (“Company”). It presents in a consolidated manner the amendments (which were approved by Shareholders at various general meetings) to the articles of association first adopted by the Company for listing. This consolidated version is not formally adopted by shareholders at a general meeting of the Company. The English version is for reference only, and the Chinese version shall always prevail in case of any inconsistency between the Chinese version and the English translation thereof.

ANHUI CONCH CEMENT COMPANY LIMITED

ARTICLES OF ASSOCIATION

(first adopted on 1 September 1997 and updated up to 29 May 2025)

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安徽海螺水泥股份有限公司
ANHUI CONCH CEMENT COMPANY LIMITED

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

ARTICLES OF ASSOCIATION
(first adopted on 1 September 1997 and updated up to 31 May 2022)

CHAPTER 1 GENERAL PROVISIONS

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

The establishment of the Company has been approved by the State Commission for Restructuring the Economic Systems (“State Restructuring Commission”) under document number Ti Gai Sheng [1997] No.140. The Company was established by the promotion method on 1 September 1997 and was registered on 1 September 1997 with the Anhui Provincial Administration for Industry and Commerce and has obtained a business licence. The Company’s unified social credibility code is 9134020014949036XY.

The promoter of the Company is Anhui Conch Holdings Company Limited.

Article 2 The registered Chinese name of the Company: 安徽海螺水泥股份有限公司

The registered English name of the Company: Anhui Conch Cement Company Limited

Article 3 The legal address of the Company: 39, Wenhua Road, Wuhu City, Anhui Province, PRC, the People’s Republic of China
Postal code: 241000
Telephone no.: 86 839 8927 / 839 8911
Fax: 86 553839 8931

Article 4 The chairman of the board of directors of the Company shall be a director responsible for executing the Company’s affairs and shall serve as the legal representative of the Company.

Article 5 The Company is a joint stock limited company of perpetual existence.

- Article 6 These Articles became effective upon its approval by a special resolution passed by the shareholders in general meeting in substitution for the Company's articles of association previously registered with the State Administration for Market Regulation.
- Article 7 The provisions of these Articles are prepared mainly on the basis of the Company Law and the Opinion Letter Regarding Supplemental Amendments to the Articles of Association of Companies Listed in Hong Kong (Zheng Jian Hai Han (1995) No. 1) issued on 3 April 1995 by the Overseas Listing Division of the China Securities Regulatory Commission ("CSRC") and the Production System Department of the State Restructuring Commission, Approval of the State Council on the Regulations on Adjusting the Applicable Notice Period of Shareholder's Meetings of Overseas Listed Companies (Guohan [2019] No.97) issued by the State Council on 22 October 2019, Guidelines for the Articles of Association of Listed Companies (China Securities Regulatory Commission Announcement [2025] No.6) issued by the CSRC on 28 March 2025, Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (China Securities Regulatory Commission Announcement [2023] No.43) issued by the CSRC on 17 February 2023 and the Constitution of the Communist Party of China.
- Article 8 From the effective date of these Articles of Association, these Articles shall constitute a legal document regulating the constitution and activities of the Company, the rights and obligations between the Company and its shareholders and the shareholders inter se.
- Article 9 These Articles are binding upon the Company and its shareholders, directors, general manager and other senior management staff. The foregoing persons may, in accordance with the provisions of these Articles, institute claims in relation to all matters relating to the Company.
- Shareholders may bring proceedings against the Company in accordance with these Articles; the Company may bring proceedings against the shareholders in accordance with these Articles; a shareholder may bring proceedings against other shareholders in accordance with these Articles; and the shareholders may bring actions against directors, general manager and other senior management staff of the Company in accordance with these Articles.
- For the purposes of the preceding paragraph, proceedings include proceedings commenced in court and arbitration proceedings commenced in arbitration tribunals.
- Article 10 The entire capital of the Company is divided into shares of equal nominal value. The liability of the shareholders to the Company is limited to the amount payable on subscription of the shares held by them. The Company

shall be liable for its debts to the extent of all its assets.

- Article 11 Subject to compliance with applicable laws and regulations, the Company has power to raise capital and to borrow money by way of, among other means, the issue of bonds and the creation of charges over its assets, and to provide guarantees for the account of any third party, provided that the exercise of such powers shall not prejudice or abrogate the rights of different classes of shareholders.
- Article 12 The Company is an independent enterprise legal person. All activities of the Company shall comply with the laws and regulations of the PRC and shall protect the lawful rights of the shareholders. The Company is under the jurisdiction and the protection of the laws, regulations and other relevant governmental measures of the PRC.
- Article 13 The Company may invest in other limited liability companies and joint stock limited companies and shall be liable to the investee companies to the extent of its investment in such companies.
- Article 14 The Company shall not become a shareholder with unlimited liability of any other economic organisations.

CHAPTER 2 OBJECTS AND SCOPE OF OPERATIONS

- Article 15 The objects of the Company are, following the direction of the international market and the PRC market, to make use of both local and foreign public funds and technological advancement with a view to improving quality of products, optimizing product combination, enhancing economic efficiency, implementing grand enterprise strategies and capitalising on economy of scale, so as to enable the Company to become the leading cement enterprise in the world and create reasonable economic benefits to shareholders.
- Article 16 The scope of the Company's operations shall be that approved by the companies registration authorities.
- The scope of Company's business includes: open-pit mining of limestones for cement and sandstones for cement supplements; production, sales, exports and imports of cement and supplements and cement products; production and sales of aggregate and sandstone for construction; the design, production, sales, installation and after sales service of prefabricated building and prefabricated parts; general contracting; machinery, instruments, spare parts and the production, sales, exports and imports of raw materials for the use of corporate productions and scientific research; the production, sales, exports and imports of electronic equipment; technical support. The wholesale and retail of coal; contracting of overseas engineering projects and dispatch of required labour for project

implementation. The recycling and sales of carbon (except for those which required administrative permits) and the production and sales of the food additives (projects subject to approval according to the law may only commence operating activities upon approval by relevant departments).

- Article 17 The Company may change its scope of operations by amending these Articles in accordance with laws, subject to such change(s) being approved by the relevant regulatory departments and authorities and the registration of such change(s) by the companies registration authority.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

- Article 18 The Company shall at all times have ordinary shares. The Company may, in accordance with its requirements and upon the approval of the companies supervisory department authorised by the State Council, create other classes of shares.

- Article 19 Shares issued by the Company shall have a nominal value. Each share shall have a nominal value of RMB1.

- Article 20 The Company may issue shares to domestic investors and foreign investors upon the approval of the securities regulatory department of the State Council.

For the purposes of the preceding paragraph, “foreign investors” means investors from a territory outside the PRC and investors in the territories of Hong Kong, Macau and Taiwan, who subscribe for shares issued by the Company; “domestic investors” means investors from within the People’s Republic of China other than from the aforesaid territories who subscribe for shares issued by the Company.

- Article 21 Shares issued by the Company to domestic investors which are subscribed for in Renminbi are called domestic shares. Shares issued by the Company to foreign investors which are subscribed for in foreign currencies are called foreign shares. Foreign shares which are listed overseas are called overseas listed foreign shares.

- Article 22 Overseas listed foreign shares shall be listed on The Stock Exchange of Hong Kong Limited (“SEHK”) or other stock exchanges outside the PRC.

- Article 23 The total number of ordinary shares which may be issued by the Company at the time of its establishment as approved by the State Restructuring Commission was 622,480,000 shares. Such shares were issued to the promoter and represented 100 per cent. of the total number of ordinary shares which could be issued by the Company at that time. Such shares were held by Anhui Conch Holdings Company Limited.

- Article 24 The structure of the share capital of the Company is as follows: the number of ordinary shares is 5,299,302,579, of which 3,999,702,579 shares are domestic shares (representing approximately 75.48 per cent. of the total number of ordinary shares) and 1,299,600,000 shares are overseas listed foreign shares (representing approximately 24.52 per cent. of the total number of ordinary shares).
- Article 25 Subject to the approval of such plan by the securities regulatory authority of the State Council, the board of directors of the Company may make arrangements for the implementation of its plan for the separate issues of overseas listed foreign shares and domestic shares.
- The Company's plan for the separate issues of overseas listed foreign shares and domestic shares may be implemented separately in accordance with the above provision within 15 months of the date of approval by the State Council Securities Commission.
- Article 26 Of the total number of shares specified in an issue plan of the Company involving overseas listed foreign shares and domestic shares, each type of shares shall be fully subscribed at one time. Where there are special circumstances which render it impossible for any type of shares to be fully subscribed at any one time, multiple issues may be made subject to the approval of the State Council Securities Commission.
- Article 27 The registered capital of the Company is RMB5,299,302,579. The registered capital of the Company shall be registered with the State Administration for Market Regulation accordingly and shall be filed with the companies approval department authorised by the State Council and CSRC.
- Article 28 The Company may, in accordance with the procedures prescribed by these Articles, approve the increase of its share capital based on its business and development requirements.
- The following methods may be used by the Company to increase its capital:
- (1) offering new shares to investors who are not selected on any particular basis;
 - (2) placing new shares to existing shareholders;
 - (3) a bonus issue of shares to existing shareholders; and
 - (4) any other method permitted under PRC laws and administrative regulations.
- In increasing the capital of the Company through an issue of new shares, the Company shall, after obtaining approvals in accordance with the

requirements of these Articles, implement the same in accordance with the procedures prescribed by relevant PRC laws and administrative regulations.

Article 29 Following an increase in capital, the Company shall register such increase with the companies registration authority and make a public announcement.

Article 30 Unless otherwise prescribed by law or administrative regulations, shares of the Company are freely transferable and are free from all liens.

CHAPTER 4 REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 31 The Company may reduce its registered capital in accordance with the provisions of these Articles.

Article 32 When the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of a resolution for the reduction of its registered capital, and shall make a public announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days thereof. The creditors shall have the right, within 30 days of receipt of a written notice or, if such notice has not been received, within 45 days of the date of the public announcement, to require the Company to repay its debts in full or provide security corresponding to the amount of its debts.

The registered capital of the Company after a capital reduction shall not be lower than the lowest limit prescribed by law.

Article 33 The Company shall not acquire the Company's shares, except in any one of the following circumstances:

(1) to reduce the Company's registered capital;

(2) to merge with another company which holds shares of the Company;

(3) to use the shares for Employee Stock Ownership Plan (ESOP) or stock incentive plan;

(4) when the shareholder requests the Company to acquire his or her shares due to the shareholder's disagreement with the resolutions for merger or demerger of the Company as determined at the shareholders' meeting;

(5) to convert the shares as convertible corporate bonds issued by listed company;

(6) where it is necessary for the listed company to maintain its corporate value and shareholders' rights.

Where the Company acquires the Company's shares, it shall comply with the requirements of the applicable listing rules, laws, codes, administrative regulations, departmental rules and these Articles.

The Company's acquisition of its own shares under the circumstance as stipulated in (1) or (2) of this Article shall be approved by a resolution of the general meeting of shareholders. The Company's acquisition of its own shares under the circumstance as stipulated in (3), (5) or (6) of this Article shall be approved by a resolution at a board meeting attended by more than two-third of the directors.

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

The Company's acquisition of its own shares under the circumstance as stipulated in (3), (5) or (6) of this Article shall be conducted by an open and centralized transaction method.

Article 34 Subject to the approval of the relevant PRC regulatory authorities, the Company may repurchase its own shares by one of the following methods:

- (1) under a general offer of repurchase to all shareholders in equal proportion;
- (2) through open trading on a stock exchange; or
- (3) by entering into an off-market repurchase agreement.

Article 35 The Company may, with the prior approval of a general meeting in accordance with these Articles, repurchase its own shares pursuant to an off-market agreement. Subject to the prior approval of a general meeting being given in the same manner, the Company may rescind or vary any contract so entered into by the Company or waive any of its rights thereunder.

The aforesaid agreement to repurchase shares includes (but is not limited to) an agreement to assume an obligation to repurchase or to acquire rights to repurchase shares of the Company.

The Company shall not assign an agreement for the repurchase of its shares or any of its rights under such agreement.

Article 36A Shares lawfully repurchased by the Company shall be cancelled within the time limit prescribed by laws or administrative regulations and an application shall be made to the original companies registration authority to change the registration particulars of its registered capital.

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

After the completion of a reduction in capital and the registration of such change by the companies registration authority, the Company shall make a public announcement.

Article 36B Unless the Company is in the course of liquidation, the Company shall comply with the following provisions when repurchasing its issued shares:

- (1) where the Company repurchases its shares at their nominal value, payment shall be made out of the credit balance of the distributable profits of the Company and/or the proceeds of a new issue of shares made for that purpose;
- (2) where the Company redeems or repurchases its shares at a premium, payment up to the nominal value of those shares shall be made out of the credit balance of the distributable profits of the Company and/or the proceeds of a new issue of shares made for that purpose. Payment of the portion in excess of the nominal value shall be made as follows:
 - (i) if the shares being repurchased were issued at their nominal value, payment shall be made out of the credit balance of distributable profits of the Company;
 - (ii) if the shares being repurchased were issued at a premium, payment shall be made out of the credit balance of the distributable profits of the Company and/or the proceeds of a new issue of shares made for that purpose, provided that the amount to be paid out of the proceeds of the new issue of shares shall not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased nor shall it exceed the credit balance of the share premium account or (as the case may be) the capital reserve fund of the Company, including the premiums of the new shares issued, at the time of the repurchase;
- (3) payment by the Company for the following purposes shall be made

out of the Company's distributable profits:

- (i) the acquisition of rights to repurchase its own shares;
 - (ii) the variation of any agreement to repurchase its own shares;
or
 - (iii) the release of any of the Company's obligations under any agreement to repurchase its shares.
- (4) Following the reduction of the aggregate nominal value of the cancelled shares from the amount of the registered capital of the Company in accordance with relevant regulations, to the extent that shares are repurchased out of an amount deducted from the distributable profits of the Company, such amount shall be charged to the share premium account or, as the case may be, the capital reserve fund of the Company.

CHAPTER 4A TRANSFER OF SHARES

Article 37A Shares of the Company may be transferred pursuant to law.

Article 37B The Company shall not accept shares of the Company as the subject of any pledge.

Article 37C Shares of the Company held by its promoters shall not be transferred within one year from the date of its incorporation. Shares already in issue prior to the [initial] public offer of shares by the Company shall not be transferred within one year from the date the Company's shares are listed on a stock exchange.

Directors and senior management of the Company shall notify the Company of the number of shares held and any changes in relation thereto. During the tenure of his/her office as determined at the time of appointment, the number of Shares which may be transferred each year shall not exceed 25% of the total number of shares of the Company held. Any shares so held shall not be transferred within one year from the date the shares first become listed and traded. The aforesaid officers shall not transfer the shares held by them within six months from the date they cease their employment with the Company.

Article 37D In the event that any shareholder holding more than 5% of the Company's shares, director or senior management disposes of the shares or other equity securities of the Company within six months after their acquisition, or where shares are acquired within six months after the date of disposal of any shares, any gains arising therefrom shall belong and be accounted to

the Company, and the board of directors shall recover such gains from any such party; except for securities companies holding more than 5% of the Company's shares due to the purchase of the remaining shares pursuant to an underwritten share offer, and other circumstances stipulated by the CSRC.

The above-mentioned shares or other equity securities held by directors, senior management, or natural person shareholders include shares or other equity securities held by their spouse, parents, children and through other people's accounts.

In the event that the directors do not comply with the foregoing provisions, shareholders are entitled to demand the board of directors to take enforcement action within 30 days. In the event the board of directors fails to take the said enforcement action within the time limit, shareholders are entitled to institute proceedings in their own names at the People's Court for the benefit to the Company. In the event that the board of directors does not comply with the provisions of the first paragraph of this Article 37D, the directors who are liable for the matter shall assume joint liability under law.

CHAPTER 5 FINANCIAL ASSISTANCE FOR ACQUISITION OF SHARES

Article 38 The Company and its subsidiaries shall not at any time and in any way provide any financial assistance to a person who acquires or proposes to acquire any shares of the Company. The aforementioned purchaser of the Company's shares includes a person who directly or indirectly assumes any obligations as a result of an acquisition of the Company's shares.

The Company and its subsidiaries shall not at any time and in any way provide financial assistance to the obligor referred to above for the purposes of reducing or discharging his obligations.

The provisions of this Article shall not apply to the circumstances described in Article 40 of this Chapter.

Article 39 “Financial assistance” referred to in this Chapter includes (but is not limited to) financial assistance provided by way of:

- (i) gift;
- (ii) guarantee (including the provision by the guarantor of an undertaking or property to secure the performance of obligations by the obligor), indemnity (other than an indemnity arising from the Company's own negligence or default), and release or waiver of rights;

- (iii) the provision of a loan or entering into a contract under which the obligations of the Company are to be fulfilled before the obligations of the other party to that contract; or the change of any party to such loan or contract, or the assignment of rights under such loan or contract; and
- (iv) any other method when the Company is unable to pay its debts or has no net assets or when its net assets may be reduced by a material extent.

For the purpose of this Chapter, references to “an assumption of obligations” include where the obligor assumes an obligation through the entering into of a contract or the making of an arrangement (whether or not such contract or arrangement is enforceable, and whether or not such obligations are assumed by him personally or together with any other person) or by any other means whereby his financial position is changed.

Article 40

The following shall not be deemed to be prohibited for the purpose of Article 38 of this Chapter:

- (1) the provision of financial assistance by the Company in good faith in the interests of the Company the principal purpose of which is not to acquire shares in the Company, or where financial assistance is an incidental part of some larger overall plan of the Company;
- (2) the lawful distribution by the Company of its assets by way of dividend;
- (3) the distribution of dividend by way of an allotment of bonus shares;
- (4) a reduction of the registered capital, repurchase of shares or reorganisation of share capital in accordance with these Articles;
- (5) the lending of money by the Company within its scope of operations in the ordinary course of its business (provided that the Company's net assets are not thereby reduced or, to the extent that those assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);
- (6) the provision of moneys by the Company for contributions to employees' share schemes (provided that the Company's net assets are not thereby reduced or, to the extent that those assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

- Article 41 The shares in the Company shall be in the form of registered share certificates. Share certificates are evidence showing the holding of the relevant shares by their respective shareholder.
- Share certificates shall contain details prescribed by the Company Law and the rules of the stock exchange on which the Company's shares are listed.
- Article 42 Share certificates shall be signed by the Chairman of the board of directors. If the stock exchange on which the Company's shares are listed requires the signature of other senior management staff of the Company, the share certificates shall also be signed by other relevant senior management staff. A share certificate shall become valid after it is affixed with the company seal or a machine-printed seal. The seal of the Company shall not be affixed to any share certificate unless with the authorisation of the board of directors. The signatures of the Chairman or other senior management staff of the Company on the share certificates may also be machine-printed signatures.
- Article 43 The Company shall keep a register of shareholders and enter therein the following details:
- (1) the name (or title), address (or domicile);
 - (2) the class and number of shares held by each shareholder;
 - (3) the amount paid or payable on the shares held by each shareholder;
 - (4) the serial number of the shares held by each shareholder;
 - (5) the date on which each person is entered in the register as a shareholder; and
 - (6) the date on which a person ceases to be a shareholder.
- The register of shareholders shall be sufficient evidence of the holding of the shares of the Company by the shareholders, unless there is evidence to the contrary.
- Article 44 The Company may, in accordance with any understanding or agreements reached between the securities regulatory authority of the State Council and the overseas securities supervisory authorities, maintain a register of holders of overseas listed foreign shares outside the PRC, and appoint an overseas agent to maintain that register. The original of the register of holders of overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.

A duplicate of the register of holders of overseas listed foreign shares shall be made and maintained at the Company's legal address. The appointed overseas agent shall ensure at all times that the original and the duplicate registers of holders of overseas listed foreign shares are consistent.

In the case of inconsistencies between any information recorded in the original register of holders of overseas listed foreign shares and that of the duplicate register, the original register shall prevail.

Register of holders of overseas listed foreign shares shall be open for inspection by shareholders.

Article 45

The Company shall have a complete register of shareholders.

The register of shareholders shall comprise the following parts:

- (1) a part maintained at the Company's legal address, which shall be the register of all shareholders other than such registered in accordance with paragraphs (2) and (3) of this Article;
- (2) a register of holders of overseas listed foreign shares maintained at the place of listing; and
- (3) such parts maintained in such other places as the board of directors may deem necessary for listing purposes.

Article 46

Different parts of the register of shareholders shall not overlap. No transfer of shares registered in one part of the register of shareholders shall, during the continuance of the registration of those shares, be registered in any other parts of the register of shareholders.

Alteration or rectification of each part of the register of shareholders shall be made in accordance with the law of the place where that part of the register of shareholders is kept.

Article 47

- (1) All transfers of overseas listed foreign shares listed in Hong Kong shall be effected by instruments of transfer in writing in the usual or common form or in such other form as the board of directors may accept, and may be under hand only or, if the transferor or transferee is a clearing house or its nominee(s), under hand or by machine-imprinted signature. All instruments of transfer must be lodged at the legal address of the Company or at such other place as the board of directors may from time to time designate.
- (2) All fully paid up overseas listed foreign shares listed in Hong Kong are freely transferable in accordance with these Articles, but except

where the following conditions are satisfied, the board of directors may refuse to recognise any instrument of transfer without providing any reason:

- (i) a fee of HK\$2.50, or such higher amount as may from time to time be agreed by the SEHK, has been paid to the Company for the purpose of registering any instrument of transfer of shares or other document relating to or affecting the title to the shares;
 - (ii) the instrument of transfer relates only to overseas listed foreign shares listed in Hong Kong;
 - (iii) stamp duty payable on the instrument of transfer is paid;
 - (iv) the relevant share certificate(s) and such other evidence as reasonably required by the board of directors to show the right of the transferor to make the transfer have been presented;
 - (v) where the shares of the Company are transferred to joint holders, the number of joint holders shall not exceed four; and
 - (vi) the relevant shares of the Company are free from all liens.
- (3) No shares shall be transferred to any person who is not of legal age or suffers from mental incapacity or other legal incapacity.

Article 48

- (1) The registration of transfers may be suspended and the register of shareholders (including register of holders of overseas listed foreign shares) closed, on giving notice by advertisement in the newspapers circulating in the PRC and Hong Kong or by any electronic means in such manner in accordance with the listing rules, at such times and for such periods as the directors may from time to time determine and either generally or in respect of any class of shares, provided that the register shall not be closed for period(s) exceeding in the whole thirty (30) days in any year or otherwise in the manner as permitted under section 632 of the Companies Ordinance of Hong Kong.
- (2) The stipulated provisions under relevant laws and regulations and the listing rules on suspension period of registration of share transfers before the record date of a general meeting or the Company's determination of dividend distribution shall be complied with.

Article 49

When the Company convenes a general meeting, distributes dividends, goes

into liquidation or carries out other activities which require the confirmation of equity interests, the board of directors shall fix a day to be the record date for the purpose of determining equity interests, and a shareholder whose name is in the register of shareholders at the end of the record date shall be a shareholder of the Company.

Article 50 Any person who has any objection in relation to the register of shareholders and seeks to register his name (or title) on the register of shareholders or to delete his name (or title) from the register of shareholders may in each case apply to a court of competent jurisdiction to rectify the register of shareholders.

Article 51 Any shareholder who is registered on the register of shareholders or any person who requests his name to be entered in the register of shareholders may, if he has lost his share certificate (the “**original certificate**”), apply to the Company for a new certificate in respect of the shares (the “**relevant shares**”) represented by the original certificate.

A holder of domestic shares who has lost his share certificate and applies for a replacement certificate to be issued shall comply with relevant provisions of the Company Law.

A holder of overseas listed foreign shares who has lost his share certificate and applies for a replacement certificate to be issued may do so in accordance with the laws, the rules of the stock exchange and other relevant requirements of the place where the original register of holders of overseas listed foreign shares is maintained.

A holder of overseas listed foreign shares listed in Hong Kong who has lost his share certificate and applies for replacement certificate to be issued shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in the form prescribed by the Company accompanied by a notarial certificate or a statutory declaration, the contents of which shall include:
 - (i) the grounds upon which the application is being made, the circumstances of the loss of the original certificate and evidence thereof; and
 - (ii) a declaration that no other person is entitled to request for the registration as a shareholder in respect of the relevant shares.
- (2) The Company must, prior to the issue of a replacement share certificate, ensure that no other declaration has been received from any person other than the applicant seeking to be registered as a shareholder in respect of the relevant shares.

- (3) If the Company is prepared to issue a replacement share certificate to the applicant, it shall prior to the issue make a public announcement of such intention in such newspapers or periodicals as may be prescribed by the board of directors for this purpose. The period of public announcement shall be 90 days during which such public announcement shall be published repeatedly at least once every 30 days.
- (4) Prior to publication of the public announcements of the intended issue of replacement share certificate, the Company shall deliver to the stock exchange on which the relevant shares are listed a copy of such announcement. The announcement shall be published after the receipt of a reply from such stock exchange confirming that the announcement proposed to be published has been exhibited on such stock exchange. The period for exhibiting such announcement in such stock exchange shall be 90 days.

In the case of an application for the issue of a replacement share certificate made without the consent of the registered holder of the relevant shares, the Company shall send to such registered shareholder by post a copy of the announcement proposed to be published.

- (5) If, by the expiration of the 90 day period of the public announcement and exhibition referred to in paragraphs (3) and (4) of this Article, the Company has not received any objection to the issue of the replacement share certificate, the Company may issue a replacement share certificate for the relevant shares to the applicant pursuant to the application.
- (6) When the Company issues a replacement share certificate under this Article, it shall forthwith cancel the original certificate and enter the details of the cancellation and replacement issue in the register of shareholders.
- (7) All expenses of the Company relating to the cancellation of the original certificate and the issue of a replacement share certificate shall be borne by the applicant. The Company is entitled to refuse to take any action before reasonable security is provided by the applicant in respect of those expenses.
- (8) The newspapers prescribed by the board of directors for publication of an announcement of a replacement share certificate under subparagraph (3) of this article shall include at least one Chinese newspaper and one English newspaper in Hong Kong.

- Article 52 After the Company has issued a replacement share certificate in accordance with these Articles, the name (or title) of a bona fide purchaser who obtains the new share certificate or a person (if a bona fide purchaser) whose name (or title) is subsequently entered in the register of shareholders as the owner of the relevant shares shall not be removed from the register of shareholders.
- Article 53 The Company shall not be liable for any damages suffered by any person by reason of the cancellation of an original certificate or the issue of the replacement share certificate, unless the claimant proves that the Company has acted fraudulently.

CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

- Article 54 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name (or title) is entered in the register of shareholders.

A shareholder shall enjoy the rights and assume the obligations attached to the class and number of shares held; shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.

Where the Company convenes a general meeting to declare dividends, liquidate the Company or to conduct such matters which require shareholders' identity to be ascertained, the board of directors or the convener of the meeting shall appoint a record date for such purpose, and shareholders whose names appear on the register of members after the close of trading of the shares of the Company on such date shall be entitled to the rights and benefits in connection therewith.

- Article 55 Where two or more persons are registered as the holders of any shares, they shall be deemed to hold the same as joint tenants, subject to the following provisions:

- (1) the Company shall not be bound to register more than four persons as the joint holders of any shares;
- (2) the joint holders of any shares shall be liable severally and jointly for all payments which ought to be made in respect of such shares;
- (3) on the death of any one of such joint holders, the survivor(s) shall be the only person or persons recognised by the Company as having any title to any such shares, but the board of directors may require such evidence of death as it may deem fit for the purpose of making amendments to the particulars in the register of shareholders; and
- (4) only the person whose name stands first in the register of

shareholders as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share, to receive notices from the Company, to attend and exercise all the voting powers attached to such shares at general meetings of the Company, and any notice given to such person shall be deemed notice to all the joint holders.

Article 56 The holders of ordinary shares of the Company shall enjoy the following rights:

- (1) to receive dividends and other profit distributions in proportion to the number of shares held by them;
- (2) to attend, speak and vote in person or appoint a proxy to attend, speak and vote on his behalf at general meetings, except where a shareholder is required by listing rules or other applicable laws, regulations and administrative regulations to abstain from voting on any matters under consideration at the general meetings;
- (3) to supervise and to put forward proposals and make enquiries relating to the business operational activities of the Company;
- (4) to transfer their shares in accordance with relevant laws, administrative regulations and these Articles;
- (5) to receive relevant information in accordance with these Articles, including:
 - (a) the right to a copy of these Articles upon payment of the cost thereof;
 - (b) the right to inspect and receive copies of the following upon payment of reasonable charges:
 - (i) all parts of the register of shareholders;
 - (ii) the following personal particulars of each of the directors, general manager and other senior management staff of the Company:
 - (A) his present and former name and aliases;
 - (B) his principal address (legal address);
 - (C) his nationality;
 - (D) his primary occupation, all other concurrent

occupations and posts; and

(E) his identification document and its number;

(iii) the state of the Company's share capital;

(iv) a report showing the aggregate nominal value, the quantity and the maximum and minimum prices paid by the Company in respect of each class of shares repurchased by the Company since the last financial year, and the aggregate amount paid by the Company for this purpose;

(v) minutes of general meetings.

- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company according to the number of shares held by them;
- (7) for shareholders who dissent to a resolution for the merger or demerger of the Company, to demand the Company to acquire their shares;
- (8) other rights conferred by laws, administrative regulations, listing rules and these Articles.

Article 56A When a shareholder demands for inspection of information mentioned in the preceding article or demand for any information, it shall provide written proof of the class and number of shares held by him, and such information shall be provided upon his shareholder capacity being verified.

Article 57 Holders of ordinary shares of the Company shall have the following obligations:

- (1) to abide by the law, administrative regulations and these Articles;
- (2) to pay subscription moneys according to the number of shares subscribed and the method of subscription;
- (3) except as stipulated by laws and regulations, or listing rules or not otherwise in breach of any of the above, no return of shares is allowed;
- (4) no misappropriation of the rights of shareholders is allowed which prejudice the interests of the Company or other shareholders; no

misappropriation of the Company's independent status as legal person and the limited liability of shareholders is allowed which prejudice the interests of the Company's creditors;

- (5) other obligations imposed by laws, administrative regulations, listing rules and these Articles.

Shareholders shall be liable for compensation in accordance with the laws for losses caused to the Company or other shareholders due to their misappropriation of shareholder's rights.

Shareholders shall be jointly liable for Company's liabilities where they misappropriate the Company's independent status as legal person and limited liability as a shareholder to evade debts, or seriously prejudice the interests of the Company's creditors.

Except pursuant to the agreed subscription terms at the time of subscription of shares, a shareholder shall not be liable to subscribe for further share capital.

CHAPTER 8 OBLIGATIONS OF CONTROLLING SHAREHOLDERS TOWARDS OTHER SHAREHOLDERS

Article 58A The Company's controlling shareholder and its de facto controller owe a responsibility of good faith to the Company and its public shareholders. The controlling shareholder shall strictly comply with the law when exercising its right as a shareholder; it shall not prejudice the legitimate rights of the Company and its public shareholders by means of connected transactions, distribution of profits, capital restructuring, foreign investment, capital appropriation, loan guarantee or other means; and it shall not prejudice the interests of the Company and its public shareholders by using its controlling status.

Article 58B Apart from obligations imposed by laws, or administrative regulations or the listing rules of the stock exchange(s) on which the shares of the Company are listed, a controlling shareholder when exercising his rights as a shareholder shall not, by virtue of the exercise of his voting rights, cause a decision to be made in a manner prejudicial to the interests of the shareholders generally or part of the shareholders in connection with the following matters:

- (1) to relieve a director of his duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a director (for his own benefit or for the benefit of another person) in any manner of the Company's assets, including without limitation opportunities beneficial to the Company; or
- (3) to approve the expropriation by a director (for his own benefit or for the benefit of another person) of the personal rights of other shareholders, including without limitation rights to distributions and voting rights, but not including a proposal for the restructuring of the Company submitted to and approved by shareholders in general meeting in accordance with these Articles.

If the listing rules of the stock exchange(s) on which the shares of the Company are listed require any shareholder to abstain from voting in respect of any resolution or issue considered at a general meeting, or only to vote for or against a particular resolution or issue, any vote exercised by any shareholder or his proxy in violation of such requirement or restriction shall not be counted in the voting results.

Article 58C A controlling shareholder referred to in the preceding Article means a person who satisfies any one of the following conditions:

- (1) he alone or acting in concert with others has the power to elect more than half of the directors;
- (2) he alone or acting in concert with others has the power to exercise or to control the exercise of 30 per cent. or more of the voting rights in the Company;
- (3) he alone or acting in concert with others holds 30 per cent. or more of the issued shares of the Company; or
- (4) he alone or acting in concert with others in any other manner controls the Company in fact.

CHAPTER 8A PARTY ORGANIZATIONS OF THE COMPANY

Article 59A According to the requirements of the Constitution of the Communist Party of China, the Company set up Anhui Conch Cement Company Limited Committee of the Communist Party of China ("Party Committee") as well as Commission for Discipline Inspection ("Commission for Discipline Inspection"), with each branch company or subsidiary of the Company correspondingly setting up party organization under the Party Committee of

the Company.

Article 59B The Party Committee shall play a core leading role and supervise the implementation of the directional policies of the Party and the State throughout the Company, consider and discuss on major operational and management matters of the Company.

The Party Committee shall comply with the laws of the State, support the shareholders' general meeting, the Board, and general manager in exercising their power in accordance with the laws.

The Company shall adapt to the needs of modern corporate system and market competition, follow the principles of management of officers and talent by the Party to establish a team of high-calibre talent.

To strengthen the self-construction of the Party Committee, play a leading role in the ideological and political work, the spiritual civilization construction and the mass organisations such as the labour union and the Communist Youth League.

CHAPTER 9 GENERAL MEETINGS

Article 60 The shareholders in general meeting is the organ of power of the Company and its functions and powers shall be exercised in accordance with law.

Article 61 The general meeting shall exercise the following functions and powers:

- (1) to elect and replace directors and to determine their remuneration;
- (2) to examine and approve any report submitted by the board of directors;
- (3) to examine and approve the profit distribution plan and the plan for making up accrued losses of the Company;
- (4) to resolve on the increase or reduction in the registered capital of the Company;
- (5) to resolve on such matters as the merger, division, termination, liquidation or change of the form of the Company;
- (6) to approve the issue of bonds by the Company;
- (7) to resolve on the Company's appointment, dismissal or non-renewal of the appointment of a firm of accountants;

- (8) to amend these Articles;
- (9) to examine and approve the guarantee matters specified in Article 61A of these Articles;
- (10) to examine any acquisition or disposal of any material asset whose asset value exceeds 30% of the latest audited total assets of the Company for the most recent year;
- (11) to examine and approve any change in the use of raised proceeds;
- (12) to consider any share incentive scheme and employee stock ownership plan;
- (13) to examine any motion proposed by shareholders who individually or collectively hold more than 1% of shares of the Company;
- (14) to examine any other matters required by laws, administrative regulations, departmental rules, listing rules and these Articles to be dealt with in a general meeting.

Article 61A

The provision of the following external guarantee by the Company is subject to the consideration and approval of the shareholders in general meeting:

- (1) any guarantee provided to external entity by the Company and its subsidiaries whose principal amount covered, together with the total principal amounts covered by all subsisting guarantees, in aggregate exceed 50% or more of the net assets as shown in the latest audited financial statements;
- (2) any guarantee provided to external entity by the Company whose principal amount, together with the total principal amounts covered by all subsisting guarantees, in aggregate exceed 30% or more of the net assets as shown in the latest audited financial statements;
- (3) the amount of guarantees provided by the Company during a year exceed 30% of the latest audited total assets;
- (4) any guarantee provided for a borrower which has an asset to liability ratio of over 70%;
- (5) any single guarantee which principal amount exceeds 10% of the latest audited net assets;
- (6) any guarantee provided in favour of any shareholder, de facto

controller and their connected persons.

Article 62 The Company shall not, without the prior approval of a general meeting, enter into any contract with any person other than a director, general manager or other senior management staff of the Company whereby the responsibility for the management of the whole or a substantial part of the business of the Company is delegated to such person.

Article 62A The Company shall, for general meetings held, engage lawyers to provide legal opinion on the following issues and make related announcement:

- (1) whether or not the convening of the meeting and procedure are in compliance with the laws, administrative regulations and the articles of association;
- (2) whether or not persons attending the meeting and the convener of the meeting are qualified and lawful;
- (3) whether or not the procedure and results of voting are lawful and valid;
- (4) any other issues to be addressed by legal opinion as required by the Company.

Article 63 General meetings are divided into annual general meetings and extraordinary general meetings. General meetings shall be convened by the board of directors. Annual general meetings shall be held once every year within six months after the end of each financial year.

The board of directors shall convene an extraordinary general meeting within two months of the occurrence of any of the following events:

- (1) when the number of directors is less than the number prescribed by the Company Law or fewer than two thirds of the number prescribed by these Articles;
- (2) when the accumulated losses of the Company amount to one third of the total amount of its share capital;
- (3) upon the written requisition of holder(s) who individually or collectively hold(s) 10 per cent. or more of the issued shares of the Company carrying voting rights;
- (4) when the board of directors considers it necessary to convene a general meeting;
- (5) when the audit committee proposes to convene a general meeting;

- (6) other circumstances as required by laws, administrative regulations, listing rules, departmental rules or these Articles.

Article 63A

Independent directors are entitled to propose to the board of directors for convening an extraordinary general meeting. In response to such proposal of the independent directors to convene an extraordinary general meeting, the board of directors shall, within ten days after receiving such proposal, provide a response in writing to indicate whether or not the board agrees to convene such extraordinary general meeting pursuant to the laws, administrative regulations and the articles of association.

Where the board agrees to convene such extraordinary general meeting, a notice to convene such general meeting shall be issued within five days after the passing of the relevant resolution by the board. Where the board disagrees to convene such extraordinary general meeting, the board shall give reasons for such decision, which shall also be announced.

Article 63B

The audit committee is entitled to propose to the board of directors for convening of an extraordinary general meeting in writing. In response to such proposal to convene an extraordinary general meeting, the board of directors shall, within ten days after receiving such proposal, provide a response in writing to indicate whether or not the board agrees to convene such extraordinary general meeting pursuant to the laws, administrative regulations and these Articles.

Where the board agrees to convene such extraordinary general meeting, a notice to convene such general meeting shall be issued within five days after the passing of the relevant resolution by the board, provided that any changes to the original proposal shall be subject to the consent being obtained from the audit committee.

Where the board disagrees to convene such extraordinary general meeting, or where the board fails to provide any response within ten days after receiving such proposal, it shall be deemed that the board has not been able to perform or it does not perform its duty to convene such general meeting, and the audit committee may by itself convene and chair such meeting. In the event that the audit committee decides to convene the general meeting by itself, it shall notify the board of directors for convening such meeting in writing and at the same time report to the stock exchange for record.

Article 64

- (1) When the Company convenes an annual general meeting, it shall send written notice to all shareholders registered in the register of shareholders at least 21 clear days prior to the date of the meeting, which notice shall set forth the matters proposed to be considered at the meeting and the date and venue of that meeting. When the Company convenes an extraordinary general meeting, it shall send

written notice to all shareholders registered in the register of shareholders at least 15 clear days prior to the date of the meeting, which notice shall set forth the matters proposed to be considered at the meeting and the date and venue of that meeting.

- (2) In determining the period of notice, the date on which the notice is despatched and the date of the meeting shall be excluded.
- (3) With respect to notice despatched under this Article, the date on which the notice is given shall be the date of delivery of such notice to the postal authority for posting by the Company or by the share registrar appointed by the Company (excluding the date on which the notice is despatched), or the date of announcement in accordance with Article 68 of these Articles or the date on which the notice is sent by electronic means or published on the Company's website and SEHK's website and not the date on which such notice is deemed to be received by the shareholders under Article 205.

Article 65

When the Company convenes any general meeting, the board of directors, the audit committee and shareholder or shareholders (whether singly or jointly) holding in aggregate 1% or more of the total number of issued shares of the Company are entitled to propose motions to the Company, and any such motion shall fall within the scope of authority of the shareholders in general meeting, has clear subject and specific matters to be resolved, and is in compliance with the provisions of laws, administrative regulations and these Articles.

Provided that such motion shall be proposed at least 12 clear business days before the convention of the meeting and submitted to the convener in writing. The convener shall within two business days after the receipt of such motion, and in any event not less than 10 business days prior to the date of the general meeting, issue supplementary notice or circular to announce the contents of such ad hoc motion.

Unless in compliance with the foregoing provisions, the convener shall not amend any motions stated in, nor add any new motion to notice of general meeting after its issue.

Any motion which is not set out in a notice of general meeting or which does not meet the requirement of this Article shall not be voted on nor resolved by shareholders in general meeting.

Article 66

[Intentionally Omitted]

Article 67

A notice of general meeting shall comply with the following requirements:

- (1) it shall be given in writing;

- (2) it shall specify the place, the date and the time of the meeting;
- (3) it shall state the matters to be discussed at the meeting;
- (4) it shall provide to the shareholders such information and explanation as are necessary for them to make an informed decision on the matters proposed to be discussed. Without limiting the generality of the foregoing principle, when the Company proposes to merge with another, to repurchase its shares, to reorganise its share capital, or to restructure in any other way, details of the terms of and the contract (if any) for the proposed transaction shall be provided and the reason for and the effect of such proposal must be properly explained;
- (5) if any director, general manager or other senior management staff has a material interest in any matter to be discussed, the notice shall disclose the nature and extent of his interest; if the effect of the matter to be discussed on such director, general manager or other senior management staff in his capacity as shareholder is different from the effect on the other shareholders of the same class, then such differences should be specified;
- (6) it shall contain the text of any special resolution to be proposed at the meeting;
- (7) it shall contain conspicuously a statement that a shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a shareholder;
- (8) it shall specify the time and place for lodging proxy forms;
- (9) it shall set out the record date for determining shareholders' entitlement to attend the general meeting;
- (10) it shall set out the regular contact person and contact telephone number for matters concerning general meeting;
- (11) the time and procedure for online voting and other means of voting.

Article 67A

Where it is proposed to discuss at a general meeting matters concerning the election of directors, the notice of meeting shall disclose sufficiently the personal particulars of candidates for directors, which shall at least include the following:

- (1) personal particulars regarding educational background, work experience and other engagements;

- (2) any relationship with the Company or the controlling shareholders or de facto controllers;
- (3) disclosure of shareholdings in the Company;
- (4) whether or not the candidate was subject to any penalty imposed by the CSRC or other authorities;
- (5) matters required to be disclosed under the applicable listing rules.

Unless being elected by cumulative voting, any motion for the election of a director shall be moved as a single separate motion.

Article 67B

Resolutions in respect of the election of directors may be passed by way of cumulative voting pursuant to the requirements of the relevant laws and regulations and this Articles of Association or resolutions of the general meeting.

Cumulative voting system referred to in the preceding paragraph means a system of voting for the election of directors at the general meeting under which voting rights of each share is equal to the number of directors to be elected and the shareholder can cast all his votes in the same manner or cast for different candidates.

According to the voting results, the required positions of directors will be filled out by candidates for directors with the highest votes; however, the elected directors must muster more than half of the total number of shares with valid voting rights cast by the shareholders (including proxy of shareholders) attending the general meetings. If the number of director candidates with more than half of the total number of shares with valid voting rights cast by the shareholders attending the general meetings is insufficient to fill out all the required positions, there shall be a second round of election for the remaining director candidates.

Independent directors shall be elected through a separate system from other members of the board of directors.

Article 68

Subject to compliance with the applicable laws, regulations and listing rules, notices of general meetings shall be served on all shareholders (whether or not entitled to vote thereat) by personal delivery, sent by prepaid mail, sent by electronic means and/or published on the Company's website and SEHK's website, and the correspondence address of the recipient shall be the address recorded in register of shareholders or the electronic communication methods provided by the shareholders to the Company.

In respect of holders of domestic shares, notices of general meetings may

also be given by public announcement.

The aforesaid public announcement shall be published, at least 21 clear days prior to the date of annual general meeting and at least 15 clear days prior to the date of extraordinary general meeting, in one or more newspapers or periodicals specified by State Council securities regulatory authority. Once the announcement is published, all holders of domestic shares shall be deemed to have received the relevant notice of general meeting.

Article 68A After the issue of a notice of general meeting, the general meeting shall not, without any proper reason, be postponed or cancelled, and the motions set out in the notice of meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall, at least two business days before the date of the scheduled meeting, make an announcement and state the reason therein.

Article 69 The accidental omission to give notice of a meeting to any person entitled to receive notice or the non-receipt of notice of a meeting by such person shall not invalidate the meeting or any resolution passed at that meeting.

Article 70 Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether or not a shareholder) as his proxy to attend and vote instead of him, and that proxy may exercise the following rights in accordance with the authorisation of the shareholder:

- (1) the same right as the shareholder to speak at a general meeting;
- (2) the right to demand or join with others to demand a poll; and
- (3) the right to vote on a show of hands or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

The Board of Directors, independent directors and shareholders who meet the relevant conditions may solicit proxies from the Company's shareholders regarding matters to be considered at general meetings. Any solicitation of proxies shall be obtained on a nil-consideration basis, and sufficient information shall be disclosed to the parties from whom proxies are solicited.

Article 71 A shareholder shall appoint his proxy by an instrument in writing. Such instrument shall be made under the hand of the appointer or his attorney duly authorised in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or under the hand of its director or an attorney duly authorised in writing.

Article 72 (1) The instrument appointing the proxy shall be deposited at the legal address of the Company or such other place prescribed in the notice

convening the meeting, 24 hours prior to the holding of the relevant meeting or 24 hours prior to the time appointed for the taking of the poll. Stipulated provisions under the listing rules, or as required by the relevant stock exchange or regulatory authority where the Company's shares are listed shall be complied with. If such instrument is signed by a person authorised by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarially certified copy of that power of attorney or other document of authority shall be deposited together with the said instrument at the legal address of the Company or such other place prescribed in the notice convening the meeting.

- (2) If an appointer is a legal person, its legal representative or such person authorised by resolution of its directors or other governing body may act as its representative to attend and vote at the general meeting and to exercise the same powers on behalf of the legal person which he represents as that legal person could exercise if it were an individual shareholder of the Company. If the legal person shareholder has appointed a representative to attend the general meeting of the Company, it shall be treated as being present at the relevant meeting in person. Such legal person shareholder, being a corporation, can execute a proxy form appointing a representative under the hand of its duly authorised person.
- (3) In the event that a clearing house (or its nominee(s)) is a shareholder, it may authorize person(s) it deems appropriate to act as its proxy (proxies) or representative(s) at any meeting of the Company (including general meeting, class meeting and creditors meeting), if more than one person is so authorised, the authorization shall specify the number and class of shares in respect of which each such proxy or representative is so authorised. Each person so authorised under the provisions of this Article shall be entitled to exercise the same rights and powers (including right to speak and vote) on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.

Article 73 Any form issued to shareholders by the board of directors to be used for appointing proxies shall enable the shareholder, according to his intention, to instruct the proxy to separately vote in favour of or against each resolution to be proposed at 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 appointer, or the 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 these matters shall have been received by the Company prior to the commencement of the relevant meeting.

Article 75

- (1) Resolutions of general meetings are divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by the holders of more than one half of the total number of voting rights held by the shareholders present in person (or by proxy) at a general meeting.

A special resolution shall be passed by the holders of more than two thirds of the total number of votes held by the shareholders present in person (or by proxy) at a general meeting.

- (2) For the purposes of the preceding paragraph, each shareholder present in person (or by proxy) shall unequivocally vote either in favour of or against each resolution in respect of which a vote is to be taken. If the listing rules require any shareholder to abstain from voting in respect of any resolution or issue considered at a general meeting, or only to vote for or against a particular resolution or issue, any vote exercised by any shareholder or his proxy in violation of such requirement or restriction shall not be counted towards the voting results.
- (3) Exercise of voting right in accordance with the instruction given by the actual beneficial owner to the China Securities Depository and Clearing Company acting as the nominee of shares traded through the Stock Connect mechanism between mainland China and Hong Kong securities markets shall not be subject to the restriction under sub-paragraph (2) of this Article.

Article 76

At a general meeting at which a vote is to be taken, shareholders (including proxies) may exercise their voting rights in respect of the number of shares held by them which carry the right to vote. Each share shall carry one vote.

Provided that the passing of any resolution shall be subject to any special rights or restrictions as to voting rights for the time being attached to any class of shares.

Shares held by the Company do not carry any voting rights, and such shares shall not be counted in the shares carrying voting rights of shareholders who are entitled to attend such meeting.

Shareholders who purchase the Company's voting shares in violation of the

first or the second paragraph of Article 63 of the Securities Law of the PRC shall not exercise voting rights with respect to the shares that exceed the prescribed proportion within 36 months after the purchase, and such shares shall not be counted towards the total number of shares carrying voting rights at the general meeting.

The board of directors, independent directors, and any shareholder holding more than 1% of the Company's issued voting shares or an investor protection institution established in accordance with the laws, administrative regulations or regulations of the CSRC may publicly solicit proxies from the Company's shareholders. In soliciting voting rights of shareholders, information such as specific voting intention shall be sufficiently disclosed to the shareholders from whom voting rights are being solicited. Solicitation of voting rights at any consideration, whether in direct or indirect form, is prohibited. Saved as prescribed by the laws, the Company shall not propose any minimum shareholding restriction on the solicitation of voting rights.

Where material matters affecting the interests of small-to-medium sized investors are being considered at a shareholders' general meeting, each vote cast by the small-to-medium sized investors shall be counted separately. Results of votes counted separately shall be disclosed in a timely manner.

Article 77

At any general meeting, a resolution shall be decided on a show of hands unless a poll is (before or after any vote by show of hands) demanded by the following persons:

- (1) the chairman of the meeting; or
- (2) at least two shareholders having the right to vote present in person or by proxy; or
- (3) one or more shareholder present in person (or by proxy) who alone or together hold 10 per cent. or more of the shares carrying the right to vote at that meeting.

Unless a poll is demanded, a declaration by the chairman as to the results of the vote on a resolution based on the results of the show of hands and a record to that effect in the minutes of the meeting, shall be conclusive evidence of that fact. It shall not be necessary to certify the number or proportion of the votes cast in favour of or against such resolution at that meeting.

The demand for a poll may be withdrawn by the person or persons who demanded it.

Article 78

If the matter in respect of which a poll is demanded relates to the election of the chairman of the meeting or the adjournment of the meeting, the poll

shall be taken forthwith. A poll demanded on any other matter shall be taken at such time as the chairman of the meeting decides, and the meeting may continue to proceed to discuss other matters. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

The result of a poll shall be declared as soon as possible.

Article 79 On a poll taken at a meeting, a shareholder (including his proxy) entitled to two or more votes need not cast all his votes in the same way.

Article 80 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to an additional vote.

Article 81A The following matters shall be approved by ordinary resolution of a general meeting:

- (1) work reports of the board of directors;
- (2) proposals formulated by the board of directors for distribution of profits and for making up accrued losses;
- (3) appointment and removal of members of the board of directors, their remuneration and method of payment of their remuneration;
- (4) all matters required to be approved other than those required to be approved by way of special resolution under any law, administrative regulations, listing rules or these Articles.

The remuneration referred to in sub-paragraph (3) of the preceding paragraph includes (but is not limited to) compensation for loss of office or retirement from office of a director.

Article 81B The following matters shall be passed by special resolution of a general meeting:

- (1) the increase or reduction of capital of the Company and the issue of any class of shares, warrants or other similar securities by the Company;
- (2) the issue of bonds by the Company;
- (3) the de-merger, spin-off, merger, dissolution and liquidation (under any of the events stipulated in Article 184) of the Company;
- (4) any amendment to these Articles;
- (5) acquisition or disposal of substantial assets or giving of guarantee in

an amount exceeding 30% of the total assets of the Company as shown in its audited financial statements for the most recent period;

- (6) share incentive scheme; and
- (7) such other matter provided by the laws, administrative regulations, listing rules or these Articles and matter which has been determined by way of any ordinary resolution by shareholders in general meeting to have a material effect on the Company and shall be subject to the passing by way of special resolution.

Article 82 When the general meeting is considering matters regarding connected transactions, connected shareholders shall not participate in the voting, and the voting rights represented by their shares shall not be included in the total number of valid votes. Announcement of the resolutions of the shareholders shall fully disclose the voting of non-connected shareholders.

Article 83 Shareholders may convene an extraordinary general meeting or a class meeting in accordance with the following procedures:

- (1) Shareholder(s) who individually or together hold 10 per cent. or more of the shares carrying rights to vote at the proposed meeting may, by signing a written requisition in one or more counterparts in the same form and content, require the board of directors to convene an extraordinary general meeting or a class meeting and state in such written requisition the matters to be considered at the meeting. The board of directors shall as soon as possible after receipt of the aforesaid written requisition proceed to convene an extraordinary general meeting or class meeting. The number of shares held by the shareholders as at the date of the deposit of the written requisition shall be taken as the number of shares held by them for the purposes of this sub-paragraph.
- (2) If the board of directors fails to issue a notice convening a meeting within 30 days of its receipt of the aforesaid written requisition, the requisitioning shareholders may on their own convene a meeting within 4 months of the receipt of such requisition by the board of directors. The procedure for convening such meeting shall be as compatible as possible to that of a general meeting convened by the board of directors. In the event that the shareholders decide to convene a general meeting on their own, they shall notify the board of directors for convening such meeting in writing and at the same time report to the stock exchange for record.

All reasonable expenses incurred in relation to a meeting convened by the shareholders themselves which arises from a failure of the board of directors to convene a meeting pursuant to the requisition shall be borne by the Company and shall be set off against sums owed by the Company to those

directors in default.

Article 84A The general meeting shall be chaired by the Chairman of the board. In the event the Chairman of the Board is unable to perform his duties or he does not perform his duties, the general meeting shall be chaired by the Vice Chairman. Where the Vice Chairman is unable to perform his duties or he does not perform his duties, the general meeting shall be chaired by a director elected by more than half of the directors.

A general meeting convened by the audit committee shall be chaired by the convener of the audit committee. In the event the convener of the audit committee is unable to perform his duties or he does not perform his duties, a member of the audit committee elected by more than half of the members of the audit committee shall chair the meeting.

A general meeting convened by shareholders shall be chaired by the representative nominated by the convener of such meeting.

In convening any general meeting, if the chairman of the meeting has violated any rules of meeting such that the meeting may not proceed further, with the consent of shareholders representing more than half of the voting rights present at such meeting, the meeting may elect a person to chair the meeting so that the meeting may proceed further.

Article 84B When the general meeting is being held, all directors and secretary to the board of directors shall be present at the meeting, and the general manager and other senior management shall also attend the meeting.

Article 85A The chairman of the meeting shall, according to voting results, decide whether or not a resolution is passed by the general meeting. His decision shall be final and conclusive, declared at the meeting and recorded in the minutes of meeting.

Article 85B If the chairman of a meeting has any doubt as to the results of a vote on a resolution, he may conduct a count of the votes cast. If the chairman of the meeting fails to conduct a count of votes, any shareholder who is present in person or by proxy and who objects to the results declared by the chairman of the meeting may immediately after the declaration of results demand a count of votes, and the chairman of the meeting shall conduct a count of votes immediately.

Article 85C If a count of votes is carried out at a general meeting, the results thereof shall be entered in the minutes of the meeting.

The minutes of general meetings together with the attendance book signed by the shareholders present at the meeting and the instruments for the appointment of proxies present at the meeting shall be kept at the legal

address of the Company.

The aforesaid minutes of meetings, attendance books and instruments for the appointment of proxies shall not be destroyed for 10 years.

Article 86 In the annual general meeting, the board of directors shall report to the shareholders on their respective work over the past year. Each independent director shall also report their duties accordingly.

Directors and senior management shall reply to any question or proposal from shareholders at a general meeting respond and explain accordingly.

Article 87A Chairman of the meeting shall announce the number of shareholder and proxies attending the meeting and the total number of shares with voting rights before voting, and the number of shareholders and proxies attending the meeting and the total number of shares with voting rights shall be as recorded in the meeting.

Article 87B Minutes of general meetings shall be kept, which falls under the duty of the secretary to the board of directors. The minutes of meetings shall record the following:

- (1) time and place of meeting and the agenda and the name of convener;
- (2) the name of the chairman of the meeting and directors, the general manager and other senior management who are present at or in attendance of the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by them, and the percentage to the total number of shares;
- (4) the proceedings of examination of each motion, summary of the points discussed and voting results;
- (5) questions and proposals put forward by shareholders and the answers or explanation thereof;
- (6) names of lawyers and vote-counters and scrutineers;
- (7) such other matters as shall be recorded in the minutes of meetings pursuant to the articles of association.

Article 87C The convener shall ensure that the contents of the minutes of meetings are true, accurate and complete. Directors, secretary to the board of directors, the convener or his representative and the chairman of meeting shall sign on the minutes of the meeting. Minutes of meetings shall be kept together with

the attendance list for shareholders and authorizations given for proxies, and any other valid information concerning online exercise of voting rights or otherwise. The period of maintaining such records shall be no less than 10 years.

Article 87D The convener shall ensure that a general meeting is conducted continuously until resolutions are formed. Where the general meeting is adjourned or the relevant resolutions are not formed for special reasons such as force majeure, all necessary measures shall be taken to re-convene the general meeting as soon as practicable or, alternatively, the meeting shall be terminated, and the related announcement shall be made on a timely basis. Concurrently, the convener shall deliver a report to the branch office of the China Securities Regulatory Commission at the place of the Company and the relevant stock exchange.

Article 88 Shareholders may, during the business hours of the Company, inspect without charge copies of the minutes of general meetings. If any shareholder requests from the Company a copy of the relevant minutes, the Company shall send such a copy to him by post within 7 days after having received the reasonable payment therefor.

CHAPTER 10 SPECIAL VOTING PROCEDURES FOR CLASS SHAREHOLDERS

Article 89 A holder of different classes of shares is a class shareholder.

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

Article 90 Any proposal by the Company to vary or abrogate the rights of any class shareholder must, prior to its implementation, be approved by special resolution of a general meeting and by the affected holders of shares of that class at a separate meeting conducted in accordance with Articles 92 to 97.

Article 91 The following events shall be deemed to be a variation or abrogation of the rights of shareholders of a class of shares:

- (1) an increase or reduction in the number of shares of such class, or an increase or reduction in the number of shares of a class having the same or preferential voting or distribution rights or other privileges as or to the shares of such class;
- (2) a change of all or part of the shares of such class into shares of another class, a conversion of all or part of the shares of another class into shares of such class or a grant of a right to such change;

- (3) a removal or reduction of the rights to accrued dividends or the rights to cumulative dividends attached to such class of shares;
- (4) a reduction or removal of a preferential right to dividends or to a distribution of assets upon the liquidation of the Company attached to such class of shares;
- (5) an increase, removal or reduction of conversion privileges, options, voting rights, transfer rights, pre-emptive rights, rights issue or rights to acquire securities of the Company which are attached to such class of shares;
- (6) a removal or reduction of rights attached to such class of shares to receive moneys payable by the Company in particular currencies;
- (7) a creation of a new class of shares having the same or preferential voting or distribution rights or other privileges as or to the shares of such class;
- (8) an imposition of or an increase in restrictions on the transfer or ownership of the shares of such class;
- (9) an issue of rights to subscribe for, or convert into, shares of such class or another class;
- (10) an increase of the rights or privileges of another class of shares;
- (11) the restructuring of the Company which results in different classes of shareholders bearing disproportionate responsibilities in such restructuring; and
- (12) the variation or abrogation of the provisions of this Chapter.

Article 92

Shareholders of an affected class, whether or not otherwise carrying the right to vote at a general meetings shall nevertheless be entitled to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) of Article 91, but interested shareholder(s) shall have no voting rights at class meetings. The meaning of an "interested shareholder" is as follows:

- (1) in the case of a repurchase of shares by the Company by way of a general offer to shareholders pro rata to their existing shareholdings or on a stock exchange through open trading in accordance with Article 34 of these Articles, an "interested shareholder" means the controlling shareholder as defined in Article 58C;
- (2) in the case of a repurchase of shares by the Company by an off-

market agreement outside a stock exchange in accordance with Article 34 of these Articles, an “interested shareholder” means the shareholder to which the proposed agreement relates; and

- (3) in the case of a restructuring proposal of the Company, an "interested shareholder" means a shareholder whose obligations will become disproportionately less than the obligation of other shareholders of the same class or a shareholder who has an interest different from the interests of the other shareholders of that class.

Article 93

- (1) Resolutions of a class meeting shall be passed by the holders of more than two thirds of the total number of votes held by the shareholders of that class and who are permitted to vote at the class meeting under Article 92.
- (2) For the purposes of the preceding paragraph, each shareholder present in class meeting in person (or by proxy) shall unequivocally vote either in favour of or against each resolution in respect of which a vote is to be taken. If the listing rules require any shareholder to abstain from voting in respect of any resolution or issue considered at a class meeting, or only to vote for or against a particular resolution or issue, any vote exercised by any shareholder or his proxy in violation of such requirement or restriction shall not be counted towards the voting results.

Article 94

When the Company convenes a class meeting, it shall give written notice to all class shareholders registered in the register of shareholders at least 21 clear days prior to the date of the annual class meeting and shall give written notice at least 15 clear days prior to the date of the extraordinary class meeting, which notice shall set forth the matters proposed to be considered at the meeting and the date and place of that meeting.

Article 95

Notice of class meetings need only be served on shareholders entitled to vote thereat.

Class meetings shall be conducted in a manner as nearly as possible as that applicable to general meetings. The provisions of these Articles relating to the proceedings of general meetings shall apply to class meetings.

Article 96

In addition to holders of other classes of shares, holders of domestic shares and holders of overseas listed foreign shares are deemed to be different classes of shareholders.

Article 97

The special voting procedures for class shareholders shall not apply to the following:

- (1) where the Company issues domestic shares and overseas listed

foreign shares separately or concurrently every 12 months following the approval by a special resolution of a general meeting and the number of domestic shares and the number of overseas listed foreign shares to be issued does not exceed 20 per cent. of the number of the respective classes of shares already in issue;

- (2) the issue of domestic shares and overseas listed foreign shares pursuant to a plan adopted by the Company upon its establishment and which is completed within 15 months from the date of approval by the State Council Securities Commission.

CHAPTER 11 BOARD OF DIRECTORS

Article 98 The Company shall establish a board of directors, which shall consist of 9 directors, comprising 1 chairman , 1 vice chairman; the 9 directors shall include executive directors, non-executive directors (including independent non-executive directors) and staff director.

The board of directors of the Company shall include 1 staff director, who shall be elected by the Company's employees at a staff representative meeting, staff meeting or through other means of democratic election, without requiring consideration and approval at a general meeting.

Article 99 Candidates for the first board of directors shall be nominated by the promoter and elected at the inaugural meeting of the Company.

Following that, a list of potential director-candidates who may be available for election shall be prepared by the nomination committee of the Board of Directors of the Company pursuant to the provisions of the relevant laws, regulations, listing rules and the Articles of Association, and such list together with the profiles and other relevant information of such candidates shall be submitted to the Board of Directors for consideration and confirmation. Any director-candidate shall be identified by agreement by more than half the Directors for recommendation to the shareholders in general meeting for election.

The term of office of any director shall commence from the date of his being elected.

Article 100

- (1) All directors shall be elected by the general meeting and shall serve a term of 3 years. A retiring director is entitled to be re-elected to serve a consecutive term.
- (2) The written notice of the intention to propose a candidate for election as director and the acceptance of being nominated as a candidate shall be sent to the Company within the notice period

which shall not be less than 7 days. The commencement date of the above notice period shall not be earlier than the day immediately following the day of sending the notice of general meeting for considering the election of directors, and the expiry date of such notice period shall not be later than the date falling 7 days prior to the date of the relevant general meeting.

- (3) The chairman and vice chairman shall be elected and may be dismissed by more than one half of the directors. The term of office of each of the chairman and vice chairman shall be 3 years and may upon the expiry of their term of office be re-elected to serve a consecutive term. Redesignation of executive directors and non-executive directors (excluding independent non-executive directors) shall be considered, reviewed and approved by the board of directors.
- (4) A director need not hold shares of the Company.
- (5) Subject to compliance with relevant laws and administrative regulations, a general meeting shall have power to remove by ordinary resolution any director (including a director who is the general manager or a holder of any other executive position of the Company) before the expiration of his term of office, but without prejudice to any claim for damages under any contract.

Article 101

The board of directors is accountable to the shareholders in general meeting and is the main unit for making the Company's business decisions; it shall perform the functions of formulating strategies, making decisions, preventing risks and shall exercise the following functions and powers:

- (1) to convene general meetings and to report on its work at the general meetings;
- (2) to implement resolutions of the general meetings;
- (3) to decide on the business plans and investment proposals of the Company;
- (4) to prepare proposals for profit distribution and for making up accrued losses of the Company;
- (5) to prepare proposals for the increase or reduction of share capital, the issue of bonds of the Company or other securities and listing proposals;
- (6) to formulate proposals for major acquisitions, purchase of the Company's shares under the circumstances as stipulated in Article 33 (1) and (2) of these Articles or the merger,

- demerger, dissolution or change in the form of the Company;
- (7) to determine the acquisition of the shares of the Company under the circumstance as stipulated in Article 33 (3), (5) or (6) of these Articles;
 - (8) to decide on the establishment of internal management organization of the Company;
 - (9) to decide on the appointment or dismissal of the general manager, the secretary of the board of directors and other senior management members of the Company, and to determine matters relating to their remuneration and the grant or imposition of any awards or penalties; and at the nomination of the general manager, to appoint or dismiss deputy general managers, personnel in charge of financial affairs and other senior management members of the Company, and to determine matters relating to their remuneration and the grant or imposition of any awards or penalties;
 - (10) to formulate the basic management system of the Company;
 - (11) to prepare proposals for the amendment of these Articles;
 - (12) subject to compliance with the requirements of relevant laws, regulations, rules and these Articles, to exercise the Company's powers to raise capital and to borrow money and to decide on the charging, letting, subcontracting or assignment of the Company's major assets; to decide on matters, within the scope of authorization granted at general meeting(s), including the Company's external investment, acquisition and disposal of assets, external guarantee, financial entrustment, connected transaction, external donation; and to authorize the general manager to exercise this power within certain scope;
 - (13) to the extent that the relevant laws, regulations and the applicable listing rules not being violated, to approve any acquisition or disposal of assets by the Company during any period of one year, the aggregate amount of which (including liabilities assumed and expenses incurred) shall not exceed 30% of the latest audited total assets of the Company; to decide on external investment project, the amount of which shall not exceed 30% of the latest audited net assets of the Company;

- (14) to manage disclosure of information concerning the Company;
- (15) to propose to shareholders in general meeting for the engagement or change of auditors of the Company;
- (16) to receive reports and examine the work of the general manager of the Company;
- (17) to determine the allocation plan of wages of the Company's employees;
- (18) such other duties and functions as authorized by the laws, administrative regulations, listing rules and departmental rules or these Articles.

The board of directors shall determine the scope of authority to conduct external investment, acquisition and disposal of assets, pledge of assets, external guarantee, financial entrustment, derivative investment, connected transactions and external donation; it shall establish stringent review and decision-making procedures; and arrange relevant experts and professionals for reviewing and appraising major investment projects for submission to general meeting for approval.

Article 102

- (1) Within the permitted scope of Article 101 (13) of these Articles, the board of directors shall not, without the prior approval of shareholders in general meeting, dispose of or agree to dispose of any fixed assets of the Company if the aggregate of the expected value of the fixed assets proposed to be disposed of, and the consideration received by the Company on the disposal of fixed assets within the period of four months immediately preceding the proposed disposal, exceeds 33 per cent of the value of the Company's fixed assets as shown in the latest balance sheet considered by the general meeting.
- (2) For the purposes of this Article, a disposal of fixed assets includes the transfer of an interest in certain assets but does not include the provision of security over fixed assets.
- (3) The validity of a disposal of fixed assets by the Company shall not be affected by a breach of paragraph (1) of this Article.

Article 103

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

- (1) to preside at general meetings and to convene and preside at meetings of the board of directors;

- (2) to monitor the implementation of resolutions of the board of directors;
- (3) to sign certificates for securities issued by the Company;
- (4) to sign, or to appoint by power of attorney any one or more directors to sign, other important documents of the Company; and
- (5) other functions and powers conferred by the board of directors.

In the event of the chairman becoming unable to perform his functions powers, he may nominate a vice chairman of the board to perform such functions and in his place.

Article 104

Meetings of the board of directors shall be held at least four times every year and shall be convened by the chairman. Meetings of the board of directors include regular meetings and special meetings.

Shareholders holding shares representing more than 1/10 of the shares carrying voting rights of the Company, more than one-third of the directors or the audit committee may propose the convening of a special meeting of the board of directors. The Chairman of the board shall convene and chair such board meeting within 10 days from the date of receiving such proposal.

Article 105

- (1) No notice shall be required to be given if the time and place of meetings of the board of directors have been fixed by the board of directors in advance. If the board of directors have not determined in advance the time and place of a meeting of the board of directors, the chairman shall instruct the secretary of the Company to notify all directors and the general manager of the time and place of the board meeting by telex, telegram, email, other electronic means, facsimile, express delivery, registered mail or personal delivery not less than 10 days and not more than 30 days before such meeting.
- (2) If an urgent matter arises that requires an extraordinary meeting of the board of directors to be convened, the chairman shall instruct the secretary of the Company to notify all directors, the general manager of the time, place and mode of the extraordinary board meeting by telex, telegram, email, other electronic means, facsimile or personal notification not less than 2 and not more than 10 days before such meeting.
- (3) The notice shall be in Chinese and, where necessary, have attached thereto an English translation thereof and shall include an agenda of the meeting and proposed resolutions.

- (4) If a director has attended a meeting and has not prior to the meeting or at the time of his attendance protested that notice of the meeting had not been received, a notice shall be deemed to have been sent to him.

Article 106

Except for the special resolutions that are required by these Articles, applicable laws and regulations and the listing rules to be considered and approved by more than two-thirds of the attending directors, the quorum for any meeting of the board shall be more than half of the directors present at the meeting. Except for the special resolutions that are required by these Articles, applicable laws and regulations and the listing rules to be considered and approved by more than two-thirds of the directors, any resolution to be passed by the board of directors shall be subject to affirmative votes of more than half of all the directors.

Each director shall have one vote on any resolution to be passed by the board.

Where any matter to be resolved by the board concerns an enterprise or individual in which a director has connected relationship, such director shall report in writing to the board of directors on a timely basis. A director who has such connected relationship shall not exercise his voting right at such resolution, nor shall he act as alternate to vote on behalf of the other director(s). The quorum for such board meeting shall be more than half of the directors who do not have any connected relationship, and any resolution to be passed by the board of directors shall be subject to affirmative votes of more than half of the directors who do not have any connected relationship. Where the number of directors who are not so connected and who are present at such board meeting is less than 3, such matter shall be submitted to the general meeting for consideration.

Article 107

The directors may participate in any regular or special meeting of the board of directors by means of telephone or other communication devices, provided that such devices permit all persons participating in the meeting to hear the other persons clearly and to talk to or communicate with each other, and such directors shall be deemed to have attended the meeting in person.

Article 108

- (1) The directors shall attend the meeting of the board of directors in person. Any director who is unable to attend the meeting for any reason may appoint in writing another director to attend the meeting on his behalf. The letter of appointment shall set out the scope of authorisation.
- (2) The appointed representative shall exercise the rights of a director within the scope of his authorisation. If a director fails to attend a meeting of the board of directors and has not appointed a

representative to attend on his behalf, he shall be deemed to have waived his right to vote at that meeting.

- (3) The appointed representative must himself be a director. When counting the quorum towards the meeting of the board of directors, the representative shall be counted towards the quorum separately in respect of himself and in respect of the director for whom he represents; he shall not be bound to cast all his votes in the same way. A director shall inform the Company in the event of a termination of the appointment of his representative.

Article 109 The reasonable expenses incurred by the directors in attending board meetings shall be borne by the Company. These expenses include travelling expenses between the place of abode of the director and the place of meeting (if at a place different from the director's place of abode), accommodation and meal expenses, hiring charges for the venue of the board meeting and local travelling expenses during the period of board meeting.

Article 110 The board of directors shall cause minutes to be kept of decisions made in relation to matters considered at their meetings, and the minutes shall be signed by directors attending the meeting and the person recording the minutes. Directors shall assume responsibility for resolutions of the board of directors. Directors who participated in any resolution of the board of directors which contravenes any law, administrative regulations or these Articles and causes serious losses to the Company shall be liable to compensate the Company, but if it is proved that a director has stated his objection at the time the vote was taken and a record thereof has been made in the minutes of the meeting, that director shall be relieved of liability.

Minutes of meetings of the board shall be kept in the Company's files for a period of no less than 10 years. Minutes of a board meeting shall include the following contents:

- (1) date and time of the meeting and the name of the convener;
- (2) names of directors present at the meeting and directors (alternates) present at such meeting on behalf of other directors;
- (3) agenda of the meeting;
- (4) summary of points raised by directors;
- (5) manner and result of voting on each matter resolved (and the voting results shall set out the number of votes for, against or abstained a particular resolution).

- Article 111
- (1) Written resolutions signed by each and every director shall be valid and effective as if they had been passed at a meeting of board of directors duly convened. Such written resolutions may consist of several counterparts each signed by one or more directors. A resolution signed by a director and transmitted to the Company by post, facsimile or personal delivery and a resolution bearing the name of a director and transmitted to the Company by telegram or telex shall be deemed to be a document signed by him for the purposes of this Article.
 - (2) The board of directors may from time to time establish committees or working groups, each of which shall comprise at least two directors. The board of directors may delegate certain of its powers, authorities and discretions to such committees or working groups. All such committees and working groups so formed shall act within their respective scope of delegation and conform to the regulations formulated from time to time by the board of directors. The board of directors may at any time dissolve such committees or working groups or vary its scope of delegation.
 - (3) The quorum for the meeting of any committee or working group of the board of directors shall be two or one half of the members of such committee or working group, whichever is higher. Unless superseded by any regulations made by the board of directors under the preceding paragraph of this Article, Articles 105 to 111(1) of this Chapter regulating the meetings and proceedings of the board of directors shall apply mutatis mutandis to the meetings and proceedings of any such committee or working group.
- Article 112
- Unless otherwise resolved by the board of directors, a general manager who is not a director may attend meetings of the board of directors and is entitled to receive notice of and documents relevant to such meetings. But, unless the general manager is also a director, he shall not have the right to vote at meetings of the board of directors.

Chapter 11A Independent Directors

- Article 113A
- The board of directors of the Company shall comprise at least three independent directors and at least one third of the members of the board of directors shall be independent directors, and at least one independent director must be ordinarily resident in Hong Kong, and among whom at least one shall be in the accounting profession. Independent directors shall faithfully, diligently and conscientiously perform their duties, participate in decision-making, and play the roles of supervision, checks and balance and professional advisory, so as to protect the interests of the Company as a whole, and safeguard the legitimate rights and interests of shareholders (particularly the minority shareholders).

Independent directors shall perform their duties independently and not be put under the influence of the Company and its major shareholders, de facto controller, or other entities or individuals who have interests with the Company.

Article 113B The board of directors, audit committee of the Company, or shareholders (singly or jointly) holding in aggregate over 1% of the Company's issued shares may nominate independent director candidate, who may be elected by shareholders in general meeting. Investor protection organisations established in accordance with laws may openly request shareholders to authorize them to exercise the right to nominate independent directors on their behalf.

The nominator specified in the first paragraph of this Article shall not nominate any persons as candidate for independent directors with whom they have interest or are closely related who may affect the independent performance of their duties.

The nominator of an independent director shall obtain consent of the nominee prior to the nomination. The nominator shall have a comprehensive understanding of the nominee's profession, education background, professional titles, detailed work experience, all part-time jobs, any major breach of trust and other records of misconduct, and should express an opinion on compliance with independence requirements and other qualifications for serving as an independent director. The nominee shall make a public statement regarding his/her compliance with independence requirements and other qualifications for serving as an independent director.

The Remuneration and Nomination Committee of the board of directors of the Company shall conduct a review on the qualifications of the nominee and provide clear evaluation opinions.

Article 113C The following matters shall be submitted to the board of directors for consideration after the approval of a majority of all the independent directors of the Company:

- (1) connected transactions required to be disclosed under listing rules;
- (2) proposals involving changes in or waiver of commitments made by the Company and related parties;
- (3) decisions made and measures adopted by the board of directors with regard to the Company being acquired;
- (4) other matters prescribed by laws, administrative regulations, the CSRC, listing rules and these Articles.

Article 113D Independent directors shall exercise the following functions and powers:

- (1) independently appoint intermediary institutions to conduct audits, consultations, or verifications on specific matters of the Company;
- (2) propose to the board of directors for the convention of an extraordinary general meeting;
- (3) propose the convention of a board meeting;
- (4) publicly solicit shareholders' rights from shareholders pursuant to laws;
- (5) provide independent opinions on matters that may prejudice the interests of the Company or shareholders (particularly the minority shareholders);
- (6) other functions and powers prescribed by laws, administrative regulations, requirements of the CSRC, listing rules and these Articles.

The exercise of the functions and powers by independent directors specified in items (1) to (3) of the first paragraph of this Article shall be approved by a majority of all the independent directors.

The Company shall promptly disclose any exercise of the functions and powers by independent director(s) specified in items (1) to (6) of the first paragraph of this Article. In the event that the above functions and powers cannot be exercised properly, the Company shall disclose the specific circumstances and reasons.

Article 113E Independent directors shall attend in person meetings of the board of directors. Any independent director who is unable to attend the meeting in person shall review the meeting materials in advance, form a clear opinion, and appoint in writing other independent directors to attend the meeting on his behalf. Independent directors shall deliver to the shareholders in annual general meeting an annual report on their performance of duties which shall give report on the status of performance of their duties.

Article 113F The Company shall establish a working system of independent directors, and the secretary of the board of directors shall actively coordinate with independent directors over their performance of duties. The Company shall regularly or irregularly convene meetings with only independent directors in attendance to review relevant matters in accordance with laws, administrative regulations, requirements of the CSRC, and internal regulations of the Company. The Company shall ensure that independent

directors will enjoy the same information right as other directors. In order to ensure the effective exercise of functions and powers of independent directors, the Company shall regularly keep independent directors informed of the Company's operation, provide independent directors with information and organise or coordinate with independent directors in conducting on-site inspections and other related work.

Article 113G Independent directors shall have a term of office same as that of other directors and shall be eligible for re-election at retirement, provided that an independent director shall not serve a consecutive term for more than six years. Prior to the end of the term of office of an independent director, the Company may terminate his office in accordance with the statutory procedures. In the event of early termination of the office as an independent director, the Company shall promptly disclose the specific reasons and basis for such termination. If the independent director disagrees with the decision, the Company shall promptly disclose such disagreement.

Article 113H Any independent director may tender resignation before the end of his term, by delivering a written resignation report to the board of directors, which shall set out the circumstances relevant to his or her resignation or are necessary to be drawn to the attention of the Company's shareholders and creditors. The Company shall disclose the reasons for the resignation of the independent director, any information relating to his disagreements with the board of directors, and any relevant concerns.

Should the resignation of independent director result in the proportion or composition of independent directors in the board or the special committee(s) thereunder not complying with the requirements of the independent director working system, listing rules, or these Articles, or a lack of accounting professional among the independent directors, the independent director who tenders his resignation shall continue to perform his duties until the date on which a new independent director is appointed. The Company shall complete the election of a replacement within 60 days from the date on which the independent director tenders his resignation.

Article 113I The Company shall establish a mechanism for special meetings which will be attended by independent directors only. Matters such as connected transactions to be reviewed by the board of directors shall be approved in advance by a special meeting of the independent directors.

The Company shall convene special meetings of the independent directors on a regular or ad hoc basis. Matters specified in Article 113C and items (1) to (3) of Article 113D of these Articles shall be considered by a special meeting of the independent directors.

The special meetings of the independent directors may consider and discuss

other matters of the Company when necessary.

The special meetings of the independent directors shall be convened and chaired by an independent director nominated by more than half of the independent directors; in the event that the convener does not perform his duties or he is unable to perform his duties, two independent directors and above can convene a meeting on their own and nominate a representative to chair the meeting.

The special meetings of the independent directors shall prepare minutes of meetings in accordance with regulations. The minutes of meetings shall record the opinions of the independent directors. The independent directors shall sign and confirm the minutes of meetings.

The Company shall facilitate and support the convention of the special meetings of the independent directors.

CHAPTER 11B SPECIALISED COMMITTEES OF THE BOARD

Article 114A The board of directors of the Company shall establish an audit committee, which shall exercise the functions and powers stipulated in the Terms of Reference of the Audit Committee (as amended from time to time) approved to become effective by the board of directors, as well as the functions and powers prescribed for the supervisory committee under the Company Law.

Article 114B The audit committee shall comprise three or more members, all of whom shall be non-executive directors not holding senior managerial position in the Company, and more than half of whom shall be independent non-executive Directors. The audit committee shall have 1 chairman, who shall be an independent director with professional accounting expertise and shall also fulfil the obligations of a convener.

Article 114C The audit committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work, as well as internal control. The following matters shall be submitted to the board of directors for consideration upon approval by more than half of the members of the audit committee:

- (1) disclosure of financial information contained in financial accounting reports and periodic reports, and internal control evaluation report;
- (2) appointment or dismissal of the accounting firm responsible for the Company's audit work;
- (3) appointment or dismissal of the officer in charge of financial affairs of the company;

- (4) changes in accounting policies and accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;
- (5) other matters prescribed by laws, administrative regulations, the CSRC, listing rules and these Articles.

Article 114D The audit committee shall hold at least one meeting every quarter. When two or more members of the committee propose or when the convener considers necessary, a special meeting may be convened. A meeting of the audit committee shall only be held with the presence of more than two-thirds of its members.

Resolutions of the audit committee shall be passed by more than half of the members of the audit committee.

Voting on resolutions of the audit committee shall be conducted on the basis of one vote per member.

The resolutions of the audit committee shall be recorded in the minutes of meetings in accordance with rules, which shall be signed by members of the audit committee who attended the meeting.

The working rules of the audit committee shall be established by the board of directors.

Article 114E The board of directors of the Company shall establish a remuneration and nomination committee, as well as an environmental, social and governance (ESG) management committee, which shall perform their duties in accordance with these Articles and their respective terms of reference as authorised by the board of directors to become effective. Proposals of the specialised committees shall be submitted to the board of directors for consideration and approval. The working rules of the specialised committees shall be established by the board of directors.

All members of the specialised committees shall be composed of directors, composition of the audit committee shall be regulated under the requirement of Article 114B, more than half of the members of the remuneration and nomination committee must be independent directors, who shall also serve as convener.

The board of directors shall be responsible for formulating the terms of reference for the specialised committees to govern the operations of the specialised committees.

CHAPTER 12 SECRETARY TO THE BOARD OF DIRECTORS OF THE COMPANY

Article 115A The Company shall have a secretary to the board of directors of the Company (the “company secretary”). The company secretary shall be a member of the senior management staff of the Company.

Article 115B The company secretary shall be a natural person who has the requisite professional knowledge and experience and shall be appointed and dismissed by the board of directors. The primary responsibilities of the company secretary are:

- (1) to ensure that the documentation and records of the Company are complete;
- (2) to ensure that the Company prepares and submits to competent authorities (including without limitation the State Administration for Market Regulation) all necessary reports and documents required by law;
- (3) to ensure that the Company's register of shareholders is properly established and that the Company furnishes to persons entitled thereto all relevant records and documents of the Company in a timely manner; and
- (4) to discharge the obligations of a company secretary according to law and these Articles (including the reasonable requests of the board of directors).

Article 116A A director or other senior management staff of the Company may concurrently act as company secretary. An accountant of a firm of accountants retained by the Company shall not concurrently act as company secretary.

Where a director also holds the office of company secretary and if an act is required to be done by a director and the company secretary separately, then that director holding the office of company secretary may not perform the act in his dual capacity.

Article 116B The office of company secretary may be held by one or two natural persons. If two persons are jointly appointed, the duties of the company secretary shall be borne by them jointly. However, any one of them is entitled to act alone in the exercise of all the powers of the company secretary.

Article 117 The Company shall proactively strengthen communication and exchange of views with shareholders and investors by different means, establish positive

and good investors' relations, and establish a healthy investors' relations management system. The secretary to the Board shall be specifically responsible for managing the Company's investors relations.

CHAPTER 13 GENERAL MANAGER

Article 118 The Company shall have one general manager who shall be appointed and dismissed by the board of directors.

The Company shall have a number of deputy general managers and assistants to general manager, and 1 personnel in charge of financial affairs. The deputy general managers, assistants to general manager and the personnel in charge of financial affairs shall be nominated by the general manager and appointed and dismissed by the board of directors.

The deputy general managers, assistants to general manager and the personnel in charge of financial affairs shall assist the general manager in his work and shall be accountable to the general manager.

Article 119 The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

- (1) to take charge of the production, operations and management of the Company and to organise the implementation of resolutions of the board of directors and to report on his work to the board of directors;;
- (2) to organise the implementation of the annual business plans and investment proposals of the Company;
- (3) to formulate plans for the establishment of the internal management structure of the Company;
- (4) to formulate the basic management system of the Company;
- (5) to establish the specific rules and regulations of the Company;
- (6) to recommend to the board of directors the appointment, dismissal or transfer of deputy general managers, assistants to general manager and personnel in charge of financial affairs;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (8) to convene and chair meetings of the general manager's office personally (or to appoint a deputy general manager to do so);

meetings of the general manager's office shall be attended by the general manager, deputy general managers and other senior management staffs;

- (9) to determine the grant or imposition of any awards or penalties, promotion or demotion, increase or reduction in salaries and wages, appointment, employment, dismissal and resignation of and other matters relating to the staff and workers of the Company; and
- (10) to execute the power within the scope of authorization granted by the board of directors to pledge, lease, subcontract or transfer the Company's assets; and
- (11) other functions and powers conferred by these Articles and the board of directors.

Article 120 The general manager shall attend meetings of the board of directors. A general manager who is not a director shall not be entitled to vote at the meetings of the board of directors.

Article 121 The general manager and deputy general managers shall, in exercising their respective functions and powers, comply with law, administrative regulations and these Articles, and shall act in accordance with their respective fiduciary duties and the duty to act diligently.

Article 122 The general manager and deputy general managers shall not, in performing their respective functions, vary any resolution passed by the shareholders in general meeting and the board of directors or exceed their respective scope of functions or powers.

CHAPTER 14 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT STAFF OF THE COMPANY

Article 123 A person shall be disqualified from being a director, general manager or other senior management staff of the Company in any one of the following circumstances:

- (1) a person who suffers from any incapacity or restricted capacity from undertaking civil liabilities;
- (2) a person who has been convicted of and sentenced for offences relating to corruption, bribery, trespass to assets, misappropriation of assets or causing social and economic disorder or who has been

deprived of his political rights as a result of him having committed an offence and, in each case, a period of 5 years has not elapsed since the completion of the term of the sentence or deprivation;

- (3) a person who was a director or factory manager or manager of a company or enterprise which had become insolvent and liquidated because of unsound management and who incurred personal liability for the insolvency of that company or enterprise, and a period of 3 years has not elapsed since the date of completion of insolvent liquidation of that company or enterprise;
- (4) a person who was a legal representative of a company or enterprise, the business licence of which was revoked on the grounds of contravention of law, and who incurred personal liability therefor, and a period of 3 years has not elapsed since the date of revocation of the business licence of that company or enterprise;
- (5) a person who has failed to repay his relatively large amount of debts when due;
- (6) a person who, because of suspected contravention of criminal law, is under investigation by judicial authorities and the case has not yet been settled;
- (7) a person who is not eligible for enterprise leadership under PRC law or administrative regulations;
- (8) a person who is not a natural person;
- (9) a person who has been prohibited from entering into the securities market by the CSRC, and such prohibition has not been expired; or
- (10) officer who holds administrative positions (other than directors in the Company's controlling shareholder) shall not be senior management staff of the Company.

The Company's senior management staff shall receive remuneration only from the Company, and shall not receive any salary from controlling shareholder.

Article 124 The validity of an act of a director, general manager or other senior management staff on behalf of the Company vis-a-vis a bona fide third party shall not be affected by any irregularity in his appointment, election or any defect in his qualification.

Article 125 In addition to obligations imposed by law, administrative regulations or by the rules of the stock exchange(s) on which shares of the Company are

listed, each director, general manager and other senior management staff when exercising the functions and powers conferred upon him by the Company owes to each of the shareholders the following obligations:

- (1) not to cause the Company to exceed the scope of operations stipulated in its business licence;
- (2) to act honestly in the best interests of the Company;
- (3) not to take in any manner the Company's property in any way, including (without limitation) opportunities beneficial to the Company; and
- (4) not to expropriate the personal rights or interests of shareholders, including (without limitation) rights to distribution and voting rights, unless pursuant to a proposed restructuring of the Company submitted to and approved by the general meeting in accordance with these Articles.

Article 126 Each director, general manager and other senior management staff is under the duty, in the exercise of his powers and the discharge of his obligations, to exercise such care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 127 Each director, general manager and other senior management staff is under the duty, in the performance of his official functions, to observe his fiduciary duties and not to place himself in a position where his own interests may be in conflict with any obligations assumed by him. This principle includes (but is not limited to) the discharge of the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of his functions and powers and not to act beyond such scope;
- (3) to exercise personally the discretion vested in him and not to allow himself to act under the direction of another person and, unless and to the extent permitted by law or administrative regulations or with the informed consent of shareholders given in general meeting, not to delegate the exercise of his discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) except otherwise provided for in these Articles or with the informed consent of shareholders given in general meeting, not to enter into

any contract, transaction or arrangement with the Company;

- (6) without the informed consent of shareholders given in general meeting, not to use in any manner the Company's property for his own benefit;
- (7) not to exploit his official functions and powers to accept bribes or other unlawful income, and not to expropriate in any manner the Company's property including (without limitation) opportunities beneficial to the Company;
- (8) without the informed consent of shareholders given in general meeting, not to accept commissions in connection with the Company's transactions;
- (9) to comply with these Articles, to perform honestly his duties and safeguard the best interests of the Company and its shareholders as a whole and not to exploit his position and official functions and powers to advance his own private interests; the senior management staff of the Company shall be liable for compensation pursuant to laws for losses caused to the Company and public shareholders due to his failure to perform his duties faithfully or breach of his fiduciary duties;
- (10) without the informed consent of shareholders in general meeting, not to compete with the Company in any manner;
- (11) not to misappropriate the Company's funds or to advance such funds to any other person, not to open in his own name or in another person's name any bank account for the purpose of depositing any of the Company's assets, and not to use the Company's assets to provide any security for any debt of any shareholder of the Company or any other individual(s);
- (12) without the informed consent of the shareholders in general meeting, not to disclose any confidential information related to the Company acquired by him during the term of his office; not to use such information other than for the purpose of furthering the interests of the Company; provided that he may disclose such information to a court or other governmental regulatory authorities in the following circumstances, that is to say, if:
 - (i) required by law;
 - (ii) required in the interests of the public;
 - (iii) required in the interests of such director, general manager or

other senior management staff of the Company.

- Article 128 A director, general manager or other senior management staff of the Company shall not cause the following persons or organisations (the “connected persons”) to undertake any activity which the director, general manager or other senior management staff is prohibited from undertaking:
- (1) the spouse or minor child of that director, general manager or other senior management staff of the company;
 - (2) a person acting in the capacity of trustee of that director, general manager or other senior management staff of the company or any person referred to in paragraph (1) above;
 - (3) a person acting in the capacity of partner of that director, general manager or other senior management staff of the company or any person referred to in paragraphs (1) or (2) above;
 - (4) a company over which that director, general manager or other senior management staff of the company, alone has de facto control or a company over which any persons referred to in paragraphs (1), (2) or (3) above or other directors, general managers or other senior management staff of the Company, together with that director, general manager or other senior management staff have de facto control; or
 - (5) a director, general manager or other senior management staff of a company being controlled as referred to in paragraph (4) above.
- Article 129 The fiduciary duties of a director, general manager or other senior management staff do not necessarily cease upon the termination of his tenure of office. The duty of confidence in relation to trade secrets of the Company survives the termination of his term of office. Other duties may continue for such period as fairness may require depending on the time elapsed between the termination of his term of office and the occurrence of the relevant event and the circumstances and terms under which his relationship with the Company was terminated.
- Article 130 Except in the circumstances set out in Article 58B of these Articles, a director, general manager and other senior management member of the Company may be relieved of his liability for specific breaches from duties by the informed consent of shareholders in general meeting.
- Article 131 If a director, general manager or other senior management staff of the Company has, directly or indirectly, a material interest in a contract, transaction or arrangement entered into or proposed to be entered into with the Company (other than a contract of service between the Company and the

director, general manager or other senior management staff), he shall declare the nature and extent of his interest to the board of directors as soon as possible, whether or not the relevant matter is normally subject to the approval of the board of directors.

Unless the interested director, general manager or other senior management staff has disclosed his interests to the board of directors in accordance with the foregoing paragraph of this Article and that matter has been approved by the board of directors at a meeting in which he has not been counted in the quorum and has refrained from voting, the Company may rescind that contract, transaction or arrangement except as against a bona fide party thereto acting without notice of the breach of duty by that director, general manager or other senior management staff.

If a connected person of a director, general manager or other senior management staff of the Company is interested in a contract, transaction or arrangement, that director, general manager or other senior management staff shall also be deemed interested therein.

“Connected persons” referred in this Article, Article 128, Article 134 and Article 136 shall include the “associates” within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; interested directors shall not be counted in the quorum, nor exercise the voting right at the board meeting for considering and approving the relevant issues or proposals.

Article 132 If a director, general manager or other senior management staff of the Company, before the entering into of the relevant contract, transaction or arrangement is first considered, gives to the board of directors a notice in writing, stating that by reason of the matters specified in the notice, he is interested in the contract, transaction or arrangement proposed to be entered into with the Company, then the relevant director, general manager or senior management staff shall be deemed to have made a disclosure under Article 139 to the extent of the matters set out in that notice.

Article 133 The Company shall not in any manner pay taxes for or on behalf of a director, general manager or other senior management staff of the Company.

Article 134 The Company shall not directly or indirectly make a loan or provide a guarantee for a loan to its director, general manager or other senior management staff or a director, general manager or other senior management staff of its holding company; and the Company shall not make a loan to or provide any guarantee for a loan made to a connected person of the aforesaid persons.

The foregoing provisions shall not apply to the following circumstances:

- (i) the provision of a loan or a guarantee for a loan by the Company to its subsidiary;
- (ii) the provision by the Company to its director, general manager or other senior management staff under a contract of service approved by the shareholders in general meeting of a loan or a guarantee for a loan or other funds to meet expenditure incurred by him for the purposes of the Company or for the purposes of enabling him to perform his official duties;
- (iii) where the ordinary course of business of the Company includes the lending of money or the giving of guarantees, the Company may make a loan to or provide a guarantee for a loan to the relevant director, general manager or other senior management staff or the connected persons of the same provided that the terms of the loan or guarantee for a loan are normal commercial terms.

Article 135 A loan made by the Company in breach of the preceding Article shall be repayable forthwith by the recipient of the loan regardless of the terms of the loan.

Article 136 A guarantee provided by the Company in breach of the first paragraph of Article 134 shall not be enforceable against the Company, except in the following circumstances:

- (i) the lender was not aware of the circumstances at the time the loan was advanced to a connected person of a director, general manager or other senior management staff of the Company or its holding company;
- (ii) the security provided by the Company has been lawfully sold by the lender to a bona fide purchaser.

Article 137 For the purposes of the foregoing Articles of this Chapter, a “guarantee” includes the undertaking of obligations and the provision of security over property by the guarantor to secure the obligor’s performance of obligations.

Article 138 Apart from any rights and remedies provided by law and administrative regulations, where a director, general manager or other senior management staff of the Company is in breach of his obligations to the Company, the Company has a right to take the following measures:

- (1) to claim damages from that director, general manager or other senior management staff in compensation for losses sustained by the Company as a result of such breach;

- (2) to rescind any contract or transaction entered into by the Company with that director, general manager or other senior management staff or by the Company with a third party (where such third party knew or should have known that such director, general manager or other senior management staff representing the Company was in breach of his obligations towards the Company);
- (3) to require that director, general manager or other senior management staff to account for the benefits obtained as a result of his breach of obligations;
- (4) to recover any moneys received by that director, general manager or other senior management staff which should have been received by the Company, including (without limitation) commissions; and
- (5) to demand payment from that director, general manager or other senior management staff of the interest earned or which may have been earned on moneys that should have been paid to the Company.

Article 139

The Company shall, with the prior approval of the shareholders in general meeting, enter into a contract in writing with each director of the Company in respect of his remuneration. The aforesaid remuneration shall include:

- (1) remuneration in respect of his service as director or senior management staff of the Company;
- (2) remuneration in respect of his service as director or senior management staff of any subsidiary of the Company;
- (3) remuneration in respect of other services provided in connection with the management of the affairs of the Company and its subsidiaries;
- (4) moneys payable as compensation for loss of office or as consideration for retirement from office of that director.

Except pursuant to a contract entered into in accordance with the foregoing provisions, a director shall not institute proceedings against the Company for any benefit due to him in respect of the matters specified above.

Article 140

The contract entered into between the Company and its director shall stipulate that when the Company is being taken over, that director is entitled, subject to the informed consent of the shareholders in general meeting being obtained, to receive compensation or other payment by reason of his loss of office or retirement. The foregoing reference to a takeover of the Company is to any of the following circumstances:

- (i) a general offer made by any person to all shareholders of the Company; or
- (ii) a general offer made by any person, the purpose of which is for the offeror to become the controlling shareholder within the meaning of Article 58C.

If the relevant director does not comply with the provisions stipulated in this Article, then any moneys received by him shall belong to those persons who have sold their shares through an acceptance of that offer, and the expenses incurred in making a pro rata distribution of such moneys shall be borne by that director and shall not be deducted from those moneys.

CHAPTER 15 FINANCIAL AND ACCOUNTING SYSTEM

- Article 141 The Company shall formulate its financial and accounting systems in accordance with relevant requirements of law, administrative regulations and PRC accounting principles formulated by the financial regulatory authority of the State Council.
- Article 142 The Company shall prepare a financial report at the end of every financial year and shall cause it to be audited in accordance with law.
- Article 143 The Gregorian calendar year shall be adopted as the financial year of the Company; the financial year of the Company shall accordingly, commence from 1 January and end on 31 December of each year.
- Article 144 The Company maintain its accounts in the Renminbi currency. All accounts shall be written in Chinese.
- Article 145 The board of directors shall place before the shareholders at every annual general meeting a financial report prepared by the Company as required by relevant law, administrative regulations or normative documents promulgated by the regional government and regulatory authorities.
- Article 146 The financial report of the Company shall be made available at the Company 20 days prior to the holding of the annual general meeting for inspection by shareholders. Every shareholder of the Company shall have the right to obtain the financial report referred to in this Article.

Subject to compliance with the applicable laws, regulations and listing rules, the aforesaid financial report and the report of the board of directors together with a balance sheet and profit and loss account or income and expenditure account of the Company shall be sent, not less than 21 days before the convention of the annual general meeting, by prepaid post, by electronic

means and/or through publication on the Company's website and SEHK's website by the Company to holders of overseas listed foreign shares. If the Company sends such reports and statements by prepaid post or by electronic means, the address of the recipient shall be the address recorded in the register of shareholders or the electronic communication methods provided by shareholders to the Company respectively.

Article 147 The financial statements of the Company shall be prepared in accordance with PRC accounting standards, laws and regulations and, in addition thereto, shall also be in accordance with either the International Accounting Standards or the accounting standards of the overseas territory where the Company is listed. Where there are material differences between the financial statements prepared in accordance with the two accounting standards as aforesaid, then such differences shall be specified in the notes to those financial statements. For the purposes of distributing the profits after tax of the Company in respect of the relevant financial year, the lower amount of the profits after tax stated in the two sets of financial statements as aforesaid shall be taken to be the amount of the profits after tax.

Article 148 Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards, laws and regulations and also in accordance with either the International Accounting Standards or the accounting standards of the overseas territory where the Company is listed.

Article 149 The Company shall publish two financial reports every financial year. The interim report shall be published within two months after the end of the first six months of the financial year, and the annual report shall be published within four months after the end of the financial year.

Article 150 The Company shall not keep separate books of accounts apart from its statutory books of account.

Article 151 The Company shall file and disclose its annual report to the CSRC and the stock exchanges within four months from the end of each financial year; and shall file and disclose its interim report to the regional office of CSRC and the Shanghai Stock Exchange within two months from the end of the first half of each financial year.

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

CHAPTER 16 DISTRIBUTION OF PROFITS

Article 152 The profit after taxation of the Company shall be appropriated in the

following order:

- (1) making up losses;
- (2) allocation to statutory surplus reserve;
- (3) allocation to discretionary welfare reserve;
- (4) payment of dividends for ordinary shares.

Item (3) to (4) shall be appropriated in certain specific proportions, which shall be formulated by the board of directors subject to the operating conditions and development needs of the Company, and subject to the approval by the general meeting.

Article 153 No dividends shall be paid before the Company has made up its accrued losses and has made allocation to the statutory common reserve. No dividend, unless the same is not paid by the Company when due and payable, shall bear interest as against the Company.

Article 154 The Company shall allocate 10 per cent. of its profit after tax to the statutory common reserve, provided that no allocation is required if the accumulated statutory common reserve exceeds 50 per cent. of the registered capital of the Company.

Article 155 Where the general meeting is in breach of the provisions of this Chapter by approving the distribution of profits to shareholders before the Company has made up its losses and made appropriation to the statutory surplus reserve, the shareholders shall return to the Company the profit so distributed to them in breach of the said provisions.

Article 156 The Company shall allocate part of its profit after tax to the discretionary common reserve in accordance with resolutions passed at general meetings.

Article 157 The capital common reserve shall comprise the following sums:

- (1) the amount of share premium arising from the issue of shares at a premium;
- (2) other income required by the financial regulatory authority of the State Council to be appropriated to the capital common reserve.

Article 158 The common reserve of the Company comprises the statutory common reserve, the discretionary common reserve and the capital common reserve. It shall only be used for the following purposes:

- (1) to make up accrued losses;

- (2) to expand the business operations of the Company; and
- (3) to be converted into capital. The Company may, subject to the approval of a special resolution of the shareholders in general meeting, convert its common reserve into capital and issue bonus shares to existing shareholders in proportion to their original shareholdings. When the statutory common reserve of the Company is converted into capital, the balance of such reserve after such conversion must not be less than 25 per cent. of the registered capital of the Company.

Article 159 Any profit after taxation and after making up losses and making appropriation to the statutory surplus reserve shall be distributed by the Company to shareholders in proportion to their shareholdings, provided that distributions need not be made in proportion to shareholdings of shareholders so long as it is provided to the contrary under these Articles of Association. Cash dividends to be distributed by the Company for any financial year shall not be less than 10% of the total distributable profit of the same financial year.

The Company shall not participate in profit distribution in respect of shares held under its name.

Article 160 After passing of the resolution for profit distribution proposal at general meeting, or formulation by the board of directors of specific proposals for interim dividend distribution for the following year based on the conditions and upper limits as considered and approved at the annual general meeting, the distribution of dividend (or shares) shall be completed within two months.

Article 161 The Company may distribute dividends by way of cash or bonus shares (or by a combination of both) or in other manners as permitted by laws for distribution of profits, with preference being given to profit distribution by way of cash dividends.

Dividends or other distributions payable on ordinary shares shall be declared and valued in Renminbi.

Dividends or other cash distributions payable on domestic shares shall be paid in Renminbi.

Dividends or other cash distributions payable on overseas listed foreign shares listed in Hong Kong shall be paid in Hong Kong dollars in accordance with the relevant PRC regulations on foreign exchange and at an exchange rate which is equal to the average of the People's Bank of China's closing rate of exchange for the exchange of Hong Kong dollars into

Renminbi on each of the 5 business days immediately preceding the date of declaration of the dividend or cash distribution or at such other exchange rate as may be prescribed by or allowed under any relevant law or regulation.

Article 162A

The Company shall implement a proactive profit appropriation method, and its profit appropriation policy shall maintain continuity and stability. When distributing profit, the Company shall have regard to the importance of maintaining a reasonable return to investors as well as the sustainable development of the Company. The Company may, based on its profitability and availability of fund, increase the frequency of dividend distributions, simplify the procedures for interim dividend distribution and implement multiple dividend distributions during the year in accordance with the requirements of laws and regulations, the CSRC and the listing rules, so as to stabilise investors' expectation for dividend distribution.

The Company adopts cash dividend distribution as its main profit distribution policy. Where the Company realises profit for any financial year, the Board shall examine and discuss specifically on the matters regarding the cash dividend distribution while taking into account the timing of the Company's cash dividend distribution, the Company's actual operation conditions and development, shareholders' requirements and preferences, external financing environment and other factors, provide detailed explanations regarding the cash dividend distribution arrangement and formulate profit distribution proposal. When the Board submits a cash dividend distribution proposal to the general meeting of shareholders, it shall proactively communicate with shareholders of the Company, in particular the minority shareholders, and shall sufficiently consider the opinion of and requests by the minority shareholders and reply to their enquiries in a timely manner. The Company may provide an internet voting system for the convenience of shareholders to participate in the voting at general meetings.

If a cash dividend distribution proposal is not so made by the Company, the reason therefor shall be disclosed in its regular reports, and the independent directors of the Company shall issue an independent opinion on this matter. Should there be any misappropriation of the Company's funds by any shareholder of the Company, the Company shall deduct the amount of funds misappropriated from the cash dividends to which such shareholder is entitled so as to repay the funds misappropriated accordingly.

If the Company achieves a rapid profit growth and the Board is of the view that the price of the Company's shares does not reflect the Company's capital size, upon and in addition to the full implementation of the

abovementioned cash dividend distribution, the Company may propose and implement bonus share distribution proposal as it thinks fit.

Article 162B

The Company shall stringently implement the cash dividend distribution policy stipulated in these Articles and the specific cash dividend distribution scheme reviewed and approved at the shareholders' meeting. Should there be any necessity to adjust or amend the cash dividend distribution policy stipulated in the Company's Articles, the adjusted cash dividend distribution policy shall be in compliance with laws, administrative regulations and relevant provisions of these Articles.

Any resolution regarding the adjustment of cash dividend distribution policy shall be proposed by the Board, and the independent directors of the Company shall issue an independent opinion on this matter; the adjusted cash dividend distribution policy, after being reviewed by the Board, shall only be reviewed at the shareholders' meeting, and shall be implemented with the approval of over two thirds of the votes cast in favour by shareholders present and exercising voting rights at the general meeting.

Article 162C

In the event that the Company's audit report for the most recent year contains a qualified opinion or an unqualified opinion with paragraph(s) related to material uncertainty regarding going concern, or under other circumstances stipulated by laws and regulations, profit distribution may not be implemented.

Article 163

Subject to the authorisation by the shareholders in general meeting, the board of directors may resolve to distribute interim dividends or bonuses.

Article 164

When distributing dividends to shareholders, the Company shall make such withholdings for tax on the dividend income of the shareholders as may be required by PRC tax law.

Article 165

The Company shall appoint a receiving agent for the holders of its overseas listed foreign shares who shall, on behalf of such holders, receive dividends declared and all other moneys payable by the Company in respect of their overseas listed foreign shares.

The receiving agent appointed by the Company shall comply with the requirements of the law of the place where the Company is listed or the rules of the stock exchange(s) on which the shares of the Company are listed. The receiving agent appointed by the Company for holders of overseas listed foreign shares listed in Hong Kong shall be a trust corporation registered under the Trustee Ordinance in Hong Kong.

Article 166

(1) Subject to compliance with the relevant law and regulations of the PRC, the Company may exercise powers to forfeit any unclaimed dividend, provided that such powers shall not be exercised until after the expiry of the applicable limitation period.

- (2) The Company is entitled to cease sending to a holder of overseas listed foreign shares dividend warrants by post, provided that such power shall not be exercised unless and until dividend warrants have been left uncashed on two consecutive occasions. Such power, however, may be exercised by the Company after the first occasion on which a dividend warrant is returned undelivered.

CHAPTER 17 APPOINTMENT OF FIRM OF ACCOUNTANTS

Article 167 The Company shall appoint one or more independent firms of accountants which satisfy the provisions of the Securities Law of the PRC to audit the annual financial report of the Company, to audit other financial reports of the Company, and to provide services including net assets verification and other relevant consulting services.

The first firm of accountants of the Company may be appointed at the inaugural meeting prior to the first annual general meeting and that firm of accountants shall hold office until the conclusion of the first annual general meeting.

If at the inaugural meeting the Company fails to exercise its powers stipulated in the preceding paragraph, those powers shall be exercised by the board of directors.

Article 168 The term of appointment of a firm of accountants appointed by the Company shall commence from the conclusion of the annual general meeting for the year and expire at the conclusion of the next annual general meeting.

Article 169 The firm of accountants appointed by the Company shall have the following rights:

- (1) to inspect at all times the account books, records and vouchers of the Company, and the right to require the directors, the manager and other senior management staffs of the Company to provide relevant information and explanations;
- (2) to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanations as are necessary for the firm of accountants to perform its duties;
- (3) to attend any general meeting, to receive all notices of, and other information relating to, any general meeting which a shareholder is entitled to receive, and to speak at any general meeting on any matter which concerns it as the firm of accountants of the Company.

- Article 170 The appointment of a firm of accountants by the Company shall be approved by a general meeting. The board shall not appoint a firm of accountants prior to the resolution passed in a general meeting.
- Article 171 The shareholders in general meeting may by ordinary resolution remove a firm of accountants before the expiration of its term of office notwithstanding any provisions of the contract between the Company and the firm of accountants, but without prejudice to the right (if any) of the firm of accountants to claim for compensation against the Company arising from the termination of its office.
- Article 172 The remuneration and the method of determining the remuneration of the firm of accountants shall be decided by the shareholders by way of ordinary resolution in general meeting.
- Article 173 The appointment, removal, and non re-appointment of a firm of accountants by the Company shall be decided by the shareholders by way of ordinary resolution in general meeting and reported to the State Council securities regulatory authority for record.

Where a resolution is proposed to be passed at a general meeting to appoint a firm of accountants not currently in office to fill a casual vacancy in the office of accountants, or to re-appoint a retiring firm of accountants which was appointed by the board of directors to fill a casual vacancy, or to remove a firm of accountants before the expiration of its term of office, the following provisions shall apply:

- (1) The proposed resolution for appointment or removal shall be sent, before the issue of the notice of general meeting, to the firm of accountants proposed to be appointed or which proposes to leave office or which has left office in the relevant financial year.

Leaving office includes a removal, resignation and retirement.

- (2) If the firm of accountants leaving office makes representations in writing and requests the Company to notify the shareholders of its representations, the Company shall implement the following measures (unless the representations are received too late):
 - (i) state in the notice given in connection with the resolution the fact that representations have been made by the firm of accountants leaving office; and
 - (ii) send to every shareholder in the manner prescribed by these Articles a copy of the representations as an enclosure to the notice of general meetings.

- (3) If the representations of the relevant firm of accountants are not despatched by the Company in accordance with paragraph (2) above, that firm of accountants may request such representations be read at the general meeting and may make further submissions.
- (4) A firm of accountants leaving office shall be entitled to attend:
 - (i) the general meeting at which its term of office would otherwise expire;
 - (ii) the general meeting at which it is proposed to fill the vacancy arising from its removal;
 - (iii) any general meeting convened as a result of its resignation.

A firm of accountants leaving office shall be entitled to receive all notices of, and other information relating to, the meetings referred to above, and to speak at any such meeting on any matter which concerns it as the former firm of accountants of the Company.

Article 174

- (1) If the Company removes or does not re-appoint a firm of accountants, it shall notify the firm of accountants 30 days in advance. The firm of accountants is entitled to make representations to the shareholders in general meeting. A firm of accountants tendering resignation shall inform the shareholders in general meeting as to whether there is any irregularity on the part of the Company.
- (2) A firm of accountants may resign from its office by a notice in writing deposited at the Company's legal address. Any such notice shall be effective on the date on which it is deposited at the legal address of the Company or on such later date as may be specified therein. Such notice shall contain either of the following statements:
 - (i) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of shareholders or creditors of the Company; or
 - (ii) a statement of any circumstances of which an account ought properly to be given.
- (3) The Company shall within 14 days after its receipt of the written notice referred to in paragraph (2) above send a copy of the notice to the competent supervisory authority. If the notice contains a statement referred to in Article 180(2), a copy of that statement shall be deposited at the Company for inspection by shareholders. Subject

to compliance with the applicable laws, regulations and listing rules, the Company shall also send a copy of such statement by prepaid post, by electronic means and/or through publication on the Company's website and SEHK's website, to holders of overseas listed foreign shares. If the Company sends such statement by prepaid post or by electronic means, the address of the recipient shall be the address recorded in the register of shareholders or the electronic communication methods provided by shareholders to the Company respectively.

- (4) Where the notice of resignation of the firm of accountants contains a statement of circumstances of which an account ought properly to be given under this Article 181(2)(ii), the firm of accountants may require the board of directors to convene an extraordinary general meeting to receive an explanation of the circumstances connected with its resignation.

CHAPTER 18 LABOUR MANAGEMENT AND STAFF AND TRADE UNION

- Article 175 The Company shall formulate its labour management, personnel management, staff wages and salaries and welfare and social insurance systems in accordance with PRC law, regulations and the relevant administrative provisions.
- Article 176 The Company shall implement an appointment system in respect of all levels of management personnel. In respect of other employees, the Company shall implement a contract system. The Company shall have autonomy in respect of the deployment of employees and the right to recruit and dismiss management personnel and employees in accordance with law, regulations and contractual terms.
- Article 177 The Company shall have the right to determine autonomously the levels of wages and income and welfare benefits for various levels of its management personnel and various classes of employees by reference to its own economic performance and parameters prescribed by relevant PRC administrative regulations.
- Article 178 The Company shall arrange for medical insurance, retirement insurance and unemployment insurance for its management personnel and employees in accordance with the relevant administrative regulations of the PRC central and local governments and shall comply with laws, regulations and relevant requirements in respect of labour insurance and labour protection for retired and unemployed staff and workers.
- Article 179 The employees of the Company may in accordance with law organise trade unions, carry out trade union activities and protect the lawful rights of

employees. The Company shall provide the necessary conditions for the activities of the trade union of the Company. The Company shall make allocations to a trade union fund and develop trade union activities in accordance with relevant PRC law.

CHAPTER 19 MERGER AND DIVISION OF THE COMPANY

Article 180 The merger or division of the Company shall require the preparation of a proposal. Any such proposal shall be prepared by the board of directors and shall be approved in accordance with the provisions of these Articles, after which the relevant approval procedures shall be carried out in accordance with law. Shareholders who object to the merger or division of the Company are entitled to require the Company or the shareholders who agree to the merger or division proposal of the Company to purchase their shares at a fair price. The text of a resolution for the merger or division of the Company shall be set out in a special circular which shall be made available for inspection by the shareholders.

Copies of the document referred to above shall be sent by post or other means which comply with the applicable laws, regulations and listing rules to holders of overseas listed foreign shares listed in Hong Kong.

Article 181 A merger of the Company may be effected through either merger by absorption or merger by new establishment.

In the event of a merger of the Company, all parties to the merger shall enter into a merger agreement, and a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days and shall make a public announcement of the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days after the date of the passing of a merger resolution. Creditors may require the Company to repay debts in full or to provide corresponding guarantee within 30 days from the date of receiving the notice or, in the case of not receiving the notice, within 45 days from the date of the announcement.

After the merger of the Company, the rights and liabilities of the merging parties shall be assumed by the company continuing to exist after the merger or the new company established therefor.

Article 182 In the event of a division of the Company, its assets shall be segregated in an appropriate manner.

In the event of a division of the Company, all parties to the division shall enter into a division agreement, and a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days and shall make a public announcement of the division in newspapers or on the National Enterprise Credit Information Publicity System within 30

days of the passing of a division resolution.

The liabilities of the Company prior to its division shall be assumed by the companies after the division in accordance with the agreement reached.

Article 183 Changes to registered particulars arising from a merger or division of the Company shall be registered with the companies registration authority in accordance with law. If the Company is dissolved, a cancellation of its registration shall be effected in accordance with law. If a new company is established, registration of such establishment shall be effected in accordance with law.

CHAPTER 20 DISSOLUTION AND LIQUIDATION

Article 184 The Company shall be dissolved and liquidated in accordance with law upon the occurrence of any of the following events:

- (1) a general meeting has resolved to dissolve the Company;
- (2) dissolution has become necessary by reason of a merger or division of the Company;
- (3) the Company is declared insolvent in accordance with law because of an inability to pay its debts as they fall due;
- (4) the Company has been ordered to be closed down by reason of its contravention of law or administrative regulations;
- (5) where the Company has severe difficulties in its operations and management, its continued existence will result in substantial losses to the interests of shareholders, and such situation cannot be resolved through other means, shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the People's Court to dissolve the Company.

Article 185 If the Company is dissolved on the ground set out in paragraph (1), (3), (4) or (5) of the preceding Article, it shall establish a liquidation committee within 15 days thereof for commencement of the liquidation process. The members of the liquidation committee shall be determined by the directors or the general meeting. Where a liquidation committee is not established within the time limit, the creditors may apply to the People's Court designating relevant personnel to establish a liquidation committee for carrying out the liquidation.

Article 186 If the board of directors resolves to dissolve and liquidate the Company (otherwise than a liquidation of the Company as a result of a declaration of

insolvency), the board of directors shall, in the notice convening the general meeting for this purpose, include a statement to the effect that, after having made a full inquiry into the affairs of the Company, it is of the opinion that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation.

Upon the passing of a resolution by the shareholders in general meeting to commence liquidation, the functions and powers of the board of directors of the Company shall cease forthwith.

The liquidation committee shall comply with the instructions of the general meeting, report to the general meeting at least once a year on the income and expenditure of the liquidation committee, the business of the Company and the progress of liquidation and, on completion of liquidation, submit a final report to the general meeting.

Article 187 The liquidation committee of the Company shall notify all creditors within 10 days following its establishment and shall make a public announcement regarding the same in newspapers or on the National Enterprise Credit Information Publicity System within a period of 60 days thereof. The liquidation committee shall be responsible for the registration of claims of creditors. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receiving the notice or, in the case of not receiving the notice, within 45 days from the date of the announcement.

Article 188 The liquidation committee shall exercise the following functions and powers during liquidation:

- (1) to examine the assets of the Company and prepare separately a balance sheet and an inventory of the Company's assets;
- (2) to inform creditors by notice or public announcement;
- (3) to dispose of and liquidate the relevant outstanding business of the Company;
- (4) to settle outstanding tax payment;
- (5) to settle claims and debts of the Company;
- (6) to dispose of the surplus assets of the Company as remain after the repayment of debts;
- (7) to represent the Company in civil litigation proceedings.

Article 189 After the liquidation committee has examined the assets of the Company and prepared a balance sheet and an inventory of assets, it shall formulate a

liquidation proposal and submit it to the general meeting or the relevant supervisory authority for confirmation.

Article 190 The costs of liquidation, including the remuneration payable to the members and advisers of the liquidation committee, shall be paid in priority out of the assets of the Company before payment of the claims of other creditors.

Article 191 Immediately following the passing of a resolution for the dissolution of the Company by the general meeting or a declaration of insolvency of the Company in accordance with law or an order for the closing down of the Company, no one shall deal with of the assets of the Company without the permission of the liquidation committee. The Company shall not commence any new business activity during liquidation.

After the Company has paid in priority the costs of liquidation, the liquidation committee shall make payment out of the assets of the Company in the following order of priority:

- (1) to pay accrued wages of and labour insurance premiums for the employees of the Company;
- (2) to pay outstanding taxes;
- (3) to repay the debts of the Company.

Any surplus assets remaining after the repayment of debts by the Company shall be distributed by the liquidation committee to holders of ordinary shares in proportion to the number of shares held by them.

Article 192 Members of a liquidation committee shall act honestly in the discharge of their duties and shall perform their liquidation obligations according to law and in a fiduciary manner.

Members of a liquidation committee shall not make use of their functions or powers to accept bribes or other illegal income and shall not expropriate the property of the Company. If a member of a liquidation committee wilfully or through gross misconduct causes loss to the Company or its creditors, he shall be liable to make compensation.

Article 193 If the Company is being liquidated as a result of a resolution for dissolution having been passed and the liquidation committee, after having examined the assets of the Company and prepared a balance sheet and an inventory of the Company's assets, discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the People's Court for a declaration of insolvency of the Company.

Following a ruling by the People's Court that the Company is insolvent, the

liquidation committee shall transfer to the People's Court all matters relating to the liquidation.

Article 194 After the completion of liquidation of the Company, a liquidation report and the income and expenditure statement and the financial account books in respect of the period of liquidation shall be prepared by the account liquidation committee and, after their having been verified by an accountant registered in the PRC, shall be submitted to the general meeting or the relevant supervisory authority for confirmation.

The liquidation committee shall, within 30 days after obtaining confirmation from the general meeting or the relevant supervisory authority, submit the foregoing documents to the companies registration authority and apply for a cancellation of the registration of the Company, and shall make a public announcement of the termination of the Company.

CHAPTER 21 AMENDMENTS TO ARTICLES

Article 195 The Company shall amend these Articles in accordance with laws, administrative regulations, listing rules and the provisions of these Articles, including but not limited to the following circumstances:

- (1) after amendments having been made to the Company Law, the relevant laws, administrative regulations or listing rules, the matters stipulated in these Articles are in conflict with the provisions of the amended laws, administrative regulations or listing rules;
- (2) changes having existed in the Company's situations which are inconsistent with the matters stipulated in these Articles;
- (3) the general meetings having resolved to amend these Articles.

Article 196 Where the amended provisions of these Articles as resolved at general meeting shall be subject to consideration and approval of competent authorities, such amendments shall be submitted for approval by relevant competent authorities; where the amended provisions involve registered particulars of the Company, the Company shall effect the registration of changes in accordance with laws.

The board of directors shall amend these Articles according to the resolutions passed at general meeting and the approval opinions of the relevant competent authorities.

Amendments to these Articles which constitute required disclosure by the laws, regulations and listing rules shall be announced as required.

CHAPTER 22 NOTICES

Article 197

- (1) Save as otherwise provided in these Articles, and subject to compliance with the applicable laws, regulations and listing rules, announcements, notices, information, written statements or other corporate communications to be given by the Company to holders of overseas listed foreign shares listed in Hong Kong shall be made by personal delivery, by electronic means, through publication on the Company's website and SEHK's website, and/ or by prepaid post.
- (2) Regarding the despatch of the announcements, notices, information, written statements or other corporate communications referred to in paragraph (1) of this Article, if they are sent by personal delivery or by prepaid post, the address of the recipient shall be the address recorded in the register of shareholders; shareholders who have not provided registered address to the Company shall be deemed to have received such announcement, notice, information, written statement or other corporate communications if such document shall have been displayed at the legal address of the Company and remained there for 24 hours; if those documents are sent to shareholders by electronic means, they shall be sent through the electronic communication methods provided by the shareholders to the Company.
- (3) Notices to be given by the Company to holders of domestic shares shall be published in one or more newspapers specified by the PRC securities regulatory authority. Once published, all holders of domestic shares shall be deemed to have received such notice.
- (4) In these Articles, "public announcement" shall mean, unless the context otherwise requires, an announcement published in newspapers in the PRC and in the place of the stock exchange(s) where the Company is listed overseas, on website(s) of stock exchange(s) in compliance with the applicable laws, regulations and listing rules or in media which comply with the requirements stipulated by the CSRC, and such newspapers shall have been prescribed or recommended under the law, regulations, rules or by the relevant securities administration authority of such place.

Article 198

Regarding the despatch of the announcements, notices, information, written statements or other corporate communications referred to in the paragraph (1) of Article 197 of these Articles, where the relevant document is sent by personal delivery, shareholders shall be deemed to have received such document at the time when such document is delivered at the address recorded in the register of shareholders. Where such document is sent by post, such document shall be contained in an envelope which properly states the address recorded in the register of shareholders, postage prepaid and put into post, unless expressly stipulated otherwise under the relevant provisions of these Articles, any such document shall be deemed to have been received

by shareholders 5 days after posting. Where such document is sent by electronic means, shareholders shall be deemed to have received such document on the date on which such document is sent. Where such document is published on the Company's website and SEHK's website, shareholders shall be deemed to have received the document on the date on which such document is published.

Article 199

Any notice, document, information or written statement sent by a shareholder, director to the Company may be sent by personal delivery or registered mail to the Company's legal address, or by leaving it with, or by sending it by registered mail to, the registered agent of the Company, unless expressly required otherwise under the provisions of these Articles.

In proving that a shareholder, director has sent a notice, document, information or written statement to the Company, evidence shall be produced to show that the notice, document, information or written statement was within the specified time in the ordinary manner delivered to or posted by prepaid post to the correct address.

CHAPTER 23 RESOLUTION OF DISPUTES

Article 200

The Company and its shareholders, directors, general manager and other senior management staff shall comply with the following rules of dispute resolution:

- (1) Whenever any dispute or claim arises from any rights or obligations provided in these Articles, the Company Law or other relevant laws or administrative regulations and such dispute or claim concerns the affairs of the Company and is between a holder of overseas listed foreign shares and the Company, between a holder of overseas listed foreign shares and the directors, general manager or other senior management staff of the Company, or between a holder of overseas listed foreign shares and a holder of domestic shares, the parties concerned shall refer that dispute or claim to arbitration.

When referring such dispute or claim to arbitration, the entire claim or dispute shall be referred to arbitration; all persons who, being the Company or the shareholders, directors, general manager or other senior management staff of the Company and who have a cause of action based on the same facts giving rise to that dispute or claim or whose participation is necessary for the resolution of that dispute or claim shall obide by arbitration.

Disputes relating to whether or not a person is a shareholder and disputes relating to the register of shareholders need not be resolved by arbitration.

- (2) An applicant for arbitration may refer the matter to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules or, alternatively, to the Hong Kong International Arbitration Centre for arbitration in accordance with its securities arbitration rules. Once the applicant refers a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the applicant.

If the party applying for arbitration elects for arbitration by the Hong Kong International Arbitration Centre, then either party shall be entitled to request, in accordance with the requirements of the securities arbitration rules of the Hong Kong International Arbitration Centre, that the arbitration be conducted in Shenzhen.

- (3) If arbitration is sought to resolve a dispute or claim referred to in paragraph (1) of this Article, PRC laws shall be applicable, save as otherwise prescribed by laws or administrative regulations.
- (4) An award made by the arbitral body shall be final and conclusive and shall be binding on all parties.

CHAPTER 24 INTERPRETATION

Article 201 These Articles shall be in Chinese and English versions and in the event of conflict, the Chinese version shall prevail. If there is any conflict or inconsistency between these Articles on the one part and the laws, regulations and/or listing rules on the other part, the laws, regulations and/or listing rules shall prevail.

Article 202 In these Articles, the following words and expressions bear the following meanings unless the context otherwise requires:

“Articles”	the articles of association of the Company;
“board of directors”	the board of directors of the Company;
“chairman”	the chairman of the Company;
“director”	a director of the Company;
“legal adress”	the legal address set forth in Article 3 of these Articles;
“general manager”	the general manager of the Company;
“other senior management”	the deputy general manager, assistants to general manager, personnel in charge of

	financial affairs, secretary to the board of directors, etc. of the Company
“Rmb” or “Renminbi”	the lawful currency of the PRC;
“company secretary”	company secretary to the board of directors;
“Exchange” or “SEHK”	The Stock Exchange of Hong Kong Limited;
“listing rules”	listing rules promulgated or applied by the stock exchange where the Company’s shares are listed;
“State” or “PRC”	the Peoples’ Republic of China;
“stock exchange(s)”	the stock exchange(s) on which the Company’s shares are listed;
“business day”	banks in Hong Kong and the PRC are generally open for business and the day on which the SEHK is open for the business of dealing in securities; and
“extraordinary general meeting”	includes shareholder meetings other than annual general meetings.
“clearing house”	means Hong Kong Securities Clearing Company Limited or a clearing house recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction.

Article 203 References to a firm of accountants in these Articles shall have the same meaning as “auditors”.