



**Articles of Association of Guangzhou
Automobile Group Co., Ltd.**

2025

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GUANGZHOU AUTOMOBILE GROUP CO., LTD. ARTICLES OF ASSOCIATION

CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of Guangzhou Automobile Group Co., Ltd. (the “Company”), its shareholders, employees and creditors, and to regulate the organization and activities of the Company, the Company formulated the Articles of Association in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Guidelines on Articles of Association of Listed Companies (the “Guidelines”), the Listing Rules of the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Constitution of the Communist Party of China (“Party Constitution”) and other relevant requirements under the laws, administrative rules and regulations.

Article 2 The Company, with the approval of General Office of Guangzhou Municipal People’s Government under Sui Fu Ban Han [2005] number 103 and Guangzhou Economic and Trade Commission under Sui Jing Mao [2005] number 233, was converted into a joint stock limited company from the original Guangzhou Automobile Co., Ltd., (廣州汽車集團有限責任公司) (“GAC Limited”) on 28 June 2005 and assumed all the rights and obligations of GAC Limited. The Company registered its changes with Administration for Industry and Commerce of Guangzhou on 28 June 2005. Its unified social credit code is 91440101633203772F.

The promoters of the Company are Guangzhou Automobile Industry Group Co., Ltd. (廣州汽車工業集團有限公司), Wanxiang Group Corporation (萬向集團公司), China National Machinery Industry Corporation Limited (中國機械工業集團有限公司) (previously known as China Machinery (Group) Company (中國機械裝備(集團)公司)), Guangzhou Iron & Steel Enterprises Group Co., Ltd. (廣州鋼鐵企業集團有限公司) and Guangzhou Chime-Long Hotel Co. Ltd. (廣州市長隆酒店有限公司).

Article 3 Registered name of the Company:

in Chinese 廣州汽車集團股份有限公司

in short form: 廣汽集團

in English: GUANGZHOU AUTOMOBILE GROUP CO., LTD.

in short form: GAC GROUP

Article 4 Address of the Company: 23/F, Chengyue Building, 448–458 Dong Feng Zhong Road, Yuexiu District, Guangzhou

Postal code: 510030

Telephone: (86) 020 83151139

Fax: (86) 020 83150335

Article 5 The Company’s legal representative is the Chairman of the Board of the Company. Where the

Chairman resigns, he/she shall be deemed to have resigned from the position of the legal representative at the same time.

Where the legal representative resigns, the Company shall appoint a new legal representative within thirty (30) days after the date of his/her resignation.

Article 6 The Company is a joint stock limited company in perpetual existence.

Article 7 Pursuant to the requirements under the Company Law and the Party Constitution, the Company set up organizations of the Communist Party of China to perform core political functions and established related working organizations of the Party equipped with sufficient number of Party staff to maintain sufficient funds for the work of the Party organizations.

Article 8 Upon approval by shareholders at the general meeting of the Company by way of special resolution, the Articles of Association of the Company came into effect, and the original Articles of Association ceased to have effect on the effective date of the Articles of Association.

From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and the shareholders and among the shareholders.

Article 9 The Articles of Association are binding on the Company and its shareholders, Directors, general managers and other senior management, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

In accordance with the Articles of Association, shareholders may sue other shareholders, shareholders may sue the Company, shareholders may sue the Directors, general managers and other members of senior management of the Company and the Company may sue shareholders, Directors, general managers and other members of senior management of the Company.

The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.

Article 10 Total assets of the Company are divided into shares with same par value per share. The liability of a shareholder of the Company shall be limited to the shares subscribed by that shareholder, and the Company shall be liable for its debt with all of its assets.

Article 11 The members of senior management under the Articles of Association shall refer to the general manager, deputy general manager, Secretary to the Board and the chief accountant (chief financial officer) of the Company.

CHAPTER 2 PURPOSE AND SCOPE OF OPERATION

Article 12 The purpose of the Company is to develop the Company into a large-scale international conglomerate which is led by modern and scientific development and is highly competitive in both domestic and global markets and to award shareholders with long-term stable investment return and to contribute to the national economic development with the goal of promoting the economic efficiency and realizing the rapid and persistent development while highlighting the corporate culture of "people-oriented" and "team-cooperation" as well as the team effort underlying the entrepreneurship and promoting the structural adjustment and enhancement of the industry as well as strengthening its core businesses.

Article 13 The scope of operation of the Company shall be based on the items approved by the company registration authorities.

The scope of operation of the Company includes: the engagement in investment activities with self-owned funds; research and experimental development on engineering and technologies; information technology consultancy and services; the sales of new automobiles; the distribution of used cars; the

wholesale and retailing of automobile parts and components; conference and exhibition services; the import and export of goods (save for franchised and controlled commodities); the import and export of technologies; and property management; non-residential property leasing; and enterprise headquarters management.

CHPATER 3 SHARES AND REGISTERED CAPITAL

Section 1 Issue of Shares

Article 14 The Company shall have ordinary shares at all times. It may have other kinds of shares according to needs, upon approval of the company approval authorities that are authorized by the State Council.

Article 15 All the shares issued by the Company shall have a par value which shall be RMB1.00 for each share

Article 16 Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors.

For the purposes of the preceding paragraph, the term “foreign investors” shall refer to investors from foreign countries or from Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan Region that subscribe for shares issued by the Company, and the term “domestic investors” shall refer to investors within the PRC, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

Article 17 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas listed foreign shares. Both the holders of domestic shares and foreign shares are the shareholders of ordinary shares, and have the same rights and obligations.

The foreign currency referred to in the preceding paragraph is a legal currency (other than Renminbi) of other countries or regions which is recognized by the foreign exchange administration authority of the State and can be used for subscription payment of the Company’s shares.

Article 18 Overseas listed foreign shares issued by the Company and listed in Hong Kong shall be referred to as H shares. The same type of shares issued by the Company which are listed on a stock exchange in the PRC shall be referred to as A shares.

Article 19 The A Shares of the Company are centrally deposited at the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited. The H Shares of the Company are mainly under the depositary of the custodian company of the Hong Kong Securities Clearing Company Limited.

Article 20 With the approval of company examining and approval authority authorized by the State Council, the Company may issue a total of 3,499,665,555 ordinary shares and the Company issued 3,499,665,555 domestic shares to promoters of the Company at the time it was converted from a limited liability company to a joint stock limited company. With the approval of the extraordinary shareholders’ meeting held in 2009, capital of the Company was increased by the two offerings of GAC shares for subscription by shareholders in proportion to their original shareholding for cash and 435,091,902 GAC shares were issued for subscription. With the said capital increase, the total share capital of the Company was 3,934,757,457 shares and the newly issued shares account for 11.06% of the total ordinary shares available for issue

Article 21 Subsequent to changing into a joint stock company with limited liability from Guangzhou

Automobile Co., Ltd., the Company issued 2,648,392,120 ordinary shares, including 2,213,300,218 overseas listed foreign shares, representing 43.08% of the total number of ordinary shares of the Company.

Prior to the initial public offering of H Shares of the Company, the shareholding of the promoters of the Company were as follows:

Name of Promoter	Number of shares	Percentage of the total number of shares
Guangzhou Automobile Industry Group Co., Ltd.	3,617,403,529	91.9346%
Wanxiang Group Corporation	156,996,823	3.99%
China National Machinery Industry Corporation Limited	145,227,963	3.6909%
Guangzhou Iron & Steel Enterprises Group Co., Ltd.	7,869,515	0.2%
Guangzhou Chime-Long Hotel Co. Ltd.	7,259,627	0.1845%

Subsequent to the initial public offering of H Shares, the share capital structure of the Company were as follows: 6,148,057,675 ordinary shares, of which 3,934,757,457 domestic shares were held by the promoters, representing 64% of the entire share capital of the Company; 2,213,300,218 shares were held by shareholders of overseas listed foreign shares, representing 36% of the entire share capital of the Company.

The initial public offering of 286,962,422 RMB-denominated ordinary shares to the domestic public on 23 March 2012 by the Company was approved by China Securities Regulatory Commission on 12 January 2012, and such shares were listed on the Shanghai Stock Exchange on 29 March 2012.

Subsequent to the increase in capital by issuing shares to the domestic public referred to in the preceding paragraph, the share capital structure of the Company were as follows: 6,435,020,097 ordinary shares, of which 3,934,757,457 shares are held by the promoters, 286,962,422 shares are held by holders of domestic shares and 2,213,300,218 shares are held by holders of H Shares, representing 61.15%, 4.46% and 34.39% of the total number of ordinary shares, respectively. From 2014 to now, the Company has implemented the issuance of convertible corporate bonds, share option incentive scheme, non-public issuance of shares, capital reserve capitalization and repurchase. The share capital structure as of 31 March 2025 was as follows: 10,197,065,900 ordinary shares, of which 7,383,697,595 shares were held by holders of A Shares and 2,813,368,305 shares were held by holders of H Shares, representing 72.41% and 27.59% of the total number of ordinary shares, respectively.

Article 22 Upon approval by the securities regulatory authority of the State Council of the Company's proposal for issue of overseas listed foreign shares and domestic shares, the Board of the Company may make implementation arrangements for separate issue.

The Company's proposal for separate issue of overseas-listed foreign shares and domestic shares pursuant to the preceding paragraph may be implemented within fifteen (15) months from the date of approval by securities regulatory authority of the State Council.

Article 23 Where the Company issues overseas-listed foreign shares and domestic shares respectively within the total number of shares as stated in the issuance proposal, the respective shares shall be subscribed for in full at one time. If they cannot be subscribed for in full at one time under special circumstances, these shares may be issued in several issues subject to the approval of securities regulatory authority of the State Council.

Article 24 The Company's registered capital is RMB10,197,065,900.

Article 25 Shares of the Company shall be issued in an open, fair and just manner. Shares of the same class shall rank pari passu with each other.

For the same class of shares issued in the same tranche, each share shall be issued at the same price and subject to the same conditions. For the shares subscribed by any organization or individual, the price payable for each of such shares shall be the same.

Article 26 The Company or its subsidiaries (including affiliates of the Company) shall not by way of gift, advance, guarantee or loan etc. provide financial assistance for others to acquire shares of the Company or its parent company, except when the Company implements the employee stock ownership plan.

For the interests of the Company, by resolution of the general meeting, or by resolution of the Board of Directors in accordance with the Articles of Association or the authorization of the general meeting, the Company may provide financial assistance for others to acquire shares of the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Such resolution made by the Board of Directors shall be passed by two-thirds or more of all Directors.

Section 2 Reduction and Increase of Capital and Repurchase of Shares

Article 27 The Company may, based on its requirements for operation and development and in accordance with the relevant laws and regulations and with the resolutions approved by the general meeting, approve an increase of capital in the following manners:

- (1) by offering shares to non-specific targets;
- (2) by offering shares to specific targets;
- (3) by allotting bonus shares to its existing shareholders;
- (4) by placing new shares to its existing shareholders;
- (5) by capitalizing its capital reserve;
- (6) by any other means which is permitted by the laws, administrative regulations and authorized by the competent authorities of the State.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant laws and administrative regulations of the State and the Listing Rules.

Article 28 In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.

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

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

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

Article 29 The Company may, in accordance with the procedures set out in the Articles of Association, repurchase its outstanding shares under the following circumstances:

- (1) cancellation of registered shares for the purpose of reducing its capital;
- (2) merging with another company that holds shares in the Company;

- (3) using the shares in the employee stock ownership plan or as share incentive;
- (4) acquiring shares held by shareholders who vote against any resolution proposed in any general meeting on the merger or division of the Company upon their request;
- (5) using the shares for the conversion of corporate bonds convertible into shares issued by the Company;
- (6) safeguarding corporate value and interests of shareholders as the Company deems necessary;
- (7) other circumstances as permitted by laws and administrative regulations.

Any acquisition of the shares of the Company under sub-paragraphs (1) and (2) referred to above shall be resolved at a shareholders' general meeting; any acquisition of the shares of the Company under sub paragraphs (3), (5) and (6) referred to above could be resolved by the Board's meetings where over two-thirds of the directors are present, according to the authority granted by the shareholders' general meeting.

After the purchase by the Company of its shares pursuant to the circumstances described under the first paragraph of this Article, shares purchased under sub-paragraph (1) shall be cancelled within ten (10) days from the date of acquisition; under the circumstances described in sub- paragraphs (2) and (4), the shares shall be transferred or cancelled within six (6) months.

For repurchases under sub-paragraphs (3), (5) and (6), the total shares of the Company held by the Company itself shall not exceed 10% of its total shares in issue and shall be transferred or cancelled within 3 years.

Article 30 The Company may conduct an acquisition through a public and centralized trading process or other methods as permitted by the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed.

If the Company acquires its own shares under the circumstances as described in sub-paragraphs (3), (5) and (6) of Article 29 in the Articles of Association, it shall be carried out in a public and centralised manner.

Article 31 Where the Company repurchases its shares through an off-market agreement, it shall seek prior approval of the shareholders at general meeting in accordance with the Articles of Association. The Company may release or vary a contract so entered into by the Company or waive any of its rights thereunder with prior approval by shareholders at general meeting obtained in the same manner.

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

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

Article 32 Where the Company has the power to repurchase redeemable shares, repurchases not made through the market or by tender shall be limited to a maximum price; if repurchases are made by tender, invitation for tenders shall be made to all shareholders alike.

Article 33 Shares repurchased in accordance with the laws by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the original company registration authority for registration of the change of its registered capital.

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

Article 34 Unless the Company is in the course of liquidation, it must comply with the following provisions in respect of repurchase of its outstanding shares:

(1) where the Company repurchases its shares at par value, payment shall be made out of book balance of the distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose;

(2) where the Company repurchases its shares at a premium over their par value, payment up to the par value shall be made out of the book balance of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:

1. if the shares being repurchased were issued at par value, payment shall be made out of the book

balance of the distributable profits of the Company;

2. if the shares being repurchased were issued at a premium over their par value, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased nor the current amount of the Company's capital reserve account (including the premiums on the fresh issue);

(3) payment by the Company for the following purposes shall be made out of the Company's distributable profits:

1. acquisition of rights to repurchase shares of the Company;
2. variation of any contract for repurchasing shares of the Company;
3. release of its obligation under any contract for repurchasing its shares;

(4) after the Company's registered capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value portion of the shares repurchased shall be transferred to the Company's capital reserve account.

Section 3 Share Transfer

Article 35 Upon approval from the security regulatory authorities of the State Council, the holders of domestic shares of the Company may transfer its shares to overseas investors for listing and dealing on the overseas stock exchanges. The listing of transferred shares on overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of such overseas stock exchanges. The listing and dealing of the transferred shares on overseas stock exchanges is not subject to voting by separate class shareholder meetings.

Unless otherwise provided by the laws, administrative regulations and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed, the shares of the Company may be transferred freely without any lien being attached. Transfer of overseas listed foreign shares listed in Hong Kong is required to be registered by the share registrar in Hong Kong entrusted by the Company.

Article 36 Overseas listed foreign shares listed on the Hong Kong Stock Exchange which were fully paid can be transferred freely pursuant to the Articles of Association. However, unless the transfer complies with the following conditions, the Board may refuse to process with transfer documents without stating any reasons therefor:

(1) the transfer documents and other documents relating to or affecting the title to any shares shall be registered and the fee levied pursuant to the Listing Rules is paid to the Company;

(2) the transfer documents relate only to the overseas listed foreign shares listed on the Hong Kong Stock Exchange;

(3) the stamp duty payable on the transfer documents had been paid according to legal requirements of Hong Kong;

(4) the provision of the relevant share certificate(s) and the evidences for having the right to transfer shares as reasonably required by the Board;

(5) if the share is to be transferred to joint owners, the number of the joint owners shall not exceed four (4); and

(6) the share is free from all liens.

If the Board refuses to register the transfer of shares, the Company shall deliver a notification related to the refusal of transfer of shares to the transferor and transferee within two (2) months from the date of the formal application for transferring the shares.

Article 37 All overseas listed foreign shares listed in Hong Kong shall be transferred by an instrument in writing in any usual or common form or any other form which the Board may approve. The instrument of transfer of any share may be executed by hand. If the shareholder is a recognized clearing house as defined in the Securities and Futures Ordinance of Hong Kong (“Recognized Clearing House”) or its nominee, the share transfer form may be executed in mechanically-printed form.

Article 38 The Company does not accept any shares of the Company as the subject of a pledge.

Article 39 Shares issued prior to the Company’s initial public offering are not transferable within one (1) year from the date on which the Company’s shares are listed on the domestic stock exchange.

The Directors and members of senior management of the Company shall report to the Company their shareholdings and changes therein and shall not transfer more than 25% of the total number of shares held by them in each year during their tenure as determined at the time of appointment. The shares held by them shall not be transferred within one (1) year from the date the shares of the Company being listed and traded on the stock exchange(s) and the aforesaid person(s) shall not transfer the shares of the Company held by them within six (6) months commencing from the termination of their service, except otherwise mandatorily enforced by the court.

Article 40 Any gains from sale of shares in the Company or other securities with an equity interest by any Directors, members of senior management or shareholders holding 5% or more of the shares in the Company within six (6) months after their purchase of the same, and any gains from purchase of shares in the Company by any of the aforesaid parties within six (6) months after sale of the same shall be paid to the Company. The Board shall forfeit such gains from the abovementioned parties. However, if a securities firm which holds 5% or more shares by buying the remaining shares pursuant to an underwriting arrangement, and other circumstances stipulated by the CSRC are excluded.

Shares or other securities with an equity interest held by Directors, members of senior management or natural person shareholders referred to in the preceding paragraph include the shares or other securities with an equity interest held by their spouses, parents and children and those held through the accounts of the others.

If the Board does not observe the provisions of the first paragraph, the shareholders shall be entitled to request the Board to effect the same within thirty (30) days. If the Board of the Company fails to do so within the aforesaid time limit, the shareholders may directly initiate court proceedings in their own name for the interests of the Company.

Should the Board fail to comply with the requirements set out in the first paragraph, the responsible Director(s) shall assume the relevant liabilities under the law.

CHAPTER 4 SHARE CERTIFICATES AND REGISTER OF MEMBERS

Article 41 Share certificates of the Company shall be in registered form.

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

The Company may issue overseas listed foreign shares in form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the place of listing.

Article 42 The share certificates shall be signed by the Chairman. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by the Company’s general manager or other senior management, the share certificates shall also be signed by such general manager or other senior management.

The share certificates shall take effect after being affixed with the seal of the Company or the securities

seal of the Company. The share certificates shall only be affixed with the Company's seal or the securities seal of the Company under the authorization of the Board. The seal may be affixed in printed form.

The signatures of the Chairman of the Company or other relevant senior management on the share certificates may also be in printed form.

Other requirements of the securities regulatory authorities in the place of listing of the shares of the Company shall apply in case the shares of the Company are issued and transacted in a paperless manner.

Article 43 The Company shall keep a register of shareholders which shall contain the following particulars:

- (1) the name, address (domicile), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid-up or payable in respect of shares held by each shareholder;
- (4) the serial numbers of the shares held by each shareholder;
- (5) the date on which a person is registered as a shareholder;
- (6) the date on which a person ceases to be a shareholder.

The Company shall establish the register of shareholders with the information provided by the securities registration organization. The register of shareholders shall be sufficient evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.

Article 44 The Company may, in accordance with the mutual understanding and agreements made between securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its register of holders of overseas-listed foreign shares outside the PRC and appoint overseas agent(s) to manage such register. The original register of holders of overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.

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

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

Article 45 The Company shall maintain a complete register of shareholders.

The register of shareholders shall include the following:

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

Article 46 Different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.

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

Article 47 Where the PRC laws and regulations and the Listing Rules stipulate the period of book closure for the registration of shares prior to a general meeting or the record date on which the Company decides to distribute dividends, such provisions shall prevail.

Article 48 When the Company intends to convene a general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board shall decide on a date for the determination of rights attaching to shares in the Company. Shareholders whose names appear in the

register of shareholders at the end of the record date are shareholders of the Company entitled to take part in the aforesaid activities.

Article 49 Any person who objects to the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 50 Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his share certificates (the “original certificates”) are lost, apply to the Company for a replacement share certificate in respect of such shares (the “relevant shares”).

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

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

The issue of replacement share certificates to holders of H shares shall comply with the following requirements:

(1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarization document or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as declaring that no other person shall be entitled to request to be registered as the shareholder in respect of the relevant shares.

(2) No declaration has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant shares before the Company came to a decision to issue the replacement share certificate.

(3) The Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate in such newspapers designated by the Board. The announcement shall be made at least once every thirty (30) days for a period of ninety (90) days.

(4) The Company shall have, prior to the publication of its announcement of intention to issue a replacement certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety (90) days. In case an application to issue a replacement share certificate has been made without the consent of the registered holder of the relevant shares, the Company shall send by post to such registered shareholder a copy of the announcement to be published.

(5) If, upon expiration of the 90-day period referred to in sub-paragraphs (3) and (4) of this Article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant according to his application.

(6) Where the Company issues a replacement share certificate under this Article, it shall forthwith cancel the original certificate and enter the cancellation and issue in the register of shareholders accordingly.

(7) All expenses relating to the cancellation of an original share certificate and the issue of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 51 Where the Company issues a replacement share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case that he is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 52 The Company shall not be liable for any loss suffered by any person by reason of the

cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company had acted fraudulently.

CHAPTER 5 SHAREHOLDERS AND MEETING

Section 1 Shareholders

Article 53 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class of shares he holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

When two or more persons are registered as joint holders of any shares, they shall be deemed to be joint owners of such shares and subject to constraints of the following terms:

- (1) the Company shall not register more than four (4) persons as joint holders for any shares;
- (2) the joint holders of any shares shall assume the joint liability to pay for all amounts payable for the relevant shares;
- (3) in case one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. But the Board shall have the right to demand a death certificate of such shareholder which it deems appropriate for the purpose of altering the register of shareholders;
- (4) for joint holding of any shares, only the joint holder whose name appears first in the register of shareholders is entitled to receive the certificate for the relevant shares, receive the Company's notices, and to attend and exercise all the voting rights in the general meetings of the Company. Any notice served on the above persons shall be deemed to have been served on all joint holders of the relevant shares.

Article 54 The ordinary shareholders of the Company shall be entitled to the following rights:

- (1) the right to receive dividends and other distributions in proportion to the number of shares held;
- (2) the right to request to convene, convene, preside over, attend or appoint a proxy to attend general meetings and to exercise the corresponding voting right thereat in accordance with laws and the Articles of Association;
- (3) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (4) the right to transfer, bestow or pledge the shares held by them in accordance with the laws, administrative regulations, the relevant requirements of the securities regulatory authority in the place of listing of the shares of the Company and the provisions of the Articles of Association;
- (5) the right to inspect and copy the Articles of Association, register of members, minutes of general meetings, resolutions of Board meetings, financial reports, and shareholders who meet the requirements may inspect the accounting books and accounting vouchers of the Company;
- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
- (7) with respect to shareholders who vote against any resolution on the merger or division of the Company proposed at the general meeting, the right to demand the Company to acquire the shares held by them;

(8) other rights conferred by laws, administrative regulations and the Articles of Association.

Article 55 Shareholders demanding inspection of the relevant information or copies of the materials under sub-paragraph (5) of Article 54 shall comply with the provisions of the Company Law, the Securities Law and requirements under other laws and administrative regulations and shall provide to the Company written notice and documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request.

Article 56 The Company shall protect the legal interests of shareholders and treat all shareholders equally.

Whenever their legal interests are infringed, shareholders are entitled to initiate litigation or arbitration under the laws and administrative rules of the PRC and the Articles of Association for demanding the termination of the infringement and the compensation of loss.

The Company shall not exercise any power against any person who fails to disclose any of his direct or indirect interest in the Company for the purpose of freezing or otherwise damaging the interest of such person as attached to shares.

Article 57 Where the contents of a resolution of general meeting or a Board meeting violate any laws or administrative regulations, shareholders are entitled to petition to the People's Court to declare the resolution invalid.

Where the convening procedures or voting method of a general meeting or a Board meeting violate any laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders are entitled to petition to the People's Court for revocation within sixty (60) days from passing of such resolution. However, this does not apply if there are only minor defects in the convening procedures or voting method of a general meeting or a Board meeting, which do not materially affect the resolution.

Where the Board of Directors, shareholders and other related parties dispute the validity of a resolution of a general meeting, they shall file a lawsuit with the People's Court in a timely manner. Before the People's Court revokes the resolution or makes other judgement or ruling, the related parties shall implement the resolution of the general meeting. The Company, Directors and members of senior management shall perform their duties diligently to ensure the normal operation of the Company.

Where the People's Court makes a judgement or ruling on a relevant matter, the Company shall fulfil its obligation to disclose the information in accordance with the laws, administrative regulations, the requirements of the CSRC and the stock exchange, fully explain the impact, and actively co-operate with the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they will be handled in a timely manner and the corresponding information disclosure obligations will be fulfilled.

Article 58 Resolutions of a general meeting or a Board meeting of the Company shall be invalid in any of the following circumstances:

- (1) the resolution is made without convening a general meeting or Board meeting;
- (2) the resolution is not voted on at the general meeting or Board meeting;
- (3) the number of attendees of the meeting or their voting rights does not meet the quorum or the number of voting rights as required by the Company Law and the Articles of Association;
- (4) the number of attendees voting in favor of the resolution or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law and the Articles of Association.

Article 59 In the event that a Director or a member of senior management other than a member of the

Audit Committee violates laws, administrative regulations or the Articles of Association when performing his/her duties for the Company, thus causing losses to the Company, the shareholders individually or jointly holding 1% or more of the shares of the Company for over one hundred and eighty (180) consecutive days are entitled to request in writing that the Audit Committee lodge legal actions with the People's Court. In the event that a member of the Audit Committee violates laws, administrative regulations or the Articles of Association when executing his/her duties for the Company, thus causing losses to the Company, the aforementioned shareholders may request in writing that the Board lodge legal actions with the People's Court.

In the event that the Audit Committee or the Board refuses to take legal action upon receipt of the request in writing from the shareholders as prescribed in the preceding paragraph, or does not take legal action within thirty (30) days of receiving such a request, or any emergency or failure to take immediate legal action will cause irreparable damage to the interests of the Company, the shareholders prescribed in the preceding paragraph are entitled to directly lodge legal actions with the People's Court in their own names in the interests of the Company.

In the event that some other persons infringe the legitimate rights and interests of the Company, thus causing losses to the Company, the shareholders prescribed in the first paragraph of this Article may lodge legal actions with the People's Court in accordance with the provisions of the preceding two paragraphs.

Where the Directors, Supervisors or members of the senior management of a wholly-owned subsidiary of the Company violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause losses to the Company, or if some other persons infringe upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses, the shareholders individually or jointly holding 1% or more of the Company's shares for over one hundred and eighty (180) consecutive days, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, may request the supervisory committee or board of directors of the wholly-owned subsidiary to lodge legal actions with the People's Court in writing or directly lodge legal actions with the People's Court in their own names.

Article 60 In the event that a Director or a member of the senior management violates laws, administrative regulations or the Articles of Association, thus causing damage to the interests of shareholders, the shareholders may lodge legal actions with the People's Court.

Article 61 The ordinary shareholders of the Company shall assume the following obligations:

- (1) to abide by laws, administrative regulations and the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to divest the shares unless required by the laws and regulations;
- (4) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company;
- (5) shareholders of the Company who abuse their shareholder's rights and thereby cause loss on the Company or other shareholders shall be liable for indemnity according to the law;
- (6) where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly liable for the debts owed by the Company;
- (7) other obligations imposed by laws, administrative regulations and the Articles of Association.

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

Article 62 If a shareholder pledges 5% or more of the Company's voting shares held by him/her , he/she shall report the same to the Company in writing on the day on which he/she pledges his/her shares.

Section 2 The controlling shareholder and the de facto controller

Article 63 The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfil their obligations in accordance with the laws and administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed, so as to safeguard the interests of the listed company.

Article 64 The controlling shareholder or the de facto controller of the Company shall comply with the following provisions:

(1) exercise shareholders' rights in accordance with the law and not abuse their controlling rights or take advantage of their related relationship to undermine the legitimate rights and interests of the Company or other shareholders;

(2) stringently fulfill the public declarations and undertakings they made and not alter or waive such declarations or undertakings in a unilateral manner;

(3) strictly perform the obligation of information disclosure in accordance with pertinent provisions and actively cooperate with the Company to ensure proper information disclosure, notifying the Company in a timely manner of material matters that have occurred or will likely occur;

(4) not appropriate the funds of the Company in any manner;

(5) not order by coercion, instruct or demand the Company and relevant staff to provide any guarantee in violation of laws or regulations;

(6) not take advantage of unannounced material information of the Company for their gain, or divulge unannounced material information relating to the Company in any manner, or engage in acts in violation of laws or regulations such as inside dealing, short-term dealing or market manipulation;

(7) not harm the legitimate rights and interests of the Company and other shareholders through any means, such as unfair related transaction, profit distribution, asset restructuring, and foreign investment;

(8) ensure the integrity of the Company's assets and the Company's independence in terms of staffing, finance, organisation and business, and not affect the independence of the Company in any manner;

(9) laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and other provisions of the Articles of Association.

Where the controlling shareholder or de facto controller of the Company who does not serve as a Director but actually attends to the affairs of the Company, the provisions of fiduciary duties and duties of diligence regarding the Directors shall apply.

Where any controlling shareholder or de facto controller of the Company instructs any Director or member of senior management to carry out any act damaging the interests of the Company or the shareholders, it shall be jointly and severally liable with such Director or senior management.

Article 65 Where a controlling shareholder or de facto controller pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.

Article 66 Where a controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictions on the transfer of shares set out in the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, as well as his/her undertakings in respect of the restrictions on the transfer of shares.

Section 2 General Meeting

Article 67 The general meeting of the Company shall consist of all shareholders. The general meeting is the organ of authority of the Company, and may exercise its functions and powers in accordance with law.

The general meeting may exercise the following functions and powers:

- (1) to elect and replace Directors and determine on matters relating to the remuneration of Directors;
- (2) to examine and approve reports of the Board;
- (3) to examine and approve the Company's profit distribution plans and plans for making up losses;
- (4) to resolve on increases or reductions in the Company's registered capital;
- (5) to resolve on the proposal on the issue of bonds and other marketable securities and their listing by the Company;
- (6) to resolve on matters such as merger, division, dissolution, liquidation or the change of the form of the Company;
- (7) to amend the Articles of Association;
- (8) to resolve on the appointment or dismissal of the accounting firm engaged in the audit work of the Company;
- (9) to examine and approve matters relating to guarantee under Article 68;
- (10) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
- (11) to examine and approve matters relating to changes in the use of proceeds;
- (12) to examine and approve the Company's employee stock ownership plan and share incentive schemes;
- (13) other matters required by laws, administrative regulations, departmental rules, the securities regulatory rules in the jurisdiction where the shares of the Company are listed and the provisions of the Articles of Association to be resolved by the general meeting.

The general meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Article 68 The following guarantees provided to third parties by the Company are subject to review and approval at the general meeting:

- (1) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the Company's latest audited net assets;
- (2) any guarantee provided after the total amount of guarantee to third parties provided by the Company has reached or exceeded 30% of the Company's latest audited total assets;
- (3) any guarantee provided by the Company, the amount of which within one year exceeds 30% of its latest audited total assets;
- (4) a guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;
- (5) a single guarantee the amount of which exceeds 10% of the Company's latest audited net assets;
- (6) any guarantee to be provided in favour of shareholders, de facto controllers and their related parties.

Article 69 The rules of procedures for the general meetings shall be formulated by the Company, which shall stipulate the detailed procedures for convening and holding the general meetings and voting thereat, including notice, registration, consideration and approval of proposals, voting, vote counting, announcement of voting results, formulation of resolutions of the meeting, minutes of the meeting, along with its signature and announcement, and the principle and content of the authorisation granted to the Board by the general meeting shall be unequivocal and concrete. The rules of procedures of the general meetings shall be appended to the Articles of Association, which shall be proposed by the Board and approved at the general meeting.

Article 70 Save as the Company were at peril or in some other special circumstances, without the approval of the general meeting by way of special resolution, the Company shall not enter into any contract with any party other than the Directors, general managers and other senior management pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 71 General meetings comprise annual general meetings and extraordinary general meetings. A general meeting shall in general be convened by the Board. The annual general meeting shall be held once every year within six (6) months after the end of the previous accounting year.

The Board shall hold an extraordinary general meeting within two (2) months upon the occurrence of one of the following circumstances:

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

(2) the uncovered losses are in excess of one-third of the Company's total share capital;

(3) shareholders individually and jointly holding not less than 10% of the Company's issued shares with voting rights request it;

(4) the Board considers it necessary;

(5) the Audit Committee proposes to hold such a meeting;

(6) such other circumstances as provided for by laws, administrative regulations or departmental rules or the Articles of Association.

The shareholding of the shareholders making the written request referred to in preceding subparagraph (3) shall be calculated on the date of making such written request.

Article 72 When the Company convenes an annual general meeting, written notice shall be given to all shareholders twenty-one (21) days prior to the convening of the meeting. When convening an extraordinary general meeting, written notice shall be given to all shareholders fifteen (15) days prior to the convening of the meeting. The Company should inform all shareholders in the register of the matters to be considered in the meeting as well as the date, time and venue of the meeting. The venue of the general meeting shall be the Company's address or a place designated by the Board.

Article 73 When the Company convenes a general meeting, the Board, the Audit Committee and shareholders individually or jointly holding over 1% of the total issued shares of the Company with voting rights are entitled to propose new motions to the Company in writing.

Contents of motions shall fall within the terms of reference of a general meeting, cover specific topics for discussion and specific issues to be resolved, and comply with the requirements of laws, administrative regulations and the Articles of Association.

Shareholders individually or jointly holding over 1% of the shares of the Company are entitled to propose extraordinary motions to the Company and submit them in writing to the convener ten (10) days before the convening of the general meeting. The convener shall issue supplementary notice of the general meeting to announce the content of the extraordinary motion within two (2) days after receiving the proposed motions and submit the extraordinary motion for review at the general meeting, unless the extraordinary motion violates the provisions of laws, administrative regulations, or the Articles of Association, or does not fall within the terms of reference of the general meeting.

Except as stipulated above, the convener shall not alter the motions listed in the notice of general meeting or add new motions after the notice of general meeting has been published.

Article 74 The Company shall arrange for the venue for a physical meeting to be held. The Company shall also provide internet voting for the convenience of shareholders attending the meetings. Shareholders attending a general meeting through the above means shall be deemed attending.

The proposals that have not been set out in the notice of the general meeting or the supplementary notice or that are not in line with the preceding Article, shall not be voted or resolved on at the shareholders' meeting.

Article 75 The notice of the general meeting shall include the following particulars:

- (1) the date, place and duration of the meeting;
- (2) the matters and proposals submitted for consideration at the meeting;
- (3) a clear written statement that all shareholders are entitled to attend the general meeting and may appoint a proxy in writing to attend and vote at such meeting on their behalf and that such proxy need not be a shareholder of the Company;
- (4) the record date for registration of shareholders entitled to attend the general meeting;
- (5) the name and phone number of the regular contact person for the affairs of the meeting;
- (6) the time and procedure for voting online or through other means.

The notice of general meeting and any supplemental notice shall thoroughly and completely disclose all the specific contents of all proposals.

The commencement time of voting online or through other means shall not be earlier than 3:00 p.m. of the day before the on-site meeting and shall not be later than 9:30 a.m. on the day of the on-site meeting. The closing time of voting online or through other means shall not be earlier than 3:00 p.m. on the day of the meeting.

The interval between the record date and the meeting date shall be no more than seven (7) business days. Once the record date is confirmed, it shall not be changed.

Article 76 Where the elections of Directors are to be discussed at the general meeting, a notice of the general meeting shall fully disclose the particulars of the candidates for Directors and shall at least include the following contents:

- (1) personal particulars such as educational background, working experience and part-time jobs;
- (2) whether or not the candidate has any related relationship with the Company or its controlling shareholders and de facto controllers;
- (3) the number of shares of the Company held;
- (4) whether or not the candidate has been subject to penalties by the CSRC and other relevant authorities as well as sanctions by any stock exchange.

Unless the cumulative voting system is adopted to elect Directors, the election of each candidate for Directors shall be proposed as a separate proposal.

Article 77 The notice of the general meeting shall be served on all shareholders (whether or not such shareholder is entitled to vote at the general meeting) by personal delivery or by pre-paid mail. The address of the recipient shall be the registered address as shown in the register of members. For holders of domestic shares, the notice of shareholders' general meeting shall be published by way of an announcement.

The announcement as mentioned above shall be published in one or more newspapers designated by the securities authority of the State Council; all holders of domestic shares shall be deemed to have received notice of the relevant general meeting upon the publication of announcement.

Without violating the laws and regulations or listing rules of the places where the shares of the Company are listed, the Company may also send or dispatch the aforesaid notices of general meeting to the holders of overseas listed foreign shares through the Company's website or electronic means, instead of sending or dispatching the same in the manner prescribed in the preceding two paragraphs of this article and Article 72 of the Articles of Association. The Company shall issue a notice, so that holders of overseas listed foreign shares whose registered addresses are in Hong Kong may have sufficient time to exercise their rights or to take actions in accordance with the terms of the notice.

After the notice of the shareholders' general meeting is dispatched, the Board shall not change the time of the general meeting, unless due to force majeure or other accidental events, etc.. If the time of the general meeting is required to be changed due to force majeure, the shareholding record date shall not be altered.

Article 78 Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting

by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

Subsequent to the dispatch of a notice of the general meeting, the general meeting shall not be postponed or cancelled without proper reasons, and the proposals set out in the notice of the general meeting shall not be withdrawn. Once the meeting is postponed or cancelled, the convener shall make an announcement and give reasons therefor at least two (2) working days prior to the original date of the meeting.

Article 79 The Board of the Company and other conveners shall take necessary measures to safeguard the proper order of the general meeting. The Board shall take measures to stop and report in a timely manner to the relevant departments for investigation any acts of disturbing the general meeting, stirring up fights and causing troubles, or infringing upon shareholders' legal rights and interests.

Article 80 Any shareholder entitled to attend and vote at the general meeting shall have the right to appoint one (1) or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

- (1) the right of the shareholder to speak at the meeting;
- (2) the right to exercise voting rights on a poll.

If the said shareholder is a recognized clearing house (or its nominee) under the Securities and Futures Ordinance (Cap 571, the laws of Hong Kong), the shareholder may authorize one (1) or more suitable person to act as its representative at any general meeting or at any class meeting; however, if more than one (1) person are authorized, the power of attorney shall clearly indicate the number and types of the shares each representative is authorized to represent. The persons so authorized may represent the recognized clearing house or its nominee to exercise the rights, as if they were the individual shareholders of the Company.

Article 81 The instrument appointing a proxy must be in writing under the hand of the shareholder or his attorney duly authorized in writing; for a corporate shareholder, the proxy must be affixed with the common seal or signed by its legal representative or Director or attorney duly authorized in writing. The letter of authorization shall specify the number of the shares to be represented by the attorney. If several persons are authorized as the attorney of the shareholder, the letter of authorization shall specify the number of the shares to be represented by each attorney.

Individual shareholders attending the meeting in person shall present their personal identity cards or other valid identification documents. Proxies attending the meeting shall present their valid personal identification documents and the authorisation letters from the shareholders.

Corporate shareholders shall be represented by their legal representatives or proxies authorized by the legal representatives. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove their identities as legal representatives. Proxies authorized to attend the meeting shall present their personal identity cards, the authorization letters lawfully issued by the corporate shareholders.

Article 82 Letters authorizing proxies shall, at least twenty four (24) hours before convening the relevant meeting or at least twenty four (24) hours before the designated voting time, be delivered to the Company's address or any other places specified in the notice convening the meeting. For authorization letters signed by other representatives of the shareholders, the letters authorizing the representative to sign or other documents of authorization shall be notarized. Such notarized authorization letters or other documents of authorization shall, along with the letters authorizing proxies, be placed at the Company's address or any other places specified in the notice convening the meeting.

Should the shareholder be a legal person, it should be represented at the general meeting by its legal representative or persons authorized by its board of directors or other decision-making bodies.

A power of attorney may be submitted to the Company by electronic means. The Company may

designate an electronic address or electronic submission method to receive any documents or information related to the proxy appointment for the general meeting (including any proxy appointment instrument or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, the appointment of proxy and notice terminating the authority of a proxy). By providing such electronic address or electronic submission method, the Company shall be deemed to have consented to receive documents or information relating to the aforesaid proxy appointment by electronic means at such electronic address or electronic submission method, subject to the provisions herein and any other restrictions or conditions specified by the Company at the time of providing such electronic address or electronic submission method. If any document or information required to be sent to the Company under this provision is sent to the Company by electronic means, such document or information shall not be deemed to have been validly sent or delivered to the Company if the same is not received by the Company at its designated electronic address or via its designated electronic submission method provided in accordance with this provision (or if no electronic address or electronic submission method is so designated by the Company for the receipt of such document or information).

Article 83 The authorisation letter issued by shareholders to authorize other persons to attend the general meeting shall clearly state the followings:

- (1) the name or title of the appointer, the class and number of shares held in the Company;
- (2) the name or title of the proxy;
- (3) specific instructions from shareholders, including instructions to vote for, against or abstain from voting on each item under consideration on the agenda of the general meeting;
- (4) the signing date and the effective period of the authorisation letter;
- (5) the signature (or seal) of the shareholders who appoint the proxies. For authorisation letters from corporate shareholders, the seal of the corporate entity shall be affixed.

Article 84 Any form issued to a shareholder by the Board for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote for or against or abstain from voting separately in respect of each resolution to be voted at the meeting. Such letter of authorization shall specify that in the absence of instructions by the shareholder, his proxy may vote as he thinks fit.

Article 85 Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney under which the proxy was appointed, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the letter of authorisation shall remain valid as long as no written notice of such event has been received by the Company prior to the commencement of the relevant meeting or at an electronic address or by an electronic submission method specified in Article 82.

Article 86 A registration book for attending the general meeting shall be prepared by the Company. The registration book shall set forth the names of attendees (or the attending units), their identity card numbers, residential address, number of voting shares held or represented, and name of the appointer (or the appointing unit), etc.

Article 87 The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the number of their shares with voting rights. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their shares with voting rights held.

Article 88 The Board of Directors shall convene a general meeting within the prescribed timeframe.

With the approval of over half of all the independent Directors, independent Directors have the right to

propose the Board to convene extraordinary general meetings. The Board shall reply in written form regarding the acceptance or refusal to convene an extraordinary general meeting within ten (10) days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the Board agrees to convene extraordinary general meeting, notice convening the meeting shall be issued within five (5) days after the Board resolved to do so. If the Board does not agree to convene extraordinary general meeting, reasons shall be explained and an announcement shall be published.

Article 89 The Audit Committee has the right to request the Board to convene extraordinary general meetings in writing. The Board shall reply in writing regarding the acceptance in writing or refusal to convene the extraordinary general meeting within ten (10) days upon receiving the request in accordance with requirements of the laws, administrative regulations and the Articles of Association.

If the Board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five (5) days after the Board reached the resolution to do so. Should there be amendments to the original proposals in the notice, consent has to be obtained from the Audit Committee.

If the Board does not agree to convene the extraordinary general meeting or does not reply within ten (10) days upon receiving the request, the Board will be considered as unable or refused to fulfill the obligation to convene general meetings and the Audit Committee may convene and preside over the meeting on its own.

Article 90 Shareholders individually or jointly holding over 10% of shares of the Company shall be entitled to requests and demand the Board to convene extraordinary general meetings and shall make written request to the Board. The Board shall reply in writing regarding the acceptance or refusal to convene the extraordinary general meeting within ten (10) days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the Board agrees to convene an extraordinary general meeting, notice convening the general meeting or class meeting shall be issued within five (5) days after the Board has resolved to do so. Should there be amendments to the original requests in the notice, consent has to be obtained from the related shareholders.

If the Board does not agree to convene an extraordinary general meeting or does not reply within ten (10) days upon receiving the request, shareholders individually or jointly holding over 10% of shares have the right to request the Audit Committee to convene the extraordinary general meeting and shall submit a written request to the Audit Committee.

If the Audit Committee agrees to convene the extraordinary general meeting, notice convening the extraordinary general meeting or class meeting shall be issued within five (5) days upon receiving the request. Should there be amendments to the original requests in the notice, consent has to be obtained from the related shareholders.

If the Audit Committee does not issue notice of the general meeting within the required period, it will be considered as not going to convene and preside over the general meeting, and shareholders individually or jointly holding over 10% of the shares of the Company for ninety (90) consecutive days have the right to convene and preside over the meeting on their own.

Article 91 The Audit Committee or shareholders, if decided to convene general meetings on their own, shall inform the Board in writing and make filing with the stock exchange(s) for record.

The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting.

The convening shareholder shall submit relevant supporting materials to the stock exchange(s) upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.

Article 92 The Board and the secretary to the Board should cooperate with the Audit Committee or shareholders convening general meetings on their own. The Board shall provide the register of members as of the share registration record day.

Article 93 The Company will bear all the costs for the general meeting convened by the Audit Committee or shareholders.

Article 94 The general meeting convened by the Board shall be chaired by the Chairman. In the event the Chairman is unable to perform his duties or he does not perform his duties, a Director who has been elected by a simple majority of the Directors shall chair the meeting.

The general meeting convened by the Audit Committee by its own shall be chaired by the convener of the Audit Committee. In the event that the convener of the Audit Committee is unable to perform his/her duties or he/she does not perform his/her duties, a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall chair the meeting.

When shareholders convene the general meeting on their own, the convener or a representative elected by the convener shall chair the meeting.

In convening the general meeting, if the chairman of the meeting has violated any rules of meeting such that it is impossible for the meeting to be carried on, with the consent of shareholders representing more than half of the voting rights present at the meeting, the meeting may elect a person to chair the meeting for the meeting to continue.

Article 95 If the general meeting requires Directors or members of senior management to attend the meeting as observers, the Directors or members of senior management shall do so and shall answer the shareholders' inquiries.

Article 96 At the annual general meeting, the Board shall report to the general meeting their work in the past year. Each independent Director shall also report on their work.

Article 97 Directors and senior management shall offer clarifications and explanations to the inquiries and proposals made by shareholders at the general meeting.

Article 98 Prior to voting, the chairman of the general meeting shall announce the number of shareholders and proxies present and the total number of shares with voting rights held by them. The number of shareholders and proxies present and the total number of shares with voting rights held by them shall be such number as stated in the registration of the meeting.

Article 99 The secretary to the Board shall be responsible for taking minutes of the general meetings. The minutes shall record the following information:

- (1) the time, venue, agenda and the name of the convener of the meeting;
- (2) the name of the chairman of the general meeting, and the names of the Directors, general managers and other senior management who attend or observe in the meeting;
- (3) the number of shares carrying voting rights held respectively by holders of domestic shares (including their proxies) and holders of overseas listed foreign shares (including their proxies) attending the meeting, and the percentage of the total number of shares of the Company they represent;
- (4) the discussions in respect of each motion, highlights of the speeches and the voting results;
- (5) the inquiries and proposals raised by shareholders and the corresponding answers or explanations;
- (6) the names of the lawyer, vote taking officer and scrutineer;
- (7) other details that are required by the Articles of Association to be recorded in the minutes.

Article 100 The convener shall ensure the truthfulness, accuracy and completeness of the meeting minutes. Directors, the secretary to the Board, the convener or his/her representative and the chairman of the meeting who attend the meeting or are present shall sign on the meeting minutes. The minutes shall be kept together with the signature book of shareholders attending the meeting, the authorisation letter of proxies as well as all valid materials of voting through the internet and other methods for no less than ten (10) years.

Article 101 The convener shall ensure that the general meeting is held continuously until final resolutions are reached. In the event that the general meeting is adjourned or resolutions failed to be reached due to force majeure or other special reasons, measures shall be adopted to resume the meeting as soon as

possible or the meeting shall be concluded immediately, and an announcement shall be promptly made accordingly. The convener shall also report the same to the local authority of the securities regulatory department of the State Council of the place where the Company is domiciled.

Section 3 Resolutions of the General Meeting

Article 102 The resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions put forward in the general meeting shall be adopted by a simple majority of the voting rights held by the shareholders (including their proxies) attending the meeting.

Special resolutions put forward in the General Meeting shall be adopted by not less than two-thirds of the voting rights held by the shareholders (including their proxies) attending the meeting.

Article 103 The following resolutions shall be adopted as ordinary resolutions at a general meeting:

- (1) working reports of the Board;
- (2) profit distribution proposals and plans for making up losses formulated by the Board;
- (3) election and removal of Directors, and determination of their emoluments;
- (4) the appointment and removal of the accountants' firm and determination of its emolument;
- (5) consideration and approval of matters relating to changes in the use of proceeds;
- (6) other matters unless otherwise required to be adopted as special resolutions in accordance with the applicable laws and administrative regulations or the Articles of Association.

Article 104 The following resolutions shall be adopted as special resolutions at a general meeting:

- (1) increase or reduction of registered capital and issuance of shares of any class, warrants and other similar securities of the Company;
- (2) division, spin-off, merger, dissolution and liquidation or change in corporate form of the Company;
- (3) issuance of debentures of the Company;
- (4) amendments to the Articles of Association;
- (5) the major assets purchased and sold by the Company or the guaranteed amount within one year reaching or exceeding 30% of the latest period's audited total assets;
- (6) share incentive scheme;
- (7) other matters to be approved by special resolution pursuant to the laws, administrative regulations, relevant listing rules or the Articles of Association or approved by ordinary resolution of the general meeting as being potentially affecting the Company to a material extent and need to be approved by special resolution.

Article 105 A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.

When the shareholders' general meeting considers matters that could materially affect the interest of minority investors, the votes by minority investors shall be counted separately. The results of such separate vote counting shall be disclosed promptly.

The shares held by the Company have no voting rights, and that part of the shareholding is not counted in the total number of shares with voting rights held by shareholders attending the meeting.

If a shareholder buys voting shares of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, such shares in excess of the prescribed proportion shall not be entitled to exercise voting rights for a period of thirty-six (36) months after the purchase, and shall not be counted in the total number of voting shares represented by shareholders attending the general meeting.

The Board, independent Directors, the shareholders of the Company holding 1% or more of the voting shares or investor protection institutions established pursuant to laws, administrative regulations or the provisions of CSRC may publicly solicit voting rights of shareholders. Information including the specific

voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for shareholders' voting rights solicited is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.

Article 106 When the general meeting resolves on a connected transaction of the Company, the connected shareholders shall refrain from voting and the number of voting shares that they represent shall not be counted as part of the total number of valid voting shares. Announcement of resolutions approved at the general meeting shall fully disclose the details of the voting.

Article 107 Where any shareholder is, under the listing rules of the place of listing of foreign shares, required to abstain from voting on a particular resolution or restricted to voting only in favour of or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The same voting rights can only be exercised either through on-the-spot voting, online voting or other means of voting. Should there be repeated voting by the same voting right, the first vote cast shall be taken.

Article 108 The Company shall, while assuring legality and effectiveness of the general meeting, through different methods and channels (giving priority to modern information technology methods such as the internet voting platform) provide convenience to shareholders attending the general meeting.

Article 109 The list of candidates for Director shall be proposed to the general meeting for voting.

When voting on the election of Directors, the cumulative voting method shall be adopted if a sole shareholder and its concert parties are interested in 30% or more of the shares of the Company or when two (2) or more independent Directors are to be elected at the general meeting.

Accumulative voting system referred to in the preceding paragraph means a system whereby each share, in an election of Directors at a general meeting, carries the number of voting rights equivalent to the number of the Directors to be elected, and a shareholder may concentrate his voting rights. The Board shall make available to the shareholders the resume and general information of the candidates for Directors in an announcement.

Details of operation of cumulative voting system are as follows:

(1) Where cumulative voting system is used to elect Directors, the list of candidates of independent Directors, non-independent Directors shall be divided into different groups of resolutions for voting at the shareholders' general meeting;

(2) Shareholders attending the shareholders' general meeting shall have the same number of votes as the number of Directors to be elected under each group of resolution for each share held in respect of resolutions subject to cumulative voting system;

(3) The number of votes held by shareholders can be concentrated to vote for one candidate or several candidates. Shareholders should vote within the number of votes for each group of resolutions. The elections of independent Directors, non-independent Directors shall be carried out separately and no cumulative vote can be used across different groups of resolutions.

Article 110 Other than the accumulative voting system, the general meeting will vote on all motions one by one, and for the different motions on the same matter, voting will be proceeded according to the order of the time at which these motions are put forward. Other than special reasons such as force majeure which results in the interruption of the meeting or makes it impossible to come to resolution, the general meeting shall not put aside the motions or leave them unvoted.

Article 111 When considering a motion at the general meeting, no change shall be made thereto. Otherwise, such related change shall be treated as a new motion which shall not be processed for voting at the general meeting.at the general meeting.

Article 112 Voting at general meetings shall be taken by way of registered poll.

Article 113 Before voting on motions in the general meeting, two shareholder representatives shall be recommended to participate in vote counting and scrutiny. Should any shareholder be related to the matters to be considered, the related shareholders and their proxies shall not participate in vote counting and scrutiny.

Article 114 During the vote on a motion in the general meeting, vote counting and scrutiny shall be carried out jointly by lawyer and shareholder representatives, and the result of the vote shall be announced on the spot.

Shareholders or their proxies of listed company who vote via the internet or other means have the right to check the results of their votes in the corresponding voting system.

Article 115 An on-site general meeting shall not end earlier than the one held online or by other methods. The chairman of the meeting shall announce the voting circumstances and results of each resolution pursuant to the requirements of the Articles of Association. He shall also announce whether the resolutions have been passed according to the voting results.

Before officially announcing the voting results, all parties related to the voting present at the meeting, through internet or other voting methods, including the Company, counting officers, scrutinizers, major shareholders and the internet service provider, have a duty to keep confidential.

Article 116 Shareholders attending the general meeting shall express one of the following views during the voting of a resolution: for, against or abstain, except for the securities registration and settlement institutions which, being the nominal holders of shares subject to the interconnection mechanism of the Mainland and Hong Kong stock market transactions, make declaration according to the intentions of actual holders.

A voting ticket that is incomplete, wrongly completed, illegible, or not yet cast, will be treated as the voter giving up his voting rights, and the votes represented by such shares will be treated as “abstention”.

Article 117 In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he may have the votes counted. In the event that the chairman of the meeting does not have the votes counted, any shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

In the event that the votes are counted at the general meeting, the counting results shall be recorded in the minutes of the meeting. The minutes of the meeting together with the attendance book for shareholders’ signing and the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company.

Article 118 Where a proposal has not been adopted or the resolution of any previous general meeting is modified in the current general meeting, a special reminder shall be given in the resolutions of the general meeting.

Article 119 Where the proposals on the election of Directors have been adopted at the general meeting, the new Directors shall be appointed from the date of the general meeting on which the resolution is adopted.

Article 120 All resolutions passed by the general meeting shall comply with the relevant requirements of the laws, administrative regulations of the PRC and the Articles of Association.

Article 121 Subject to the compliance of Article 54, copies of the minutes of the meeting shall be available for inspection during business hours of the Company by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within seven (7) days after receipt of reasonable charges.

Article 122 The system of witnessing by lawyers is implemented for the general meeting. The Company shall, when convening of a general meeting, engage lawyers to issue legal opinions in respect of the following matters and make relevant announcements accordingly:

(1) whether the procedures relating to the convening and the holding of such meeting comply with the laws, administrative regulations and the Articles of Association;

(2) the legality and validity of the qualifications of the attendees and the convener of the meeting;

(3) the legality and validity of the voting procedures, results of the voting and contents of the resolutions of the meeting;

(4) legal opinions issued on other related matters as requested by the Company.

Article 123 The resolutions of the general meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies that attended the meeting, the total number of shares carrying voting rights and its proportion to the total share capital carrying voting rights of the Company, and the voting method, voting results of each resolution and detailed contents of each resolution passed.

CHAPTER 6 SPECIAL PROCEDURES FOR THE VOTING OF CLASS SHAREHOLDERS

Article 124 Shareholders holding different classes of shares are referred to as “class shareholders”.

Class shareholders enjoy rights and bear responsibilities according to the requirements of laws, administrative regulations and the Articles of Association of the Company.

Article 125 The Company’s proposition to amend or cancel rights of class shareholders shall be subject to prior approval by way of a special resolution in general meetings and approval by the shareholders of the class affected in class meetings convened in accordance with the requirements of the Articles 127 to 131. Amendment or cancellation of rights of class shareholders resulting from the changes of domestic and foreign laws and regulations and the listing rules of the place of listing of shares of the Company and the decisions of the domestic and foreign regulatory authorities is not subject to approval from the general meeting or class meeting.

Article 126 The following circumstances shall be deemed to be a variation or abrogation of the rights of certain class shareholders:

(1) the increase or decrease in the number of shares of such class, or the increase or decrease in the number of shares of a class having equal or additional voting rights, distribution rights or other privileges;

(2) to convert all or part of a class of shares into another class, or to convert all or part of another class of shares into that class of shares, or to grant such conversion right;

(3) the removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;

(4) the reduction or removal of preferential rights to dividend or distribution of assets upon liquidation of the Company attached to shares of such class;

(5) the increase, removal or reduction of conversion rights, options, voting rights, transfer or pre-emptive rights or rights to acquire securities of the Company attached to shares of such class;

(6) the removal or reduction of rights to receive amounts payable by the Company in particular currencies attached to shares of such class;

(7) the creation of a new class of shares having equal or additional voting rights, distribution rights or other privileges;

(8) the imposition of restrictions or additional restrictions on the transfer of ownership of the shares of such class;

(9) the issue of rights to subscribe for, or convert into, shares of such class or another class;

(10) the increase in rights or privileges of shares of another class;

(11) the restructuring of the Company which will result in shareholders of different classes bearing a

disproportionate liability in such proposed restructuring;

(12) the variation or abrogation of the provisions of this Chapter.

Article 127 Shareholders of the affected class, whether or not otherwise entitled to vote at general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) to (12) of Article 126, but interested shareholder(s) shall not be entitled to vote at class meetings.

The meaning of “interested shareholder(s)” as mentioned in the preceding paragraph of this Article is as follows:

(1) in the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on the stock exchange according to Article 29, a controlling shareholder within the meaning of Article 258 of the Articles of Association;

(2) in the case of a repurchase of shares by an off-market agreement outside of the stock exchange under Article 29 of the Articles of Association, a shareholder to whom the proposed agreement relates;

(3) in the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of other shareholders of that class.

Article 128 Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class attending the class meeting who have the right to vote at the meeting according to Article 126.

Article 129 When convening a class meeting, the Company shall give written notice to all shareholders whose names appear in the register of shareholders of such class with reference to the time limit for the notice of convening a general meeting under Article 72 of the Articles of Association to inform them of the matters proposed to be considered and the date and venue of the meeting. The Company shall comply with any other special requirements (if any) of the listing rules of the place where its shares are listed.

Quorum for the separate class meeting (except adjourned meeting) which is held for considering revising the rights of any shares of a class, shall be at least one-third of the holders of the issued shares of such class.

Shareholders who request a class meeting shall comply with the following procedures:

(1) two (2) or more shareholders who together hold 10% (inclusive) or more of the shares carrying the right to vote at the proposed meeting can request the Board to convene a class meeting by signing one or several copies of written request(s) in the same form and content, and stating the motions and resolutions proposed. The Board shall convene the class meeting as specified in the request as soon as possible. The amount of shareholdings referred to above shall be calculated as at the date of the request made.

(2) If no notice of convening a general meeting was issued within thirty (30) days after the Board receiving the abovementioned written request(s), the shareholders making the request(s) can convene a meeting by themselves within four (4) months after the Board receiving the abovementioned written request(s), and the procedures for convening such meeting shall follow the procedures of the general meeting convened by the Board as much as possible.

All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting Directors.

Article 130 Notice of a class meeting shall be served exclusively on shareholders entitled to vote at such meeting.

Save as otherwise required by the Articles of Associations, the procedures of any class meeting shall be conducted in a similar manner as any general meeting as far as possible. Provisions in the Articles of Associations which relate to any general meeting shall apply to any class meeting.

Article 131 Apart from holders of other classes of shares, holders of domestic shares and overseas-

listed foreign shares shall be regarded as holders of different classes of shares. The special procedures for voting by a class shareholder shall not apply in the following circumstances:

(1) any proposed issue of domestic shares and overseas-listed foreign shares by the Company in every twelve (12) months, whether separate or concurrent, if such proposed issue of domestic shares and overseas-listed foreign shares are approved by the shareholders in a general meeting by way of special resolution, and the number of domestic shares and overseas-listed foreign shares proposed to be issued by the Company does not exceed 20% of the shares of such class in issue;

(2) where the Company's plan to issue domestic shares and overseas-listed foreign shares at the time of its establishment is carried out within fifteen (15) months from the date of approval of the securities regulatory authority of the State Council.

CHAPTER 7 BOARD OF DIRECTORS

Section 1 General Provisions for Directors

Article 132 The Directors of the Company are natural persons. A person may not serve as a Director, if any of the following circumstances apply:

(1) having no or limited capacity for civil conduct;

(2) having been imposed criminal penalty for corruption, bribery, embezzlement or misappropriation of property, or disruption of the socialist market economy order, or been deprived of his/her political rights as punishment for an offence, and a period of five (5) years has not elapsed since the expiry of the execution period, or having been sentenced to suspended sentence, and a period of two (2) years has not elapsed since the expiry of the period of probation of the suspended sentence;

(3) being a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and being personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

(4) being a former legal representative of a company or enterprise whose business licence has been revoked or which has been ordered to close down due to violation of the law and having incurred personal liability in relation thereto, where less than three (3) years have elapsed since the date of the revocation of the business licence or the order to close down;

(5) being classified as a dishonest person against whom enforcement is sought by the People's Court, due to relatively large amount of debts for which he is personally liable and which has not been settled by the due date;

(6) being subject to securities market entry bans imposed by the CSRC, with an unexpired term;

(7) being publicly recognised by the stock exchange as unsuitable to serve as a director or member of senior management of a listed company, etc., with an unexpired term;

(8) other circumstances as prescribed by laws, administrative regulations or departmental rules.

If any election or appointment of Directors is in contravention of this provision, the election, appointment, or engagement shall be invalid. The Company shall dismiss any Directors and cease their duties in the event that the circumstances specified in this provision occur during their tenure.

Article 133 Directors shall be elected or replaced at general meeting with a term of office of three (3) years, and may be removed by the general meeting before expiry of the current term of office. Upon maturity

of the current term of office, a Director shall be eligible to offer himself for re-election and reappointment.

The period of notice to the Company in relation to nomination of a person to be appointed as Director and the acknowledgment by such person of his acceptance of the nomination shall both be at least seven (7) days, commencing after the date of notice of the meeting by the Company regarding the re-election and ending on or before a day which is no later than seven (7) days inclusive prior to the date of the meeting.

The term of office of Directors shall commence from the date of appointment up to the expiry of the current term of office of the Board. In the event that the term of Directors expires while new members of the Board have not yet been re-elected, the existing Directors shall continue to perform their duties in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until the re-elected Directors assume their office.

Directors may concurrently serve as general manager or other members of senior management, provided that the aggregate number of the Directors who concurrently serve as general manager or other members of senior management and the Directors who are representatives of employees shall not exceed one half of all the Directors of the Company.

Article 134 Directors shall comply with the laws, administrative regulations and the Articles of Association, owe fiduciary duties to the Company, and shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their powers to seek improper interests.

Directors shall owe to the Company the following fiduciary duties:

- (1) not to embezzle the Company's property nor misappropriate Company funds;
- (2) not to deposit Company funds in personal accounts in their own names or other individuals' names;
- (3) not to use their powers to bribe or accept other illegal gains;
- (4) without reporting to the Board of Directors or at the general meeting, and without being passed by the Board of Directors or general meeting by way of resolutions in accordance with the provisions of the Articles of Association, not to directly or indirectly enter into contracts or conduct transactions with the Company;
- (5) not to exploit their position for seeking business opportunities that belong to the Company for himself/herself or others, but except those which have been reported to the Board of Directors or at the general meeting and passed by resolutions of the general meeting, or the Company cannot make use of such business opportunities in accordance with the provisions of laws, administrative regulations or these Articles of Association;
- (6) without reporting to the Board of Directors or at the general meeting and being passed by resolutions of the general meeting, not to carry on business similar to that of the Company by themselves or for other persons;
- (7) not to receive commissions from transactions between other parties and the Company;
- (8) not to disclose secrets of the Company without permission;
- (9) not to prejudice the interests of the Company by making use of its related relationships;
- (10) to perform other fiduciary duties as required by the laws, administrative regulations, departmental rules, the Listing Rules and the Articles of Association.

Any income received by a Director from violating the provisions of this Article shall belong to the Company and any losses incurred by the Company therefrom shall be borne by such Director.

The provisions of subparagraph (4) of paragraph 2 of this Article shall apply to the close relatives of Directors and members of senior management, enterprises directly or indirectly controlled by Directors or members of senior management or their close relatives, and associated persons of other related relationships with Directors or members of senior management, who have entered into contracts or conduct transactions with the Company.

Article 135 Directors shall comply with the stipulations in laws, administrative regulations, and the Articles of Association, owe duties of diligence to the Company, and perform duties with reasonable care

ordinarily exercised by managers in the best interests of the Company.

Directors shall owe to the Company the following duties of diligence:

(1) exercise the power granted by the Company with prudence, conscientiousness and diligence to ensure the business activities of the Company are in compliance with the State law, administrative regulations and requirements of various State economic policies and business activities of the Company are within the scope under its business license;

(2) treat all members of the Company fairly;

(3) understand promptly the business operation and administration of the Company;

(4) opine in regular reports of the Company and sign therein to confirm their opinion, and warrant the information disclosed by the Company is true, accurate and complete;

(5) provide to the Audit Committee with circumstances and information and not hinder the Audit Committee in exercising their authorities;

(6) perform other duties of diligence as required by the laws, administrative regulations, departmental rules and the Articles of Association.

Article 136 A Director will be deemed to have failed to perform his duties if he fails to attend the meetings of the Board in person twice consecutively and does not appoint other Directors to attend the meetings on his behalf. The Board shall make recommendations to the general meeting to replace such Director.

Article 137 Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Company a written report in relation to their resignation. The resignation shall become effective on the date the Company receives the resignation report. The relevant information shall be disclosed by the Company in a timely manner.

In the event that the resignation of any Director during his term of office results in the number of members of the Board being less than the statutory minimum requirement, the existing Directors shall continue to perform their duties in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until the re-elected Directors assume their office.

Any person appointed by the Board to fill a casual vacancy or an additional Director shall hold office until the forthcoming annual general meeting of the Company and shall then be eligible for re-election and re-appointment.

Article 138 Upon resignation taking effect or expiration of his term of office, a Director shall complete his hand-over procedures with the Board. The fiduciary duties of a Director to the Company and the shareholders do not necessarily cease upon the termination of his tenure of office and shall remain valid within one (1) year after the end of his tenure of office; where his obligation of confidentiality of the Company's secret shall remain in force after his tenure of office until such secret comes into the public domain. The responsibilities that a Director bears during his/her term of office due to the performance of his/her duties shall not be discharged or extinguished upon leaving office.

Article 139 The general meeting may remove any Director by a resolution, which shall come into effect from the date on which such resolution is made.

Where a Director is removed from office prior to expiration of his/her term of office without justifiable cause, the Director may demand compensation from the Company.

Article 140 No Directors shall act, in their personal capacity, on behalf of the Company or the Board unless lawfully authorized under the Articles of Association or by the Board. The Director shall, when acting in his personal capacity, state his standings and identities in advance if a third party has reasons to believe that the said Director is acting on behalf of the Company or the Board.

Article 141 Where a Director causes damage to others during the performance of his/her duties, the

Company shall be liable for compensation. Where a Director acts in willful or material default, he/she shall also be liable for compensation. Any Director who violates any law, administrative regulations, departmental rules or the Articles of Association during the course of performing his/her duties and causes losses to the Company shall be liable for compensation.

Section 2 Board of Directors

Article 142 A Board of Directors shall be established by the Company. The Board shall comprise eleven (11) Directors, with one Chairman and ten (10) Directors. The Company will appoint 1 employee representative Director who shall be elected through the employee representatives meetings, employee meetings or other forms of democratic election. The Chairman shall be elected and dismissed by the majority of all the Directors, with tenure of office of three (3) years and eligible for re-election. There shall not be less than four (4) independent Directors, of which at least one shall be from the financial or accounting profession.

Article 143 The Board should first take into account the opinions of the Party Committee of the Company before resolving major issues such as those involving the reform development of the Company, main targeted projects and key work arrangements. When the Board has to appoint senior management of the Company, the Party Committee shall prepare and make proposals and suggestions on the candidates nominated by the Board or the general manager.

Article 144 There shall be a strategic committee, an audit committee, a nomination committee and a remuneration and evaluation committee under the Board. The Board may, if needed, set up other special committees or adjust existing special committees. The special committees under the Board shall be accountable to the Board and provide professional opinion to the Board or decide upon professional matters in accordance with the power authorized by the Board.

Article 145 Operational rules and duties of each special Board committee shall be formulated by the Board.

Article 146 There shall be a board office under the Board responsible for the convening, preparation of documents and minutes of general meetings, Board meetings and meetings of each special Board committee, information disclosure, investor relationship management and other ordinary businesses of the Board and each special Board committee.

Article 147 The Board shall exercise the following powers:

- (1) to convene general meetings and report its work to the general meeting;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the business plans and investment plans of the Company;
- (4) to decide on the mid-term and long-term development plans of the Company;
- (5) to formulate the profit distribution plans and plans on making up losses of the Company;
- (6) to formulate proposals for increase or reduction of the registered capital of the Company and issue and listing of bonds or other securities of the Company;
- (7) to formulate plans for major acquisitions, purchase of shares of the Company or plans for merger, division, dissolution or alteration of corporate form of the Company;
- (8) to decide on the Company's material external investments, sale and purchase of assets, pledge of assets, provision of external guarantees, loans, appointment of financial management, disposal of assets, related transactions and external donations etc., excluding matters which have to be decided by the Company

in general meeting pursuant to the laws, regulations, the Articles of Association and other constitutional documents;

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

(10) to appoint or remove the general manager and the secretary to the Board based on the nomination by the Chairman of the Board; to appoint or remove the deputy general manager and other senior management (including the chief financial officer) of the Company based on the nomination by the general manager and to determine their remunerations and rewards and penalties;

(11) to formulate the basic management system of the Company;

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

(13) to formulate the information disclosure system of the Company and to manage information disclosure of the Company;

(14) to propose the appointment or change of the accounting firm which acts as the Company's auditors to the general meeting;

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

(16) to formulate share incentive schemes;

(17) to be responsible for the establishment, improvement and effective implementation of risk management, compliance management and internal control systems, and make decisions on major matters related to risk management, compliance management and internal control;

(18) any other functions and powers granted by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association or the general meeting.

The abovementioned exercise of power by the Board or any transactions or arrangements of the Company shall be proposed for consideration and approval in the general meeting should the listing rules of the place where the shares of the Company are listed so require.

Except for the Board resolutions in respect of the matters specified in subparagraphs (6), (7), (12) and (16) of this Article which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by a simple majority of the Directors voting for the relevant resolution. Where otherwise provided by the laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the shares of the Company are listed, such provisions shall apply.

Article 148 In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with the value of fixed assets disposed of within four (4) months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet considered by the general meetings, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval by the shareholders at general meeting.

The term "fixed assets disposal" referred to in this Article includes (among others) transferring certain interests in assets, but does not include provision of guarantees by way of fixed assets.

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

Article 149 The Board shall explain to the general meeting for any non-standardized audit opinion on the financial report of the Company prepared by a registered accountant.

Article 150 The Board shall formulate Board meeting procedures to ensure the implementation of resolutions passed in general meeting and to enhance work efficiency and secure well-founded decisions.

Article 151 The Chairman of the Board shall exercise the following powers:

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

(2) to supervise and check on the implementation of resolutions of the Board;

(3) to sign the securities certificates, corporate bonds and other equity securities issued by the Company;

- (4) to sign important documents of the Board and other documents that require signing by the Company's authorized representative/ Chairman of the Board;
- (5) to exercise the power of authorized representative;
- (6) to propose to convene work meeting with general manger;
- (7) to examine and approve plans of the Company for the application of funds of the Board;
- (8) to exercise the special disposal power to handle corporate affairs in compliance with the law and the Company's interests in cases of emergency caused by natural disasters or other force majeure, and report to the Board and general meeting thereafter;
- (9) to exercise other powers conferred by the Board.

Article 152 If the Chairman is unable to or does not perform his duties, a Director jointly elected by not less than half of the members of the Board shall perform the duties of the Chairman.

Article 153 Regular meetings of the Board shall be held at least four (4) times every year and shall be convened by the Chairman of the Board. All of the Directors shall be notified about the meeting fourteen (14) days in advance.

Article 154 Extraordinary Board meetings may be convened when proposed by the shareholders representing not less than one-tenth of the voting rights and not less than one-third of the Directors or the Audit Committee. The Chairman of the Board shall convene and chair the Board meeting within ten (10) days after the proposal is received.

Notice convening an extraordinary meeting shall be made within a reasonable period.

Article 155 The Board meeting shall be held with the presence of not less than half of the Directors. Resolutions of the Board shall be passed by more than half of all Directors.

Each Director shall have one vote when voting on a Board resolution.

Article 156 Where a Director is interested in any matter to be resolved concerning an enterprise or individual at a Board meeting, the Director shall report to the Board of Directors in writing in a timely manner. The Director with the related party relationship shall not vote on such resolution, whether on his own or as the proxy of another Director. Such Board meeting shall not be held unless attended by a majority of Directors having no interest in such matter, and any resolution made thereon shall be passed by a majority of Directors having no interest in such matter voting for the resolution. Where there are less than three (3) Directors having no interest in such matter attend the meeting, the matter shall be submitted to the general meeting for consideration and approval.

Article 157 Resolutions of Board meetings are voted by a show of hands or on poll.

On the premise that the Directors are able to sufficiently express their opinions, extraordinary Board meeting may be held and resolutions thereof may be made by way of telephone, facsimile, video conference, etc. and such resolutions shall be signed by the Directors present.

Article 158 Directors shall attend Board meetings in person. Where a Director is unable to attend a meeting for any reason, he may by a written power of attorney appoint another Director to attend the meeting on his behalf. The power of attorney shall set out the name of the proxy, the subject and scope of authorization and the period of the validity of the power of attorney, which shall be signed or officially sealed by the authorizing party. A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authority conferred by the appointing Director. Where a Director is unable to attend a Board meeting (including attending in person or via electronic communication) and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting. Independent Directors cannot appoint non-independent Directors to vote on his/her behalf.

Article 159 The Board shall keep minutes of resolutions passed at Board meetings. The minutes shall be signed by the Directors present at the meeting. The Directors shall be liable for the resolutions of the Board

meeting. If a resolution of the Board meeting violates the laws, administrative regulations or the Articles of Association and the Company suffers serious losses as a result thereof, the Directors who participated in the passing of such resolution are liable to compensate the Company. However, if it can be proved that a Director expressly objected to the resolution when the resolution was put to vote, and that such objection was recorded in the minutes of the meeting, such Director may be excluded from such liability.

The minutes of Board meetings shall be kept for record as Company files for a minimum period of ten (10) years.

Article 160 The minutes of Board meetings shall include the following:

- (1) the date, venue and name of the convener of the meeting;
- (2) the names of attending Directors and Directors appointed as proxies to attend the meeting;
- (3) the agenda of the meeting;
- (4) the main points of speech of each Director during the meeting;
- (5) the voting method and results of each resolution (the number of votes for, against and abstain shall be specifically indicated).

Section 3 Secretary to the Board

Article 161 The Company shall have a secretary to the Board, who shall be appointed or dismissed by the Board. The secretary to the Board shall be a member of senior management of the Company and report to the Board, with tenure of office for 3 years and eligible for re-appointment.

Article 162 Secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His primary duties include:

- (1) to ensure that the Company has complete constitutional documents and records;
- (2) to ensure that the Company prepares and delivers the reports and documents required by competent authorities in accordance with the law;
- (3) to ensure that the Company's register of shareholders is properly maintained, and that persons entitled to have access to the relevant records and documents are furnished with such records and documents without delay;
- (4) to perform other duties appointed by the Board and any other duties as required by the domestic or foreign listing rules of the place where the shares of the Company are listed.

Article 163 Directors or other members of senior management of the Company, save for general manager and the chief financial officer, may concurrently hold the post of the secretary to the Board. The accountants of the certified public accountants' firm appointed by the Company shall not concurrently hold the post of the secretary to the Board.

Where the office of the secretary to the Board is held concurrently by a Director, and an act is required to be done by a Director and the secretary to the Board separately, the person who holds the office of Director and secretary to the Board may not perform such act in dual capacity.

Section 4 Independent directors

Article 164 Independent Directors shall conscientiously perform their duties in accordance with the laws, administrative regulations, the CSRC, the stock exchange(s) on which the shares of the Company are listed and the Articles of Association, participate in decision-making, supervising, checks and balances, and professional consultation on the Board, safeguard the interests of the Company as a whole, and protect the legitimate rights and interests of minority shareholders.

Article 165 Independent Directors must be independent and the following persons may not hold the position of an independent Director:

(1) persons who hold positions in the Company or its subsidiaries and their spouses, parents, children and major social relations;

(2) natural person shareholders who directly or indirectly hold 1% or more of the issued shares of the Company or that rank in the top ten shareholders of the Company, and their spouses, parents and children;

(3) persons who hold positions in entities that directly or indirectly hold 5% or more of the issued shares of the Company or that rank in the top five shareholders of the Company, and their spouses, parents and children;

(4) persons who hold positions in the subsidiaries of the Company's controlling shareholders and de facto controllers and their spouses, parents and children;

(5) persons who have material business transactions with the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, or who hold positions in units with which they have material business transactions and their controlling shareholders or de facto controllers;

(6) persons providing financial, legal, advisory and sponsorship etc. services to the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, including, but not limited to, all staffs of the project team of the intermediary organizations providing the services, reviewers at all levels, persons signing on the report, partners, directors, members of senior management and key persons in charge;

(7) persons who have been involved in any of the circumstances listed in subparagraphs (1) to (6) within the last twelve (12) months;

(8) other persons who are not independent as stipulated by the laws, administrative regulations, the CSRC, the stock exchange(s) on which the shares of the Company are listed and the Articles of Association.

Subsidiaries of the Company's controlling shareholders and de facto controllers as set out in subparagraphs (4) to (6) of the preceding paragraphs, exclude the enterprises that are controlled by the same state-owned asset management institution as the Company and do not constitute a related party relationship with the Company under the relevant provisions.

Independent Directors shall conduct an annual self-examination of their independence and submit such examination results to the Board of Directors. The Board of Directors shall evaluate the independence of the incumbent independent Directors annually and issue a special opinion, which shall be simultaneously disclosed with the annual report.

Article 166 A person to serve as an independent Director of the Company shall meet the following conditions:

(1) have the qualifications to hold the position of Director in a listed company in accordance with laws, administrative regulations and other relevant requirements;

(2) meet the independence requirements as prescribed in the Articles of Association;

(3) have basic knowledge on the operation of a listed company and being familiar with relevant laws, regulations and rules;

(4) have more than five (5) years of work experience in law, accounting, economics, or other fields that are necessary for performing the duties of an independent Director;

(5) have good personal character, and no significant records of dishonesty or other adverse conduct;

(6) meet other criteria as required by laws, administrative regulations, the CSRC, the stock exchange(s) on which the shares of the Company are listed, and the Articles of Association.

Article 167 As members of the Board of Directors, the independent Directors owe fiduciary duties and duties of diligence to the Company and all shareholders, and shall prudently fulfill the following duties:

- (1) to participate in the decision-making of the Board and offer clear opinions on the matters deliberated;
- (2) to supervise the matters on potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, Directors and members of senior management and protect the legitimate rights and interests of minority shareholders;
- (3) to provide professional and objective advice on the operation and development of the Company, promoting the improvement of the decision-making level of the Board;
- (4) to perform other duties and powers prescribed by laws, administrative regulations, the CSRC, the stock exchange(s) on which the shares of the Company are listed and the Articles of Association.

Article 168 Independent Directors shall have the following special powers:

- (1) to independently engage an intermediary organisation to audit, consult or verify specific matters of the Company;
- (2) to propose to the Board the holding of extraordinary general meetings;
- (3) to propose the holding of Board meetings;
- (4) to publicly solicit shareholders' rights from shareholders according to law;
- (5) to express independent opinions on matters that may be detrimental to the rights and interests of the Company or the minority shareholders;
- (6) other powers specified by laws, administrative regulations, the CSRC, the stock exchange(s) on which the shares of the Company are listed and the Articles of Association.

In exercising the duties and powers set out in subparagraphs (1) to (3) above, the independent Directors shall obtain the consent of more than one-half of all independent Directors.

Where an independent Director exercises his/her powers under subparagraph(1), the Company shall make timely disclosure. Where the above powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 169 The following matters shall be submitted to the Board for consideration with the consent of more than one-half of all independent Directors of the Company:

- (1) related party transactions that should be disclosed;
- (2) the plan for the change or waiver of undertakings by the Company and relevant parties;
- (3) decisions made and measures taken by the Board of Directors in relation to the acquisition when the listed company is acquired;
- (4) other matters specified by laws, administrative regulations, the CSRC, the stock exchange(s) on which the shares of the Company are listed and the Articles of Association.

Article 170 The Company shall establish a mechanism for special meetings attended by independent Directors exclusively. Matters such as related transactions to be reviewed by the Board of Directors, shall be approved in advance by a special meeting of independent Directors.

The Company shall convene special meetings of independent Directors on a regular or ad hoc basis. Matters specified in subparagraphs (1) to (3) of the first paragraph of Article 168 and Article 169 of these Articles of Association shall be deliberated upon by a special meeting of independent Directors.

The special meetings of independent Directors may consider and discuss other matters of the Company when necessary.

The special meetings of independent Directors shall be convened and chaired by an independent Director jointly elected by more than half of the independent Directors. In the event that the convener fails to perform

his/her duties or he/she is unable to do so, two (2) or more independent Directors can convene a meeting on their own and elect a representative to chair the meeting.

Minutes of the special meetings of independent Directors shall be prepared in accordance with the regulations. The minutes shall record the opinions of independent Directors. The independent Directors shall sign and confirm the minutes.

The Company shall facilitate and support the convening of the special meetings of independent Directors.

Section 5 Special committees

Article 171 The Company's Board of Directors shall establish an Audit Committee, which exercises the duties of the Supervisory Committee as required by the Company Law.

Article 172 The Audit Committee consists of three (3) members who are Directors not serving as members of senior management of the Company, more than half of which shall be independent Directors, with an accounting professional among the independent Directors serving as the convener. Employee representatives of the Company's Board of Directors may be members of the Audit Committee.

Article 173 The Audit Committee is responsible for reviewing and disclosing the Company's financial information, and supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board for deliberation after obtaining the consent of more than half of all members of the Audit Committee:

(1) disclosure of financial information and internal control evaluation reports in financial reports and periodic reports;

(2) appointment or removal of accounting firm which undertakes auditing services of the listed company;

(3) appointment or removal of the chief financial officer of the listed company;

(4) changes in accounting policies, accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards;

(5) other matters as stipulated by laws, administrative regulations, CSRC regulations and the Articles of Association.

Article 174 The Audit Committee shall convene at least one meeting every quarter. An extraordinary meeting may be convened when it is proposed by two (2) or more members, or when the convener deems necessary. The quorum for any meeting of the Audit Committee shall be two-thirds of its members.

Resolutions of the Audit Committee shall be passed by more than half of its members. For the voting on a resolution of the Audit Committee, each member shall have one vote.

Resolutions of the Audit Committee shall be recorded in the minutes as required, and the members of the Audit Committee present at the meeting shall sign the minutes.

The Board of Directors is responsible for establishing the working procedures of the Audit Committee.

Article 175 The Board of Directors of the Company shall set up special committees on strategy, nomination, and remuneration and assessment to perform duties in accordance with the Articles of Association and the authorisation of the Board of Directors, and the proposals of the special committees shall be submitted to the Board for consideration. The Board of Directors shall be responsible for formulating the working procedures of the special committees.

Article 176 The Nomination Committee is responsible for formulating the criteria and procedures for selection of Directors and members of senior management, selecting and reviewing the candidates for Directors and members of senior management and their qualifications for the positions, and making

recommendations to the Board of Directors on the following matters:

- (1) nomination or appointment and removal of Directors;
- (2) appointment or removal of members of senior management;
- (3) other matters stipulated in laws, administrative regulations, CSRC regulations and the Articles of Association.

The opinions of the Nomination Committee and the specific reasons for non-adoption shall be recorded in the Board resolutions and shall be disclosed if the Board of Directors does not adopt or does not fully adopt the advice of the Nomination Committee.

Article 177 The Remuneration and Assessment Committee is responsible for formulating and evaluating the assessment standards of Directors and members of senior management, establishing and reviewing the remuneration policies and plans such as the mechanism for determining remuneration, decision-making process, and the payment and clawback arrangements, of Directors and members of senior management, and making recommendations to the Board of Directors on the following matters:

- (1) the remuneration of Directors and members of senior management of the Company;
- (2) the formulation or modification of share incentive schemes and employee stock ownership plans, and the achievement of conditions for the grant and exercise of rights by incentive recipients;
- (3) the arrangement of stock ownership plans of Directors and members of senior management in proposed subsidiaries spin-off;
- (4) other matters as stipulated by laws, administrative regulations, CSRC regulations and the Articles of Association.

The opinions of the Remuneration and Assessment Committee and the specific reasons for non-adoption shall be recorded in the Board resolutions and shall be disclosed if the Board of Directors does not adopt or does not fully adopt the advice of the Remuneration and Assessment Committee.

CHAPTER 8 MEMBERS OF SENIOR MANAGEMENT

Article 178 The Company shall have one general manager, who shall be appointed dismissed by the Board. The Company shall have several deputy general managers, who shall be appointed dismissed by the Board.

Article 179 The provisions of the Articles of Association regarding the circumstances under which a person may not serve as a Director and the resignation management system shall also apply to members of senior management.

The provisions on Directors' fiduciary duties and duties of diligence shall also apply to members of senior management.

Article 180 The term of office of the general manager shall three (3) years and shall be eligible for re-appointment. In case the general manager is replaced during his tenure, the successor's tenure shall be the remaining term of office.

Article 181 The general manager of the Company shall be accountable to the Board and exercise the following powers:

- (1) to lead the Company's production, operation and management, to organize resources to carry out the Board's resolutions, and to report to the Board;
- (2) to organize the implementation of the Company's annual business plan and investment plan;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to formulate the Company's basic management system;

- (5) to formulate the specific rules and regulations of the Company;
- (6) to propose the appointment or dismissal of the Company's deputy general manager(s) and chief financial officer;
- (7) to decide on the appointment or dismissal of management personnel and staff other than those required to be appointed or dismissed by the Board;
- (8) to propose the convening of extraordinary Board meeting;
- (9) to exercise other powers conferred by the Articles of Association and the Board.

The general manager may attend Board meetings.

Article 182 The general manager shall formulate detailed working rules of the general manager, which shall be submitted to the Board for approval before implementation.

Article 183 The general manager may resign prior to the expiration of his term of office. The specific procedures and formalities of the said resignation shall be provided in the employment contract between the general manager and the Company.

Article 184 The senior management who are not Directors may attend Board meeting but shall have no voting rights.

Article 185 In exercising the duties, the senior management shall not alter the resolutions of the general meeting and the Board or act beyond their scope of authority.

Article 186 The senior management in performing their functions, shall act honestly and diligently and in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

Article 187 Where a member of senior management causes damage to others in the course of performing his/her duties, the Company shall be liable for compensation. Where a member of senior management acts in willful or material default, he/she shall be liable for compensation.

The general manager, deputy general manager(s) and the chief financial officer who violate any of the laws, administrative regulations, departmental rules or the Articles of Association during the course of performing their duties and cause losses to the Company shall be liable for compensation to any loss caused to the Company.

Senior management of the Company shall neither take up administrative positions in the controlling shareholder other than director and supervisor, nor be paid by the controlling shareholders on behalf of the Company.

Article 188 Members of senior management shall faithfully perform their duties, and safeguard the best interests of the Company and all shareholders.

Any member of senior management of the Company who fails to faithfully perform his/her duties or breaches the fiduciary duty shall indemnify the Company and the public shareholders for the damages arising therefrom according to law.

CHAPTER 9 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 189 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

Article 190 The Company shall prepare a financial report upon expiration of each financial year and submit it for examination and verification in accordance with the law. The financial year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

Article 191 The Company shall submit and disclose an annual report to the agency of China Securities Regulatory Commission and the Hong Kong Stock Exchange within four (4) months from the date of the end

of each financial year; and shall submit and disclose an interim report to the local branch of the China Securities Regulatory Commission and the Hong Kong Stock Exchange within two (2) months from the date of the end of the first six months of each financial year; and shall disclose a quarterly report in accordance with the requirements of the Hong Kong Stock Exchange within one month from the date of the end of first three months and first nine months of each financial year respectively.

The reports mentioned above shall be prepared and disclosed in accordance with relevant laws, administrative rules and regulations.

Article 192 The Board shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, administrative regulations or directives promulgated by local government and competent department to be prepared by the Company.

Article 193 The Company shall deposit its financial reports at the Company for inspection by the shareholders at least twenty (20) days before the convening of the annual general meeting of shareholders. Each shareholder of the company is entitled to obtain financial reports mentioned in this chapter.

The Company shall send the balance sheet (including documents to be annexed as required by the laws), income statement or income and expenditure statement and financial summary report, together with the report of the board of directors to each holder of overseas listed foreign shares by prepaid mail at least twenty-one (21) days before the convening of the annual general meeting of shareholders. The address of the recipient shall be the registered address as shown on the register of members.

Without violating the laws and regulations or listing rules of the places where the shares of the Company are listed, the Company may also send or dispatch the aforesaid reports to each holder of overseas listed foreign shares through the Company's website or electronically instead of sending or dispatching the same in the manner prescribed in the preceding paragraph of this article

Article 194 The financial statements of the Company shall be prepared in accordance with PRC accounting standards or the accounting standards applicable to the place where the Company's shares are listed. If there is any material difference between the financial statements prepared by different accounting standards, explanations shall be made accordingly. When the Company is to distribute its after-tax profits for that financial year, the lower of the after-tax profits as shown in the aforementioned financial statements shall be adopted.

Article 195 The interim results or financial information published or disclosed by the Company may be prepared in accordance with the PRC accounting standards or the accounting standards applicable to the place of listing of the Company's shares.

Article 196 The Company shall not keep accounts other than those provided by law. The funds of the Company shall not be deposited in any personal account.

Article 197 When distributing each year's after-tax profits, the Company shall set aside 10% of its after-tax profits for the Company's statutory surplus reserve fund. When the aggregate balance in the statutory surplus reserve fund has reached 50% or more of the Company's registered capital, the Company needs not make any further allocations to that fund.

Where the Company's statutory surplus reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve and statutory public welfare fund in accordance with the preceding paragraph.

Subject to a resolution being passed at a general meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

The remaining profit after taxation, after recovery of losses and appropriation of reserve funds shall be distributed to shareholders in proportion to their shareholdings.

If the general meeting, in violation of the Company Law, distributes profits to the shareholders, shareholders shall return the profits so distributed to the Company. In case of losses caused to the Company, shareholders along with responsible Directors and members of senior management, shall be liable for compensation.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

Article 198 No profit shall be distributed in dividend or in any other form as bonus before making up losses and being made to the Company's statutory reserve fund.

Article 199 Capital reserve fund includes the following items:

(1) premium received when shares are issued at a premium over their par value;
(2) the amount of proceeds from the issuance of non-denomination shares that are not included in the registered capital;

(3) any other income required to be included in the capital reserve fund by the competent finance department of the State Council.

Article 200 The reserve funds of the Company can only be used for the following purposes:

- (1) making up losses;
- (2) expansion of the Company's production and operation;
- (3) increasing the registered capital of the Company.

When the reserve funds are used to make up for the Company's losses, the discretionary reserve fund and statutory reserve fund shall be utilised first. If they still cannot be made up, the capital reserve fund may be used according to the regulations.

The Company may convert its reserve funds into registered capital upon a resolution being passed at a general meeting and issue new shares or increase the par value per share in proportion to the shareholders' existing shareholdings, provided, however, that when the statutory reserve fund is converted into registered capital, the balance of the statutory reserve fund shall not fall below 25% of the Company's registered capital prior to the increase.

Article 201 The profit distribution policy of the Company is as follows:

(1) Principle for profit distribution: The Company implements a sustainable and stable profit distribution policy. The profit distribution by the Company shall focus on investors' reasonable investment returns as well as the sustainable development of the Company;

(2) Mode of profit distribution: The Company adopts an active cash and/or share distribution policy;

(3) Cash dividend conditions: When the conditions of cash dividend are met, the Company shall distribute profit in cash. The conditions for cash dividends are:

1. The distributable profit realised (ie. the profit after tax after deducting compensation for loss and withdrawal of provident fund by the Company) and accumulated undistributed profit of the Company for the year are positive;

2. The auditors issuing a standard auditor's report without qualified opinion on the financial report of the Company for the year.

(4) Cash dividend ratio: The Company should maintain the continuity and stability of its profit distribution policy. When the conditions of cash dividend are met, the Company shall distribute no less than 10% of its distributable profit realised for the year in cash;

The Board of the Company shall collectively consider factors such as the characteristics of the industry, phase of development, its own operation model, profit level and whether there is material capital expenditure to identify the following scenarios and propose different cash dividend policies according to the procedures provided in the Articles of Association:

1. If the Company's development is in the phase of maturity and no material capital expenditure has been arranged, the minimum ratio of cash dividend in that profit distribution shall be 80%;

2. If the Company's development is in the phase of maturity and material capital expenditure has been arranged, the minimum ratio of cash dividend in that profit distribution shall be 40%;

3. If the Company's development is in the phase of growth and material capital expenditure has been arranged, the minimum ratio of cash dividend in that profit distribution shall be 20%.

If it is difficult to identify the Company's phase of development but material capital expenditure has been arranged, it can proceed according to the previous provision.

(5) Conditions for the dividend distribution:

When the operation condition of the Company is satisfactory such that the Board considers the payment of dividend is in the interests of all shareholders of the Company as a whole, the dividend distribution plan can be proposed at general meeting for consideration and approval.

(6) Decision-making process and mechanism of profit distribution of the Company:

1. The annual profit distribution budget of the Company is drafted according to the requirements of the Articles of Association, profitability and capital demand, which is submitted to the general meeting for consideration and approval after it is considered and approved by the Board;

2. When considering a specific cash dividend proposal, the Board shall carefully study and establish matters such as the timing, conditions and minimum ratio, conditions for adjustment and requirements for decision-making process. Independent Directors shall have the right to express independent opinions if they consider that the specific cash dividend proposal may harm the interests of the listed company or its minority shareholders;

3. While considering a specific cash dividend proposal at the general meeting, active communication and exchange with shareholders, especially medium-sized and minority shareholders, through various channels (including but not limited to online voting and inviting medium-sized and minority shareholders to meetings) are encouraged in order to fully collect views and demands of medium-sized and minority shareholders. The concerns of medium-sized and minority shareholders shall also be addressed and replied to promptly;

4. When the conditions for cash dividends are met in that year and the Board does not propose a budget with profit distribution in cash or distribute profit with a cash dividend ratio lower than required by the Articles of Association, the reasons shall be provided and disclosed in the annual report. Independent directors shall individually express their opinion. While convening the general meeting, the Company shall also provide other approaches such as online voting for the convenience of medium-sized and minority shareholders in participating in the voting in the general meeting;

5. The general meeting shall vote on the profit distribution budget proposed by the Board according to law and regulations and the provisions in the Articles of Association.

(7) Adjustment of profit distribution policy of the Company: The Company adjusts its profit distribution policy based on factors including production operation conditions, investment planning, and long-term development needs. Resolutions for the adjustment in profit distribution policy shall be proposed by the Board based on the actual condition and submitted to the general meeting for consideration and approval and passed with a two-third majority of shareholders attending the general meeting. The adjusted profit distribution policy shall focus on protecting the interests of shareholders and shall not contravene the relevant requirements of CSRC and stock exchange. The resolution in relation to the adjustment of profit distribution policy requires

the consent of the Board and general meeting for approval. The relevant proposal submitted to the general meeting shall detail the reasons for modifying the profit distribution policy. In adjusting the profit distribution policy, the Company shall provide approaches such as online voting for the convenience of public shareholders in participating in the voting in the general meeting.

Article 202 Dividend shall be distributed on a pro rata basis proportional to the respective shareholdings of the shareholders.

Apart from the distribution of annual dividend, the board of directors may be authorized at a general meeting to distribute interim dividend, unless otherwise resolved by a general meeting of the shareholders. The amount of interim dividend shall not exceed 50% of the interim net profits of the Company, unless otherwise required by the laws or administrative regulations. The Company may distribute the interim dividend in cash.

Article 203 The Company may distribute dividends in the following manners:

Cash;

Shares.

Article 204 The Company shall pay cash dividends and other amounts to holders of domestic shares in Renminbi within two (2) months after the profit distribution plan has been resolved at general meeting, or after the Company's Board of Directors has formulated a specific plan based on the interim dividend conditions and upper limit for the following year as considered and approved by the annual general meeting. The Company shall calculate and declare cash dividends and other payments which are payable to holders of overseas listed foreign shares in Renminbi, and shall pay such amounts in Hong Kong dollar within two (2) months after the profit distribution plan has been resolved at general meeting.

The Company shall pay cash dividends and other amounts to holders of overseas listed foreign shares in accordance with the relevant foreign exchange control regulations of the State. If there is no applicable regulation, the applicable exchange rate shall be the average closing rate for the relevant foreign currency announced by the People's Bank of China during the week prior to the announcement of payment of dividend and other amounts.

Article 205 Any amount paid upon any shares before a call is made shall bear interest thereon. However, the shareholder is not entitled to any dividends of such pre-paid share capital declared subsequently. Any dividend unclaimed after the expiry of six (6) years from the dividend declaration date may be forfeited by the Company.

Article 206 When distributing dividends to its shareholders, the Company shall, in accordance with the tax law of the PRC, withhold and pay on behalf of shareholders the taxes payable on their dividend income.

Article 207 The Company shall appoint receiving agents on behalf of the holders of overseas listed foreign shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company's shares are listed.

The receiving agents appointed on behalf of holders of overseas-listed foreign shares shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Article 208 The Company may exercise the power to cease sending dividend warrants by post if such warrants have been left uncashed on two consecutive occasions, provided that the Company may do so on the first occasion on which such undelivered warrants are returned.

Article 209 The Company may exercise the power to sell the shares of a shareholder who is

untraceable only upon fulfilling the following requirements:

(1) during a period of twelve (12) years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the shareholder; and

(2) on expiry of the twelve (12) years the Company gives notice of its intention to sell the shares by way of an advertisement published in one or more newspapers published in the place where the shares of the Company are listed and notifies the stock exchange in which the shares of the Company are traded of such intention.

Article 210 The Company shall implement an internal audit system, clarifying the leadership system, responsibilities and authorities, staffing, fund guarantee, application of audit results and accountability etc. for internal audit work.

The internal audit system of the Company shall be implemented upon approval by the Board and disclosed to the public.

Article 211 The Company's internal audit institution supervises and inspects the Company's business activities, risk management, internal control, financial information and other matters.

Article 212 The internal audit institution is accountable to the Board of Directors.

During the supervision and inspection of the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall be subject to the oversight and guidance of the Audit Committee. If the internal audit institution discovers any significant issues or leads, it shall immediately report directly to the Audit Committee.

Article 213 The internal audit institution is responsible for the specific organization and implementation of the Company's internal control evaluation. Based on the evaluation report issued by the internal audit institution and reviewed by the Audit Committee, along with relevant materials, the Company shall issue its annual internal control evaluation report.

Article 214 When the Audit Committee communicates with external audit institutions such as accounting firms and national audit institutions, the internal audit institution shall actively cooperate and provide necessary support and assistance.

Article 215 The Audit Committee participates in the assessment of the person in charge of internal audit.

CHAPTER 10 APPOINTMENT OF ACCOUNTANTS' FIRM

Article 216 The Company shall appoint an independent firm of certified public accountants which is qualified under the regulations of the Securities Law to audit the Company's annual financial statements and review the Company's other financial reports.

The first accountants' firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting of shareholders and the accountants' firm so appointed shall hold office until the conclusion of the first annual general meeting.

If the inaugural meeting fails to exercise its aforesaid powers, those powers shall be exercised by the Board.

Article 217 The accountants' firm appointed by the Company shall hold office for one year, subject to renewal upon expiry.

Article 218 The accountants' firm appointed by the Company shall have the following rights:

(1) the right to inspect at any time the books, records and vouchers of the Company, and to require the Directors, managers and other members of senior management of the Company to provide any relevant information and explanation thereof;

(2) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accountants' firm; and

(3) the right to attend general meetings and to receive all notices of, and other communications relating to, any general meeting which any shareholder is entitled to receive, and to be heard at any general meeting in relation to matters concerning its role as the accountants' firm of the Company.

Article 219 Where there is a vacancy in the position of the accounting firm, but while there is still any such vacancy, the surviving or continuing accountants' firm, if any, may continue to act.

Article 220 The shareholders in general meeting may, by ordinary resolution, remove an accountants' firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

Article 221 The remuneration of an accountants' firm or the manner in which such remuneration is to be fixed shall be determined by the shareholders in general meeting. The remuneration of an accountants' firm appointed by the Board shall be determined by the Board.

Article 222 The Company's appointment and removal of an accountants' firm shall be resolved by shareholders at a general meeting.

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

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

(2) If the firm which is about to cease to act makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):

1. in any notice given to shareholders about a resolution to be made, state the representations that have been made by such accountants' firm; and

2. attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.

(3) If the firm's representations are not sent in accordance with paragraph (2) above, the relevant firm may require that the representations be read out at the general meeting and may lodge further complaints.

(4) An accountants' firm which is about to cease to act shall be entitled to attend:

1. the general meeting relating to the expiry of its term of office;

2. any general meeting at which it is proposed to fill the vacancy caused by its removal; and

3. any general meeting convened on its resignation,

and to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former accountants' firm of the Company.

Article 223 In dismissing or discontinuing the appointment of an accountant firm, the Company shall notify the said accountant firm in advance and the said accountant firm has the right to make representations to the shareholders at a general meeting. If an accountant firm resigns from the post, it shall clarify to the shareholders at a general meeting whether or not there is any improper affair in the Company.

An accountant firm may resign from its position by depositing its written notice of resignation at the business premises of the Company. The notice shall take effect from the date of deposit at the business premises of the Company or any later date specified in such written notice. Such notice shall contain one of following statements:

Declaration that its resignation did not involve any circumstances which should be brought to the

attention of the shareholders or creditors of the Company; or a description of such circumstances.

The Company shall send a copy of the written notice specified in the preceding paragraph to the relevant competent authority within fourteen (14) days after receiving such notice. If the notice contains the representations referred to in paragraph 2 of Article 222 of the Articles of Association, the Company shall deposit the aforesaid copy at the Company for inspection by the shareholders and send it to each holder of overseas listed foreign shares and each shareholder who is entitled to receiving financial reports of the Company by pre-paid mail. The addresses of addressees shall be those registered in the register of members.

Without violating the laws and regulations or listing rules of the places where the shares of the Company are listed, the Company may also send or dispatch the aforesaid copy to holders of overseas listed foreign shares through the Company's website or electronically, instead of sending or dispatching the same in the manner prescribed in the preceding paragraph of this article.

If the resignation notice of an accountant firm contains any statement of explaining the situations, an accountant firm may request the board of directors to convene an extraordinary general meeting for presenting the explanations regarding the resignation given by the accountant firm.

CHAPTER 11 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Article 224 In the event of a merger or division of the Company, a proposal of merger or division shall be made by the Board and after the proposal is approved in accordance with the procedures stipulated in the Articles of Association, such proposal shall be examined and approved in accordance with the law. If a shareholder objects to a proposal of merger or division, such shareholder shall have the right to demand the Company or those shareholders who approved the proposal of merger or division to purchase his/her shares at a fair price.

The content of a resolution on the merger or division of the Company shall be made into a special document to be available for inspection by the shareholders. For holders of overseas listed foreign shares of the Company, the aforesaid document shall be delivered by post.

Without violating the laws and regulations or listing rules of the places where the shares of the Company are listed, the Company can also send or dispatch the documents mentioned above to holders of overseas listed foreign shares through Company's website or by email, instead of sending or dispatching the same in the manner prescribed in preceding paragraph.

Article 225 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Merger by absorption means the absorption by one company of other company(ies) in which case the absorbed company(ies) shall be dissolved. Merger by new establishment means the merger of two or more companies to form a new company, in which case all parties to the merger shall be dissolved.

Article 226 If the consideration paid by the Company for the merger does not exceed 10% of the Company's net assets, a resolution of the general meeting is not required, unless otherwise provided by the Articles of Association.

Mergers conducted in accordance with the preceding paragraph without a resolution of the general meeting shall be approved by a resolution of the Board.

Article 227 In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on merger and shall make announcement on newspapers or on the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's

resolution on merger. Creditors may, within thirty (30) days after receipt of such notice from the Company, or within forty-five (45) days of the date of the announcement for those who do not receive such notice, to demand that the Company repay their debts or provide a corresponding guarantee for such debts.

Article 228 After the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

Article 229 When the Company is divided, its assets shall be split up accordingly.

In the event of a division of the Company, balance sheets and inventories of assets shall be prepared. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on division and shall make announcement on newspapers or on the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's resolution on division.

Article 230 Where the Company reduces its registered capital, a balance sheet and an inventory list of assets shall be prepared.

The Company shall notify its creditors within ten (10) days from the date of the resolution on reduction of registered capital being made at the general meeting and shall make a public announcement on newspapers or on the National Enterprise Credit Information Publicity System within thirty (30) days from the date of the resolution. The creditors are entitled to require the Company to repay their debts or provide a corresponding guarantee within thirty (30) days from the date of receipt of the notification, or within forty-five (45) days from the date of the announcement if the creditors have not received any notification.

When the Company reduces its registered capital, it shall reduce the amount of capital contributions or shares in proportion to the shareholders' shareholdings, unless otherwise stipulated in the laws or the Articles of Association.

Article 231 If the Company still has losses after making up for them in accordance with the provisions of paragraph 2 of Article 200 of the Articles of Association, it may reduce its registered capital to make up for the losses. Where the registered capital is reduced to make up for losses, the Company shall not make distributions to shareholders, nor shall it exempt shareholders from their obligations to make capital contributions or pay for shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 230 of the Articles of Association shall not apply. However, the Company shall announce the reduction on newspapers or on the National Enterprise Credit Information Publicity System within thirty (30) days from the date on which the general meeting passes a resolution to reduce the registered capital.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the accumulated amount of the statutory reserve and the discretionary reserve reaches 50% of the Company's registered capital.

Article 232 If the registered capital is reduced in violation of the Company Law or other relevant regulations, shareholders shall return the funds received, and any reduction or exemption of shareholders' capital contributions shall be reversed to the original state. In case of losses caused to the Company, shareholders, responsible Directors and members of senior management shall be liable for compensation.

Article 233 When the Company issues new shares to increase its registered capital, shareholders do not have preemptive rights, unless otherwise stipulated in the Articles of Association or a resolution of the general meeting grants shareholders preemptive rights.

Article 234 The company resulting from the division shall be jointly and severally liable for the pre-division debts of the Company, unless provided otherwise in a written agreement pertaining to the payment of debts between the Company and its creditors prior to the division.

Article 235 When the merger or division of the Company involves changes in registered particulars,

such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

Where the registered capital of the Company is increased or decreased, such changes shall be registered with the company registration authority in accordance with the law.

Article 236 The Company shall be dissolved and liquidation should be made in accordance with governing laws upon the occurrence of any of the following:

- (1) the expiry of the term of operation;
- (2) a resolution on dissolution is passed by shareholders at general meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) major difficulties occur in terms of operations and management of the Company such that the continued existence of the Company will cause significant damage to the interests of the shareholders, which cannot be solved through other methods; shareholders holding more than 10% of all voting rights of the Company may petition for the dissolution of the Company to the People's Court;
- (5) the Company's business licence is revoked or cancelled or it is ordered to close down according to law.

If any of the causes of dissolution specified in the preceding paragraphs occur, the Company shall publicise the causes of dissolution on the National Enterprise Credit Information Publicity System within ten (10) days.

Article 237 With regard to the occurrence of the situations described in subparagraph (1) and subparagraph (2) of Article 236 of these Articles of Association, if no asset has been distributed to shareholders, the Company may continue to exist by amending the Articles of Association or a resolution of the general meeting.

Amendments to the Articles of Association, or a resolution of the general meeting pursuant to the preceding paragraph shall be subject to the approval of shareholders representing two-thirds or above of the voting rights present at the general meeting.

Article 238 Where the Company is dissolved under paragraph (1), (2), (4) or (5) of Article 236, a liquidation committee shall be setup to commence liquidation within fifteen (15) days from date of occurrence of events giving rise to dissolution. Members of the liquidation committee shall be determined by the Directors or the general meeting. If a liquidation committee is not set up within the specified period to carry out liquidation procedures, creditors may apply to the People's Court for appointment of relevant persons to form a liquidation committee so as to proceed with the liquidation.

Article 239 Where the Board proposes to liquidate the Company due to causes other than that the Company has been declared insolvent, the Board shall include a statement in its notice convening a general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

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

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

Article 240 The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make announcement on newspapers or on the National Enterprise Credit Information Publicity System within sixty (60) days of such date. Creditors should, within thirty (30) days after receipt of

the notice, or for those who do not receive the notice, within forty-five (45) days from the date of the announcement, submit their claims to the liquidation committee.

When submitting their claims, creditors shall explain relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.

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

Article 241 During the liquidation period, the liquidation committee shall exercise the following functions and duties:

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

Article 242 After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the general meeting or the People's Court for confirmation.

After paying the liquidation cost, staff salary, labor insurance, statutory compensation and the outstanding taxes respectively, and after repayment of its debts in accordance with the provisions above, the remaining assets of the Company shall be distributed to the shareholders of the Company in proportion to their respective shareholdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities not relating to liquidation. The assets of the Company shall not be distributed to the shareholders before the repayment of debts in accordance with provisions of the preceding paragraph.

Article 243 In the event of the Company's liquidation owing to dissolution, if the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall apply to the People's Court for declaration of insolvency and liquidation in accordance with the laws.

After the Company's insolvency application is accepted by the People's Court, the liquidation committee shall transfer the liquidation matters to the insolvency administrator designated by the People's Court.

Article 244 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, and submit the same to the general meeting or the People's Court for confirmation. The liquidation committee shall submit the document to the company registration authority, applying for cancellation of the registration of the Company.

The liquidation committee shall within thirty (30) days after the date of the general meeting or the affirmation from the competent authorities concerned, submit the aforementioned documents to the company registration authorities for cancellation of the Company's registration and announce that the Company ceases to exist.

Article 245 Members of the liquidation committee shall perform their liquidating functions with fiduciary duties and duties of diligence.

Members of the liquidation committee neglecting to perform their liquidating functions, and thereby causing losses to the Company, shall be liable for compensation. If members of the liquidation committee cause any loss to the Company or its creditors, either willfully or due to gross negligence, they shall be liable for compensation.

Article 246 Where the Company is declared insolvent in accordance with the laws, an insolvent liquidation shall be implemented in accordance with the corporate insolvency laws.

CHAPTER 12 NOTICE

Article 247 Corporate communications may be sent by any of the following means:

- (1) by hand;
- (2) by post;
- (3) by facsimile;
- (4) subject to laws and regulations and the listing rules of the place where the Company's shares are listed having been complied with, by publishing on the websites designated by the Company and Hong Kong Stock Exchange;
- (5) by announcement, such announcement shall be published on newspaper;
- (6) other form which is agreed between the Company and the parties being notified or is recognized by the parties being notified;
- (7) other form recognized by the securities regulatory authorities of the place where the Company's shares are listed or as required under the Articles of Association.

Article 248 Unless otherwise required in the Articles of Association, the notices, information or written statements issued by the Company to the shareholders of the overseas listed foreign shares shall be despatched to such shareholders by hand or by mail to the addresses of such shareholders as shown in the register of the overseas listed foreign shareholders.

Article 249 Any notice of the Company given by public announcement shall be deemed to be received by all relevant persons once the public announcement is published.

Article 250 Where a notice of the Company is served by hand and, the addressee signs his name (or affixes his chop) on the receipt, and the date on which the addressee signs the receipt shall be the date of service; where a notice is to be sent by post, such notice is deemed to be served two (2) working days after the date on which it is deposited at the post office. Where a notice of the Company is made by public announcement, the date on which the announcement is first published shall be the date of service. Where a notice is sent by facsimile or email or published on website, the date posted shall be the date of service. Relevant announcement shall be published on the newspapers which are in compliance with relevant provisions. Regarding the announcement issued by the Company to the shareholders of the overseas listed foreign shares or which shall be issued in Hong Kong according to relevant regulations and the Articles of Associations, such announcement shall be published on the website designated according to the requirement of relevant listing rules.

Article 251 Where the notice of the meeting is not given to a person entitled to receive such notice, or where such person fails to receive the notice, due to any accidental omission, this shall not invalidate the meeting or any resolution made at the meeting.

CHAPTER 13 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 252 The Company may, pursuant to the requirements of the laws, administrative regulations and the Articles of Association, amend the Articles of Association.

Article 253 The Company shall amend the Articles of Association under any of the following situations:

(1) there is a discrepancy between the provisions of the Articles of Association and those of the laws and administrative regulations after amendments to the Company Law or relevant laws and administrative regulations;

(2) there are changes in the situation of the Company resulting in inconsistency in relation to that mentioned in the Articles of Association;

(3) the general meeting resolves to amend the Articles of Association.

Article 254 If the amendments are subject to approval by the competent government authorities, such amendments shall be submitted to such competent authority for approval. If registration is necessary for the amendments, such registration shall be carried out in compliance with the relevant laws.

Article 255 The Board may amend the Articles of Association in accordance with the resolution on amendments to the Articles of Association passed at the general meeting and the approval opinions of the relevant competent authorities.

Article 256 Any amendment to the Articles of Association shall be subject to announcement if so required by the laws and regulations.

CHAPTER 14 SETTLEMENT OF DISPUTES INVOLVING THE OVERSEAS-LISTED SHARES

Article 257 The Company shall act according to the following principles to settle disputes involving the overseas listed shares:

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

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

(3) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

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

(4) If any disputes or claims of rights prescribed in paragraph (1) above are referred to arbitration, the laws of the PRC shall apply, save as otherwise provided in the laws and administrative regulations.

The award of an arbitration body shall be final and conclusive and binding on all parties.

CHAPTER 15 SUPPLEMENTARY PROVISIONS

Article 258 Definitions:

(1) Controlling shareholders refer to the shareholders whose voting rights based on the shares held are sufficient to have a significant impact on the resolutions of the general meeting in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed. The relevant provisions to be observed by the controlling shareholders, shall be implemented in accordance with the respective securities regulatory rules of the place where the shares of the Company are listed.

(2) A de facto controller refers to a natural person, legal person or other organizations which can effectively control the Company through investment relationship, agreements or other arrangements.

(3) Related relationships refer to the relationships between a controlling shareholder, de facto controller, Director, member of senior management of the Company and enterprises directly or indirectly controlled by them, as well as other relationships which may possibly cause the transfer of the Company's interests. However, enterprises controlled by the State will not be regarded as having related relationship only due to their common state ownership.

(4) "Independent Director" in the Articles of Association shall have the same meaning as "independent non-executive director" as defined in the Listing Rules.

Article 259 The Articles of Association are written in Chinese. In case of any discrepancy between versions in other languages or different versions of the Articles of Association, the latest Chinese version approved for registration with the Guangzhou Administration for Market Regulation shall prevail.

Article 260 The right of interpretation shall belong to the Board of the Company whereas the right of amendment shall belong to the general meeting.

Article 261 "Accountants' firm" in the Articles of Association shall have the same meaning as "auditors".

Article 262 "Electronic means" in the Articles of Association refer to the transmission of any notices, documents or information of the Company in the form of electronic records through any means (including but not limited to email, publication on the Company's website or on the website of the Hong Kong Stock Exchange or any stock exchange on which any securities of the Company are listed and/or allowed to be traded).

Article 263 All "over", "within" and "under" in the Articles of Association include the relevant figure itself; "exceed", "less than", "except" and "lower than" does not include the relevant figure itself.

Article 264 The Articles of Association shall be effective from the date of approval by the general meeting. The former Articles of Association of Guangzhou Automobile Group Co., Ltd. issued on 20 January 2023 shall be repealed simultaneously.