

Sichuan Energy Investment Development Co., Ltd.

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

Articles of Association

(Listing)

Amended by the special resolutions passed at the annual general meeting
held on June 18, 2025

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ARTICLES OF ASSOCIATION (LISTING) OF SICHUAN ENERGY INVESTMENT DEVELOPMENT CO., LTD.

CHAPTER 1 GENERAL PROVISIONS

Article 1 The Articles of Association are formulated 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 Trial Measures for the Administration of Securities Issuance and Listing by Domestic Enterprises Overseas (《境內企業境外發行證券和上市管理試行辦法》) (the "Overseas Listing Administrative Measures"), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "Guidelines for Articles of Association"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Main Board Listing Rules") and other relevant laws, regulations and regulatory documents for the purpose of safeguarding the legitimate rights and interest of the Company, the shareholders and creditors, regulating the organization and activities of the Company, upholding and strengthening the overall leadership of the Party.

Article 2 Sichuan Energy Investment Development Co., Ltd. (the "Company") is a joint stock company with limited liability established in accordance with the Company Law, the Securities Law and other laws and administrative regulations of the PRC.

With the approval from the State-owned Assets Supervision and Administration Commission of Sichuan Province (the "Sichuan SASAC") by issuing the Approval on Proposed Promotion and Establishment of Joint Stock Company by Sichuan Province Hydropower Investment and Management Group Co., Ltd. (Sichuan State-owned Assets Reform [2010] No.32) (《關於同意四川省水電投資經營集團有限公司發起設立股份公司的立項批覆》(川國資改革[2010]32號)) and the Approval on Proposal of Promotion and Establishment of Joint Stock Company by Sichuan Province Hydropower Investment and Management Group Co., Ltd. (Sichuan State-owned Assets Reform [2011] No.38) (《關於同意四川省水電投資經營集團有限公司發起設立股份公司方案的批覆》(川國資改革[2011]38 號)), the Company was established by way of promotion in September 29, 2011, and was registered with Chengdu Wenjiang Administration for Industry and Commerce and obtained the business license (No. 510123000044802) on September 29, 2011. The Company maintains the Business License (Registration No./Unified Social Credit Code: 91510115582624410F) issued by Chengdu Administration of Industry and Commerce.

The promoters of the Company are Sichuan Province Hydropower Investment and Management Group Co., Ltd., Sichuan Development (Holding) Co., Ltd., Sichuan Industry Promotion and Development Investment Fund Co., Ltd., Yibin City State-owned Assets Operation Co., Ltd., Gao County State-owned Assets Operation and Management Co., Ltd., Xingwen County Urban Construction Investment Co., Ltd. and Junlian County State-owned Assets Operation Co., Ltd.

Article 3 Upon the approval from the competent securities regulatory authorities of the State Council and The Stock Exchange of Hong Kong Limited, the Company launched an initial public offering of 268,800,000 H shares, which were listed on the Main Board of The Stock Exchange of Hong Kong Limited on December 28, 2018. 518,596,758 domestic unlisted shares were converted into H shares on June 9, 2023 and listed on the Main Board of The Stock Exchange of Hong Kong Limited from June 12, 2023.

Article 4 The registered name of the Company:

Full name in Chinese: 四川能投發展股份有限公司

Full name in English: Sichuan Energy Investment Development Co., Ltd.

Article 5 Domicile of the Company: No. 789, Renhe Road, Wenjiang District, Chengdu City, Sichuan Province Postal code: 611130

Article 6 The registered capital of the Company is RMB1,074,357,700.

Article 7 The Company is a joint stock limited company in perpetual existence as an independent legal entity.

Article 8 The legal representative of the Company shall be a director who performs the company affairs on behalf of the Company. If the director serving as the legal representative resigns, he/she shall be deemed to have resigned as the legal representative at the same time. If the legal representative has resigned, the Company shall, in principle, determine a new legal representative within thirty days from the date of the resignation of the legal representative.

Article 9 The Company shall be liable for its debts with all its assets; the shareholders of the Company shall bear liability for the Company to the extent of the shares they subscribe for.

Article 10 From the effective date onwards, the Articles of Association shall become a legally-binding document which regulates the Company's organization and acts, the rights and obligations between the Company and shareholders and amongst the shareholders. The Articles of Association will be legally binding upon the Company and its shareholders, members of the Party committee, directors, supervisors, and senior management. Pursuant to the Articles of Association, the shareholders may take legal actions against other shareholders; a shareholder may take legal actions against the directors, supervisors, managers and other senior management of the Company; a shareholder may take legal actions against the Company; and the Company may take legal action against its shareholders, directors, supervisors, managers and other senior management.

Article 11 The term "senior management" in the Articles of Association refers to the general manager, deputy general manager, financial controller (chief accountant), chief engineer, chief economist and secretary to the Board of the Company.

Article 12 The Company has, according to the Constitution of the Communist Party of China and the Regulations on the Work of Grassroots Organizations of State-owned Enterprises of the Communist Party of China (For Trial Implementation), established an organization of the Communist Party of China to carry out the activities of the Party, set up working organs for the Party, allocate sufficient competent staff to deal with Party affairs and guarantee sufficient funds to operate the Party organization.

CHAPTER 2 PURPOSES AND SCOPE OF BUSINESS

Article 13 The business purpose of the Company is to enhance the operational management of the Company through the corporate form of joint stock company, maximize the economic benefit of the Company, strive to develop into a modern power service enterprise, create reasonable return on investment for all shareholders, and provide solid and reliable power supply and quality service to support the economic and social development of local areas.

Article 14 The business scope of the Company is:

Development, construction and operation management of power projects; development, construction and operation management of power distribution network and power plants; production and sale of power products; new energy technology research, development and advisory services; installation, commissioning and repair of power facilities and inspection of electrical equipment, sale of material (excluding commodities subject to state-run trade management, and for commodities subject to quota and permit management, application shall be made in accordance with relevant national regulations).

The business scope above shall be consistent with the business scope registered with the registration authority of the Company.

The Company may, based on any changes in domestic and international markets, business development and its own capability, adjust its business scope, amend the Articles of Association according to relevant procedures, and handle relevant formalities of industry and commerce administration registration for such adjustment according to relevant provisions.

CHAPTER 3 SHARES

SECTION 1 ISSUANCE OF SHARES

Article 15 The Company's shares shall be in the form of share certificates.

Article 16 The shares of the Company shall be issued in accordance with the principles of openness, fairness and impartiality, and same right is attached to each share of the same class.

Shares of the same class issued at the same time shall share same terms and price, and any institution or individual shall pay the same price for each share subscribed.

Article 17 The shares issued by the Company are denominated in RMB.

Article 18 The shares issued by the Company are referred to as domestic unlisted shares if they are issued in the PRC but have not yet been listed or traded on any domestic exchange. Shares issued by the Company and listed on the Hong Kong Stock Exchange are referred to as H shares.

Shares issued and listed by the Company on the Hong Kong Stock Exchange may be held in escrow by the entrusted custody company under Hong Kong Securities Clearing Company Limited, or held by shareholders in their personal names.

Article 19 The Company issued 805,557,700 ordinary shares to its promoters upon its establishment. All these shares were subscribed for and paid up by promoters of the Company in agreed way of capital contribution before September 29, 2012. Details of promoters' shareholding in the Company upon its establishment are as follows:

Promotor	Number of shares subscribed (ten thousand)	Paid-up capital (ten thousand)	Shareholding (%)	Way of capital contribution	Date of capital contribution (YYYY/MM/DD)
Sichuan Province Hydropower Investment and Management Group Co., Ltd.	39,439.84	39,439.84	48.96	Equity interest	2011/12/9
Sichuan Industry Promotion and Development Investment Fund Co., Ltd.	19,607.84	19,607.84	24.34	Cash	2011/9/27
Sichuan Development (Holding) Co., Ltd.	2,493.76	2,493.76	3.10	Cash	2012/9/29
Yibin City State-owned Assets Operation Co., Ltd.	6,535.95	6,535.95	8.11	Cash	2011/9/27
Gao County State-owned Assets Operation and Management Co., Ltd.	9,240.60	9,240.60	11.47	Equity interest	2011/12/9
Xingwen County Urban Construction Investment Co., Ltd.	2,518.83	2,518.83	3.13	Equity interest	2011/12/5
Junlian County State-owned Assets Operation Co., Ltd.	718.95	718.95	0.89	Cash	2012/9/29
Total	80,555.77	80,555.77	100.00	—	—

Article 20 The total number of shares of the Company is 1,074,357,700 shares, all of which are ordinary shares, comprising 286,960,942 domestic unlisted shares and 787,396,758 H shares.

Article 21 The Company or its subsidiaries (including the Company's affiliates) shall not provide any financial assistance in the form of gifts, advances, guarantees, compensation or loans to a person who purchases or intends to purchase shares of the Company.

SECTION 2 INCREASE AND DECREASE IN CAPITAL AND REPURCHASE OF SHARES

Article 22 The Company may, based on its requirements for operation and development and in accordance with the relevant provisions of the laws, regulations, by special resolution(s) at the shareholder's general meeting, increase its capital by way of:

- (1) publicly issuing shares;

- (2) non-publicly issuing shares;
- (3) distributing new shares to its existing shareholders;
- (4) transfer of capital reserve fund into share capital; and
- (5) any other means approved by laws, administrative regulations and the China Securities Regulatory Commission (the “CSRC”).

Subject to the provisions of the securities regulatory authorities of the place where the Company’s shares are listed, the Hong Kong Stock Exchange, and the CSRC, the Board may, with the authorization of the shareholders’ general meeting, decide to issue shares not exceeding fifty percent of the issued shares within three years. However, contributions made in the form of non-monetary assets shall be subject to a resolution by the shareholders’ general meeting. If the Board decides to issue shares in accordance with the provisions of the preceding paragraph, which results in changes to the registered capital and the number of issued shares of the Company, amendments to the relevant provisions of the Articles of Association shall not be subject to the vote of the shareholders’ general meeting.

Article 23 The Company is entitled to sell the shares of a shareholder who is untraceable and retain the proceeds therefrom if:

- (1) during a period of 12 years at least three times dividends in respect of the shares in question have become payable and no dividend during that period has been received by shareholders; and
- (2) on expiry of the 12 years, the Company shall give notice of its intention to sell the shares by way of an advertisement in newspapers upon approval from the competent securities regulatory authority of the State Council, and notify such authority and relevant overseas stock exchanges and securities regulatory authorities in such places where the Company’s shares may be listed of such intention.

Article 24 The Company may reduce its registered share capital. The reduction of registered capital shall be made in accordance with the Company Law and other relevant requirements as well as procedures stipulated in the Articles of Association.

Article 25 The Company shall not acquire its own shares but except in one of the following circumstances:

- (1) reduction of its registered capital;
- (2) merging with another company that holds shares in the Company;
- (3) use of shares for employee stock ownership plan or equity incentives;

- (4) a shareholder who objects to a resolution on the merger or division of the Company adopted at a shareholders' general meeting requests the Company to purchase that shareholder's shares;
- (5) use of shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (6) where necessary for the Company to safeguard the value of the Company and the interests of its shareholders;
- (7) other circumstances under which shares of the Company may be acquired in accordance with laws, administrative regulations, departmental rules, normative documents, and relevant regulations of the place where the shares of the Company are listed.

A resolution of the Board shall be passed by more than two-thirds of all directors if the Board decides to issue new shares pursuant to the authorization by the shareholders' general meeting.

If the Company acquires its own shares, it shall perform its information disclosure obligations in accordance with the Securities Law and the regulations of the place where the shares are listed.

Article 26 The Company may repurchase its shares through open and centralized trading or other methods permitted by laws, administrative regulations, and the CSRC.

Where the Company repurchases its shares under any of the circumstances stipulated in (3), (5) or (6) of paragraph 1 of Article 25 of the Articles of Association, it shall do so by way of open and centralized trading.

Article 27 Where the Company repurchases its shares under any of the circumstances stipulated in (1) or (2) of paragraph 1 of Article 25 of the Articles of Association, it shall do so by a resolution approved by the shareholders at a general meeting. Where the Company repurchases its shares under any of the circumstances stipulated in (3), (5) or (6) of paragraph 1 of Article 25 of the Articles of Association, it may do so in accordance with the provisions of the Articles of Association or with the authorization of the general meeting of shareholders and by resolution of a meeting of the Board at which two-thirds of the Directors are present.

Where shares of the Company are repurchased under the circumstances in (1) pursuant to sub-paragraph (1) of Article 25 of the Articles of Association, such shares shall be cancelled within 10 days from the date of repurchase; in case of repurchase pursuant to sub-paragraphs (2) and (4), such shares shall be transferred or cancelled within 6 months thereafter; in case of repurchase pursuant to sub-paragraphs (3), (5) or (6), the shares held by the Company in total shall not be more than 10% of the total issued share capital of the Company, and shall be transferred or cancelled within three years.

SECTION 3 TRANSFER OF SHARES

Article 28 Shares of the Company are transferrable according to laws.

Article 29 The Company shall not accept any shares of the Company as subject of pledge.

Article 30 The shares issued before the Company's public offering shall not be transferred within one year from the date on which the listing and trading of shares of the Company in a stock exchange commence. Where otherwise required by laws, administrative regulations or the securities regulatory authorities of the State Council regarding the transfer of shares held by shareholders and de facto controllers of a listed company, such requirements shall apply.

The directors, supervisors and senior management members of the Company shall report to the Company the number of shares held by them in the Company and the subsequent changes in their shareholdings. The number of shares which such persons may transfer every year during their terms of office determined at the time of taking office shall not exceed 25% of the total number of the Company's shares in his or her possession. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date on which the listing and trading of shares of the Company in a stock exchange commence. Such person shall not transfer the Company's shares in their possession within half year after termination of their employment with the Company.

Where the shares are pledged within the time limit for transfer prescribed by laws or administrative regulations, the pledgee may not exercise the pledge right within the time limit for transfer.

Article 31 If any of the Company's shareholders holding five per cent or more Company's shares, Directors, Supervisors, senior management personnel sell shares or other securities of an equity nature within six months after buying the same or buy shares or securities within six months after selling the same, the earnings thereof shall belong to the Company and the Board shall recover such earnings. Except for any sale of shares by a securities company holding five per cent or more Company's shares as a result of its purchase and underwriting of the untaken shares after offering and other circumstances stipulated by CSRC.

The shares or other securities of an equity nature held by directors, supervisors, senior management or natural person shareholders referred to in the preceding paragraph shall include shares or other securities of an equity nature held by their spouses, parents or children and those held through the accounts of others.

If the Board of Directors of the Company does not act in accordance with the provisions of the first paragraph of this article, shareholders shall have the right to request the Board of Directors to do so within thirty days. If the Board of Directors of the Company fails to act within the above-mentioned period, the shareholders shall have the right to bring a lawsuit directly to a People's Court in their own name in the interest of the Company.

If the Board of Directors of the Company does not act in accordance with the provisions of the first paragraph of this article, the directors responsible shall be jointly and severally liable in accordance with the law.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

SECTION 1 SHAREHOLDERS

Article 32 The Company shall establish a register of members based on the certificates provided by the securities registration authority, and the register of members shall be the sufficient evidence of the shareholders' shareholding in the Company. A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class of shares he/she holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Article 33 The shares of the Company may be transferred, donated, inherited and pledged in accordance with the relevant laws, administrative regulations and the Articles of Association. Transfer of shares must be registered by the share registrar entrusted by the Company.

Article 34 The share certificates shall be signed by the legal representative. Where the regulatory authorities or stock exchanges of the place where the shares of the Company are listed requires the share certificates to be signed by other senior management members of the Company, such share certificates shall also be signed by other relevant senior management members. The share certificates shall be effective after being affixed or printed with the seal of the Company. The share certificates shall only be affixed or printed with the company seal with the authorization of the Board. The signatures of the legal representatives or other relevant senior management members on the share certificates may also be in printed form.

Article 35 Subject to compliance with the Articles of Association and other applicable requirements and upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names being entered in the register of shareholders.

All acts or transfer of overseas listed shares will be record in the register of shareholders of overseas listed shares which is kept in the place where such shares are listed pursuant to Article 36 of the Articles of Association.

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

- (1) the Company shall not need to register more than four persons as joint holders for any shares;
- (2) all the joint holders of any share shall jointly or severally assume the 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, for the purpose of making amendments to the register of shareholders, to demand a death certificate of such shareholder where it deems it appropriate to do so; and
- (4) for joint holders of any shares, only the joint holder whose name appears first in the register of shareholders has the rights to receive the certificate of relevant shares and notice from the Company. The notice which is serviced on the above-mentioned person should be deemed to be serviced on all of the joint shareholders of relevant shares. Any joint holder is entitled to sign the proxy form provided that if more than one joint holder attends any general meeting in person or by proxy, the vote casted by the senior joint holder, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority will be determined by the order in which the names stand in the register of shareholders of the Company in respect of the joint shareholding.

Article 36 The Company may, in accordance with the mutual understanding and agreements made between the competent securities regulatory authorities of the State Council and overseas securities regulatory authorities, keep its original register of holders of overseas listed shares outside of the PRC and appoint overseas agent(s) to manage such register. The original register of holders of overseas listed 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 shares at its place of domicile. The appointed overseas agent(s) shall ensure consistency between the original version and the duplicate register of holders of overseas listed shares at all times.

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

Article 37 The Company shall maintain a complete register of members. The register of members shall include the following parts:

- (1) the register of members which is maintained at the Company's place of domicile (other than those share registers which are described in paragraphs (2) and (3) of this Article);

- (2) the register of members in respect of the holders of overseas listed shares of the Company which is maintained at the place where the overseas stock exchange on which the shares are listed is located;
- (3) the register of members which is maintained in such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 38 Different parts of the register of members shall not overlap with one another. No transfer of the shares registered in any part of the register shall, during the existence of share registration, be registered in any other parts of the register of members.

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

Article 39 All transfers of overseas listed shares shall adopt written transfer documents of ordinary or common forms or any other forms acceptable to the Board of Directors, which documents may be executed in manuscript without seal. If the transferor or transferee of any shares in the Company is a recognized clearing house ("Recognized Clearing House") (or its nominee) within the meaning of the laws of Hong Kong, it may use machine imprinted signatures on written transfer documents.

All fully paid-up share capital of overseas listed shares listed in Hong Kong is freely transferable pursuant to the Articles of Association subject to other restrictions of the Hong Kong Stock Exchange. The Board may refuse to recognize any instrument of transfer without explanation, unless such transfer is in compliance with the following conditions:

- (1) a fee (for each instrument of transfer) of HK\$2.5 or any higher fee as agreed by the Board has been paid to the Company to register the instrument of transfer of shares and other documents relating to or which may affect the ownership of such shares, provided that it shall not exceed such highest fees as required from time to time in the Main Board Listing Rules;
- (2) the instrument of transfer solely involves the overseas listed shares listed in Hong Kong;
- (3) the stamp duty payable on the instrument of transfer has been paid;
- (4) the relevant share certificates and other evidences reasonably required by the Board showing that the transferor has the right to transfer such shares have been furnished;
- (5) if the shares are intended to be transferred to joint holders, the number of such joint holders shall not exceed 4;
- (6) the Company has not created any lien over the relevant shares.

If the Company refuses to register any transfer of shares, the Company shall, within two (2) months from formal application for the transfer, provide the transferor and transferee with a notice of refusal to register such transfer.

Article 40 Any shareholder who is registered in, or any person requests to include his/her name entered into, the register of members may, if his/her share certificate (the “Original Certificate”) is lost, apply to the Company for a replacement share certificate in respect of such shares (the “Relevant Shares”).

If a holder of unlisted shares’ share certificate are stolen, lost or destroyed and applies for a replacement share certificate, it shall be dealt with in accordance with the requirement of Article 164 of the Company Law.

If a holder of overseas listed shares loses his/her share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas listed shares is maintained.

If a holder of H shares loses his/her share certificate and applies for a replacement share certificate, such share certificate shall be issued in compliance with the following requirements:

- (1) the applicant shall submit an application to the Company in the standard form prescribed by the Company accompanied by a notarially certified certificate or statutory declaration containing the grounds upon which the application is made by the applicant and the circumstances and evidence of the loss of the share certificate as well as declaring that no other person is entitled to request to be registered as the shareholder of the Relevant Shares;
- (2) before the Company decides to issue the replacement share certificate, no statement is made by a person other than the applicant requesting that he/she shall be registered as the shareholder in respect of such Relevant Shares;
- (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 30 days for a period of 90 days. The newspapers designated by the Board shall be at least one Chinese and English newspaper recognized by Hong Kong Stock Exchange;
- (4) Prior to the publication of its intention to issue a replacement share certificate, the Company shall have delivered to the Hong Kong Stock Exchange a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from the Hong Kong Stock Exchange that the announcement has been displayed at the premises of the Hong Kong Stock Exchange. The announcement shall be displayed at the premises of the Hong Kong

Stock Exchange for a period of 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 deliver by mail to such registered shareholder a copy of the announcement to be published;

- (5) If, upon expiration of the 90-day period of announcement and display referred to in 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 accordingly;
- (6) where the Company issues a replacement share certificate in accordance with this Article, it shall forthwith cancel the Original Certificate and record the cancellation and replacement matters in the register of members accordingly;
- (7) all expenses relating to the cancellation of an Original Certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant.

Article 41 When the Company convenes a general meeting, distributes dividends, enters into liquidation and engages in other activities that involve confirmation of shareholders' identity, the Board or the convener of the general meeting shall determine the date for registration of shareholdings. Shareholders registered in the register of members after the close of business on the date of registration shall be the shareholders entitled to relevant interests.

Where there are provisions in the Main Board Listing Rules on the period of closure of register of members before the general meeting is held or the base day before the Company decides to distribute dividends, such provision shall prevail.

Article 42 The shareholders of the Company shall enjoy 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, convene, chair, attend and vote in person or appoint a proxy to attend, speak and vote on his behalf at shareholders meeting in accordance with the law;
- (3) the right of supervisory management over the Company's operations, and the rights to present proposals or to raise enquiries;
- (4) the right to transfer, give or pledge the shares he/she holds in accordance with laws, administrative regulations and provisions of the Articles of Association;

- (5) the right to obtain information in accordance with the provisions of the Articles of Association, including:
1. the right to inspect and copy of the Articles of Association;
 2. the right to inspect and copy:
 - (1) the share register;
 - (2) minutes of shareholders' general meetings, special resolutions of shareholders' general meetings, resolutions of Board meetings and resolutions of meetings of Board of Supervisors;
 - (3) corporate bond counterfoils;
 - (4) the latest audited financial report of the Company, and the reports of directors, auditors and supervisors; and
 - (5) a copy of the latest Annual Inspection Form that has been filed with the PRC administration for industry and commerce or other competent authorities.

Documents mentioned above shall be made available by the Company at the Company's place of domicile and its place of business in Hong Kong, for inspection by the public and shareholders.

- (6) in the event of the termination or liquidation of the Company, 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 adopted at the shareholders' general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;
- (8) other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

Shareholders who have held more than three percent of the Company's shares, either individually or collectively, for over 180 consecutive days shall have the right to apply for inspection of the Company's accounting books and accounting vouchers. Shareholders who request to inspect the Company's accounting books and vouchers shall submit a written request to the Company, stating the purpose. The Company may refuse to provide access to the accounting books and vouchers if it has reasonable grounds to believe that the shareholder's request serves an improper purpose and may harm the legitimate interests of the Company, and shall respond in writing to the shareholder

within fifteen days from the date of receiving the shareholder's written request, providing reasons for the refusal. If the Company refuses to provide access for inspection, the shareholders may initiate legal proceedings in the People's Court.

A shareholder may appoint an accounting firm, law firm or other intermediary agencies to inspect the materials specified in the preceding paragraph.

Shareholders and the accounting firms, law firms and other intermediary agencies they appointed shall comply with the requirements of laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy and personal information etc., when inspecting and reproducing relevant materials.

Where a shareholder requests to inspect or reproduce materials related to wholly-owned subsidiaries of the Company, the provisions of the preceding paragraph shall apply.

Article 43 Where shareholders request for inspection of the relevant information as mentioned in the preceding Article or request any materials, they shall provide the Company with written documents evidencing the class and number of shares of the Company held by them. The Company shall verify the identity of the shareholders and provide information requested by such shareholders.

Article 44 In the event that any resolution of the general meeting and resolution of the Board violates laws or administrative regulations, the shareholders shall be entitled to request the People's Court to invalidate the said resolution.

In the event that the convening procedure or voting method of the general meeting or meeting of the Board violates any of the laws, administrative regulations or the Articles of Association, or the content of any resolution violates the Articles of Association, the shareholders shall be entitled to request the People's Court to overturn the resolution within 60 days upon the resolution was adopted, except where there are only minor defects in the convening procedure or voting method of the general meeting or meeting of the Board, which do not materially affect the resolutions.

Shareholders who have not been notified to attend the general meeting may request the People's Court to overturn the resolution within 60 days from the date they knew or should have known of the adopting of the resolution of the general meeting; if the right to overturn is not exercised within one year from the date the resolution was adopted, the right to overturn shall be extinguished.

Resolutions of the shareholders' meeting or Board meeting of the Company shall be invalid in any of the following circumstances:

- (1) the resolution was not made by a general meeting or a board meeting;
- (2) the resolution was not voted on at a general meeting or a board meeting;

- (3) the number of attendees of the meeting or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law and these 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 these Articles of Association.

Article 45 Where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by directors and senior management in the course of performing their duties, shareholders severally or jointly holding more than 1% of shares of the Company for over 180 consecutive days shall have the right to request in writing to the Board of Supervisors to initiate legal proceedings in the People's Court; where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by the Board of Supervisors in the course of performing duties, shareholders shall have the rights to request in writing to the Board to initiate legal proceedings in the People's Court.

In the event that the Board of Supervisors or the Board refuses to initiate legal proceedings upon receipt of the aforesaid Shareholders' written request, or fails to initiate legal proceedings within 30 days upon receipt thereof, or in the event that the failure to immediately initiate legal proceedings in an emergency case will incur irrecoverable damage to the interests of the Company, shareholders specified in the preceding paragraph may, in their own name, directly initiate legal proceedings in the People's Court for the interests of the Company.

In the event that any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders specified in the first paragraph of this Article may initiate legal proceedings in the People's Court according to the provisions of the preceding two paragraphs.

If the directors, supervisors or senior management of a wholly owned subsidiary of the Company are involved in any of the circumstances set forth in the preceding paragraph, or if any other person infringes upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and causes losses, shareholders who severally or jointly hold more than 1% of shares of the Company for over 180 consecutive days may, in accordance with the provisions of the preceding paragraph, request in writing to the board of supervisors or the Board of the wholly-owned subsidiary to initiate legal proceedings in the People's Court, or directly initiate legal proceedings in their own names in the People's Court.

Article 46 If a director or senior management officer violates laws, administrative regulations or the provisions of these Articles of Association, thereby harming the interests of shareholders, shareholders may initiate legal proceedings in the People's Court.

Article 47 The 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 surrender the shares unless required by laws and regulations;
- (4) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;
- (5) other obligations imposed by laws, administrative regulations and the Articles of Association.

Where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages. Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Article 48 Where any shareholder holding more than 5% of the voting shares of the Company pledges the shares held by him/her, the shareholder shall submit a written report to the Company on the day on which the pledge occurs.

Article 49 The controlling shareholders and de facto controllers of the Company shall not use their related-party relationship to damage the interests of the Company. Any person who causes losses to the Company in violation of the provisions shall be liable for compensation.

The controlling shareholders and de facto controllers of the Company have a duty of integrity to the Company and its public shareholders. Controlling shareholders shall exercise their rights as capital contributors in strict compliance with the law. Controlling shareholders shall not harm the legitimate rights and interests of the Company and public shareholders by means of profit distribution, asset restructuring, external investment, fund occupation, loan guarantees, etc., nor shall they use their controlling position to harm the interests of the Company and shareholders.

SECTION 2 GENERAL PROVISIONS FOR THE SHAREHOLDERS' GENERAL MEETING

Article 50 The shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with law:

- (1) to elect and replace directors and supervisors that are not staff representatives and decide on matters relating to their remuneration;
- (2) to consider and approve the reports of the Board;
- (3) to consider and approve the reports of the Board of Supervisors;
- (4) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (5) to resolve on the increase or reduction of the Company's registered capital;
- (6) to resolve on the issuance of debentures by the Company;
- (7) to resolve on matters such as the merger, division, dissolution, liquidation or change of the corporate form of the company;
- (8) to amend the Articles of Association;
- (9) to resolve on the engagement, re-appointment or termination of engagement of the accounting firms of the Company;
- (10) to consider and approve the guarantees specified in Article 51 of the Articles of Association;
- (11) to consider the acquisition or disposal of significant assets within one year which account for more than 30% of the latest audited total assets of the Company;
- (12) to consider and approve matters relating to changes in the use of proceeds;
- (13) to consider and approve the share incentive scheme and employee shareholding plans;
- (14) to consider other matters required to be resolved by the shareholders' general meeting as prescribed by laws, administrative regulations, department regulations or the Articles of Association.

The shareholders' general meeting may authorize the Board to resolve on the issuance of corporate bonds.

Article 51 The following external guarantees to be provided by the Company shall be considered and approved by the shareholders' general meeting:

- (1) any provision of guarantee, where the total amount of external guarantees provided by the Company and its controlled subsidiaries reaches or exceeds 50% of the latest audited net assets;
- (2) any provision of guarantee, where the total amount of external guarantees provided by the Company reaches or exceeds 30% of the latest audited total assets;
- (3) any provision of guarantee, where the total amount of guarantees provided by the Company within one year exceeds 30% of the latest audited total assets of the Company;
- (4) provision of guarantee to anyone whose debt to asset ratio exceeds 70%;
- (5) provision of a single guarantee the amount of which exceeds 10% of the latest audited net assets;
- (6) provision of guarantee to third parties other than the Company and its controlled subsidiaries;
- (7) provision of guarantee to shareholders, de facto controllers and their connected parties.

The external guarantees above to be approved at shareholders' general meeting shall be considered and approved by the Board of Directors before submission to the shareholders' general meeting for approval.

When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller or related party, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other shareholders attending the meeting. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-related shareholders.

Article 52 General meetings comprise annual general meetings and extraordinary general meetings. The annual general meetings shall be held once every year within six months after the conclusion of the previous accounting year.

Article 53 Extraordinary general meetings shall be convened as and when necessary. Under any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the occurrence thereof:

- (1) when the number of directors is less than the number of directors required by the Company Law or two-thirds of the number of directors specified in the Articles of Association;
- (2) when the un-recovered losses of the Company amount to one third of the total amount of its paid-in share capital;
- (3) when shareholder(s) individually or jointly holding 10% or more of the Company's shares request(s) in writing the convening of an extraordinary general meeting;
- (4) when the Board considers necessary or upon the request of the Board of Supervisors;
- (5) when more than two independent non-executive directors so request;
- (6) other situations stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange on which the shares of the Company are listed or the Articles of Association.

In any of the circumstances referred to in (3) and (4) above, the matter for consideration proposed by the requisitionist shall be included in the agenda of such meeting.

Article 54 The Company shall hold the shareholders' general meeting at the Company's place of domicile or such other place as specified in the notice of the shareholders' meeting. A meeting venue shall be established for the shareholders' general meeting, and meetings will take the form of physical meeting. Subject to ensuring the legality and validity of the shareholders' meeting, the Company may establish other forms and means for shareholders to attend the meeting, including but not limited to electronic communication means. Shareholders who attend the general meetings in the aforesaid manner shall be deemed to be present at such meetings.

Article 55 When the Company convenes a shareholders' general meeting, it shall engage a lawyer to issue legal opinions in accordance with the regulatory rules in the place where the Company's shares are listed.

SECTION 3 CONVENING OF SHAREHOLDERS' GENERAL MEETINGS

Article 56 Independent non-executive directors shall have the right to propose to the Board to convene extraordinary general meetings. When an independent non-executive director proposes to convene an extraordinary general meeting, the Board shall issue written feedback on consent or non-consent to the convening of the extraordinary general meeting within 10 days from the receipt of the proposal according to the laws, administrative regulations and the Articles of Association. If the Board gives consent to convene an extraordinary general meeting, it shall, within five days from the passing of

the board resolution, issue a notice on convening the general meetings. If the Board does not give consent to convene an extraordinary general meeting, the Board shall state the reason and issue an announcement.

Article 57 The Board of Supervisors shall have the right to propose the convening of an extraordinary general meeting to the Board and such proposal shall be made by way of written request(s). The Board of Directors shall provide written feedback on whether to agree or disagree to convene an extraordinary general meeting within 10 days after receiving the proposal, in accordance with the provisions of laws, administrative regulations and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary general meeting, it will issue a notice for the convening of the shareholders' general meeting within 5 days after the board resolution is made. Any changes to the original proposal in the notice shall be subject to the consent of the Board of Supervisors.

If the Board of Directors does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days after receiving the proposal, it shall be deemed that the Board is unable or fails to fulfill its duties to convene the general meeting, and the Board of Supervisors may on its own convene and preside over the meeting.

Article 58 Shareholders that hold, individually or collectively, 10% or more of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the Board to convene an extraordinary general meeting and stating the subject of the meeting. The Board shall give a written response on whether or not it agrees to call such an extraordinary general meeting within 10 days after having received the above-mentioned written request. The shareholding referred to above shall be calculated as of the day on which the written request is made.

If the Board of Directors agrees to convene an extraordinary general meeting, it will issue a notice for the convening of the shareholders' general meeting within 5 days after the board resolution is made. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary general meeting, or if the Board fails to provide feedback within 10 days after receiving the aforementioned written request, the shareholders making the request have the right to propose to the Board of Supervisors to convene an extraordinary general meeting and shall submit such proposal in writing to the Board of Supervisors.

If the Board of Supervisors agrees to convene an extraordinary general meeting, a notice for the convening of the shareholders' general meeting shall be issued within 5 days after receiving the request, and any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Supervisors fails to issue a notice for the shareholders' general meeting within the stipulated time, it shall be deemed that the Board of Supervisors does not convene and preside over the shareholders' general meeting. Shareholders holding more than 10% (including 10%) of the Company's shares individually or collectively for more than 90 consecutive days may convene and preside over the meeting by themselves.

Article 59 If the Board of Supervisors or shareholders decide to convene a shareholders' general meeting by themselves, they must notify the Board of Directors in writing.

Before the announcement of the resolutions of the general meeting, the proportion of shares held by the Convening Shareholders shall not be less than 10%.

The Board of Supervisors or the Convening Shareholders shall submit the relevant supporting documents in accordance with the rules of the place where the shares are listed when issuing the notice of the shareholders' meeting and the announcement of the resolution of the shareholders' meeting.

Article 60 For shareholders' general meetings convened by the Board of Supervisors or shareholder(s), the Board of Directors and the Secretary to the Board of Directors shall work in a cooperative manner. The Board of Directors shall provide the register of members as at the record date for the registration of shareholding.

Article 61 All necessary expenses incurred by the Board of Supervisors or the shareholders in convening the shareholders' general meeting on their own initiatives shall be borne by the Company.

SECTION 4 PROPOSALS AND NOTICE OF SHAREHOLDERS' GENERAL MEETING

Article 62 The content of the proposal shall fall within the scope of the duty of the shareholders' general meeting, have clear issues and specific matters to be resolved, and comply with the relevant provisions of laws, administrative regulations and the Articles of Association.

Article 63 When the Company convenes shareholders' general meeting, the Board, the Supervisory Committee and shareholders holding, individually or collectively, 1% or more of the shares in the Company shall have the right to put forward proposals to the Company.

Shareholders holding individually or in aggregate 1% or more of shares of the Company shall be entitled to propose a provisional motion in writing to the Company and submit the same to the Board 10 days before the date of general meeting. The temporary proposal shall have clear issues and specific matters to be resolved. The Board of Directors shall notify other shareholders within 2 days after receiving the proposal and announce the content of the temporary proposals in accordance with the rules of the place where the shares are listed. However, except for temporary proposals that violate

the provisions of laws, administrative regulations or the Articles of Association or that do not fall within the scope of the duty of the shareholders' meeting. The Company shall not raise the shareholding ratio requirements for shareholders proposing temporary proposals.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals already specified in the notice of the shareholders' general meeting or add new proposals subsequent to the issue of the notice of the shareholders' general meeting.

The shareholders' general meeting shall not vote on or resolve any proposals not incorporated in the notice or not in compliance with Article 62 of the Articles of Association.

Article 64 To convene an annual general meeting, the Company shall give notices 20 days before the date of the meeting, informing all shareholders of the matters proposed to be considered at the meeting and the date and the place of meeting; to convene an extraordinary general meeting, the Company shall give notices to all Shareholders 15 days before the date of the meeting.

The notice of a general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting) by the means stipulated in the Articles of Association or by other methods permitted by the stock exchange where the Company's shares are listed. Subject to compliance with the relevant laws, regulations, normative documents and the relevant provisions of the securities regulatory authorities in the jurisdiction where the Company's shares are listed, the Company may issue the notice of the shareholders' meeting by publishing it on the websites of the Company and the Hong Kong Stock Exchange. For the holders of domestic shares, notice of the meeting may be issued by way of public notice.

The notice, materials or written announcement of the shareholders' general meeting should be delivered to the shareholders of overseas listed shares in any of the following manners, 20 days prior to the holding of such annual general meeting, or 15 days before the date of the such extraordinary general meeting:

- (I) Publish the announcement at the website of the Company or websites designated by the local stock exchange where shares of the Company are listed in accordance with applicable laws, regulations and relevant Main Board Listing Rules; and
- (II) Other manners required by the local stock exchange where shares of the Company are listed and the listing rules into force unless they are signed by independent non-executive directors.

Article 65 A notice of general meetings:

- (1) shall specify the time, place and date of the meeting;

- (2) shall state the matters and proposals to be discussed at the meeting;
- (3) shall expressly state that all shareholders have the right to attend the general meeting and may appoint a proxy in writing to attend the meeting and participate in the voting, and that a proxy need not be a shareholder;
- (4) specifies the record date for shareholders entitled to attend the shareholders' general meeting, and that interval between record date and the date of the meeting shall comply with the provisions of the relevant stock exchanges or regulatory agencies where the Company's shares are listed;
- (5) the name and telephone number of the permanent contact person for the conference;
- (6) the time and procedure for voting by internet or other means.

Article 66 If the election of directors or supervisors is proposed to be discussed at a shareholders' general meeting, the notice of the shareholders' general meeting shall adequately disclose the detailed information of the candidates for directors or supervisors in accordance with relevant regulations.

Except for the directors or supervisors elected through the cumulative voting system, each candidate for director or supervisor shall be proposed as a separate resolution.

Article 67 After the issuance of the notice for a general meeting, the general meeting shall not be postponed or canceled without any proper reasons, and the proposals specified in the notice shall not be withdrawn. In case of delay or cancelation, the convener shall give a notice to shareholders stating the reasons at least two business days before the original meeting date.

SECTION 5 HOLDING OF SHAREHOLDERS' GENERAL MEETINGS

Article 68 The Board and other conveners shall take all necessary measures to ensure that the shareholders' general meeting is conducted in an orderly manner, and shall take steps to prevent any activities that interfere the shareholders' general meetings, cause disturbances and infringe the legal interests of the shareholders, and report such activities to the relevant authorities for investigation and punishment.

Article 69 All shareholders whose names are on the register of members on the record date or their proxies shall have the right to attend the shareholders' general meeting. And they shall exercise the corresponding right to speak and vote in accordance with the relevant laws, regulations and these Articles of Association.

Shareholders may either attend and exercise the voting rights at the shareholders' general meeting in person, or appoint any persons (regardless of whether such person is a shareholder of the Company) as their proxies to attend the meeting and exercise the voting rights within the scope of authorization. Any shareholder who is entitled to attend and vote at the shareholders' general meeting shall be entitled to appoint one or more persons (whether such person is a shareholder or not) as his/her proxy(ies) to attend on his/her behalf and exercise the voting rights within the scope of authorization.

Article 70 Individual shareholders attending the meeting in person shall present their identity cards or any other valid certificates or documents or stock account cards for identification. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the shareholder.

The corporate shareholders shall be represented by their legal representatives or an agent authorized by the legal representative to attend the meeting. If the legal representative attends the meeting, he/she shall present his/her identity document and valid proof of his/her qualification as a legal representative; if an agent is appointed to attend the meeting, the agent shall present his/her identity document and the written power of attorney issued by the legal representative of the corporate shareholder in accordance with the law.

Article 71 Shareholders shall entrust their proxies by written instruments. The instrument issued by the shareholder to authorize another person to attend the shareholders' general meeting shall include the following contents:

- (1) name of the proxy;
- (2) whether the proxy has voting rights;
- (3) indication of consent, objection or abstention concerning each proposal to be resolved on the agenda of general meeting;
- (4) date of signing of the instrument and term of validity;
- (5) signature (or seal) of the appointor. Where the appointer is a legal person shareholder, the instrument shall be made additionally under the seal of a legal person.

Article 72 The proxy form shall specify whether the proxy may vote at his/her discretion if the shareholder does not provide specific instructions.

Article 73 The proxy form is signed by a person authorized by the appointer, the power of attorney or other authorization instruments shall be notarized. The notarized power of attorney or other authorization instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice of the meeting.

Where the appointer is a legal person, its legal representative or other persons authorized by the resolutions of the board of directors or other decision-making body shall be entitled to attend the shareholders' general meeting of the Company as a representative of the appointer.

Where such shareholder is a recognised clearing house defined from time to time in the relevant clauses of Hong Kong laws (or its nominee), it may authorize one or more persons as it deems fit to act as its representative(s) at any shareholders' general meeting or any creditor meeting, provided that, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect to which person is so authorized, and shall be signed by an authorised personnel of the recognised clearing house. Such duly authorized persons may represent the recognized clearing house (or its nominees) to attend the meeting (without showing share certificates, notarized authorization and/or further evidence of duly authorization) exercise the same powers as if he is an individual shareholder of the Company.

Article 74 Where the appointer has died, became incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to voting, a vote given by the proxy in accordance with the power of attorney shall remain valid until written notice of such event has been received by the Company.

Article 75 The register of attendees of a meeting shall be prepared by the Company. Such register shall contain, among other things, the names (or names of entities), identity card numbers, domicile address, the number of shares carrying voting rights held or represented, and the names (or names of entities) of the persons being represented.

Article 76 The convener and the lawyer engaged by the Company (if any) shall jointly verify the legitimacy of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing institution, and register the names (or titles) of the shareholders and the number of shares with voting rights held by them. The registration shall end before the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of voting shares held.

Article 77 When the general meeting is held, all directors, supervisors and secretary of the Board of the Company shall attend the meeting, and the manager and other senior management officers shall also attend the meeting as non-voting participants.

Article 78 A shareholders' general meeting shall be convened and presided by the chairman of the Board of Directors. When the Chairman of the Board is unable or fails to fulfill his duties, the general meeting shall be presided by the Vice Chairman of the Board. When the Vice Chairman of the Board is unable or fails to fulfill his duties, a director nominated by more than half of the directors shall chair the meeting. If no chairman of the meeting has been so designated, the attending shareholders may elect one

person to chair the meeting. If for any reason the shareholders fail to elect a meeting chairman, the shareholder (including proxy) attending the meeting and holding the largest number of shares with voting rights shall chair the meeting.

A shareholders' general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his duties, one supervisor shall be elected jointly by half or more of the supervisors to preside over the meeting.

The shareholders' general meeting convened by shareholder(s) itself/themselves shall be presided over by a representative elected by the convener.

When a shareholders' general meeting is held and the chairman of the meeting violates the rules of procedure in a way that makes it impossible for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the chairman so as to carry on with the meeting, subject to the approval of more than half of the attending shareholders holding voting rights. If for any reason the shareholders fail to elect a chairman of the meeting, the shareholder (including proxy) attending the meeting and holding the largest number of shares with voting rights shall be the meeting chairman.

Article 79 The Company shall establish rules of procedure for the shareholders' meeting, detailing the convening and voting procedures of the shareholders' meeting, including notification, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, meeting records and their signing, announcements and other related matters, as well as the principles of authorization by the shareholders' meeting to the Board of Directors, with the content of the authorization being clear and specific. The Rules of Procedure of the shareholders' meeting shall be drafted by the Board of Directors and approved by the shareholders' meeting as an annex to the Articles of Association.

Article 80 At the annual general meeting, the Board of Directors and the Board of Supervisors shall report to the shareholders on their work over the past year. Each independent non-executive director shall also deliver his/her work report.

Article 81 Directors, supervisors, and senior management officers shall make explanations and statement on the inquiries and suggestions from shareholders at the general meeting.

Article 82 Prior to voting, the chairman of the meeting shall announce the number of shareholders and proxies present and the total number of voting shares held by them. The number of shareholders and proxies present and the total number of voting shares held by them shall be subject to the meeting registration.

Article 83 Minutes shall be kept for a general meeting by the secretary of Board.

The meeting minutes shall contain:

- (I) the time, venue and agenda of meeting and the convener's name;
- (II) the names of the meeting chairperson and the directors, supervisors, manager and other senior management attending the meeting or attending meeting as observers;
- (III) the number of shareholders and proxies present at the meeting, the total number of shares carrying voting rights they hold, and the proportion in the total number of the shares of the Company;
- (IV) the consideration process, key points of speech and voting results of each proposal;
- (V) the enquiries or suggestions of the shareholders and the corresponding replies or explanations;
- (VI) the names of the lawyers, vote counters and scrutineer;
- (VII) other content that shall be included in the meeting minutes according to the Articles of Association.

Article 84 The convener shall ensure that the contents of the meeting minutes are true, accurate and complete. Directors, supervisors, the secretary of the Board, the convener or their representatives and the meeting chairman attending the meeting shall sign the meeting minutes. The minutes of the meeting shall be kept together with the signature register of shareholders present at the meeting, the proxy form for attendance by the proxy and other valid materials regarding voting by internet and other means, for a period of not less than 10 years.

Article 85 The convener shall ensure that the general meeting is held continuously until the final resolutions are reached. In case the general meeting is adjourned or resolutions failed to be reached due to any special reasons such as force majeure, necessary measures shall be taken to resume the general meeting as soon as possible or to directly terminate the general meeting. An announcement shall be made accordingly in time.

SECTION 6 VOTING AND RESOLUTIONS OF SHAREHOLDERS' GENERAL MEETINGS

Article 86 Resolutions of shareholders' general meetings are classified as ordinary resolutions and special resolutions.

Ordinary resolutions of the shareholders' general meeting shall be passed by more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting.

Special resolutions of the shareholders' general meeting shall be passed by more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.

Shareholders (including proxies) attending the meeting shall vote in favour of or against each matter which has been put to vote at the meeting. If a shareholder or his proxy casts abstention vote or abstains from voting, his vote shall not be counted in the voting results of the Company.

Article 87 The following matters shall be resolved by way of ordinary resolutions at a shareholders' general meeting:

- (1) Work reports of the Board of Directors and the Supervisory Committee;
- (2) Plans for profit distribution and recovery of losses drafted by the Board of Directors;
- (3) Appointment or removal of members of the Board of Directors and the Supervisory Committee, and their remuneration and method of payment thereof;
- (4) Annual reports of the Company;
- (5) Any matters other than those required by the laws, administrative regulations or the Articles of Association to be approved by special resolution.

Article 88 The following matters shall be approved by special resolutions at a shareholders' general meeting:

- (1) Increase or reduction of registered capital of the Company;
- (2) Issuance of debentures of the Company;
- (3) Demerger, split, merger, dissolution and liquidation of the Company;
- (4) Amendment to the Articles of Association;
- (5) Purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;
- (6) Share incentive plans;
- (7) Any other matters prescribed by the laws, administrative regulations or the Articles of Association, and those matters approved by ordinary resolution at a shareholders' general meeting as having a material impact on the Company and are required to be approved by a special resolution;
- (8) Any other matters required by the Listing Rules of the Main Board to be approved by special resolution.

Article 89 Shareholders (including proxies), when voting at a general meeting, may exercise their voting rights in accordance with the number of shares carrying voting rights and each share shall have one vote.

When the shareholders' general meeting considers major matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors shall be counted separately. The results of separate vote counting shall be publicly disclosed in a timely manner.

However, the shares held by the Company carry no voting right and shall not be counted into the total number of shares carrying voting rights held by the shareholders attending the general meeting.

Under applicable laws and regulations and the Listing Rules of the Main Board, if any shareholder is required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, the votes cast by such shareholders (or their proxies) in contravention of such requirements or restrictions shall not be counted.

Article 90 When the shareholders' general meeting deliberates on matters related to connected transactions, connected shareholders shall not participate in the voting, and the number of shares with voting rights they represent shall not be counted in the total valid votes; the announcement of the resolution of the shareholders' meeting shall fully disclose the voting situation of non-connected shareholders.

Article 91 The Company shall not, without the approval of shareholders by way of special resolution at shareholder's general meeting, enter into any contract with any person other than a director, a manager and other senior management members whereby the management of the whole or any substantial part of the business of the Company is to be handed over to such person except for special circumstances such as the Company is in a crisis.

Article 92 The list of candidates for directors and supervisors shall be submitted to the shareholders' general meeting by way of a proposal to be voted at the shareholders' general meeting.

When voting on the election of directors and supervisors at the shareholders' general meeting, cumulative voting may be implemented in accordance with the provisions of the Articles of Association or the resolutions of the shareholders' general meeting.

The cumulative voting system referred to in the preceding paragraph means that when the shareholders' general meeting elects directors or supervisors, each share has voting rights equal to the number of directors or supervisors to be elected, and the voting rights held by shareholders can be used collectively. The Board of Directors shall announce to the shareholders the brief biographies and basic information of the candidate directors and supervisors standing for election.

Article 93 Except for the cumulative voting system, all proposals shall be voted on a case by case basis at the general meeting; in the event of several proposals for the same matter, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution is made for special reasons such as force majeure, voting on such proposals shall neither be shelved nor refused at the general meeting.

Article 94 No amendment shall be made to a proposal when it is considered at a general meeting, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be resolved at the general meeting.

Article 95 The same vote may only be cast once at a general meeting onsite, online or through other means. Where the same vote is cast for two or more times, the first cast shall hold.

Article 96 The voting shall be conducted by open poll at any general meetings.

Article 97 Before voting takes place on a proposal at the general meeting, two representatives of shareholders shall be nominated to participate in the counting and scrutiny of votes. In the event that a shareholder is interested in the resolution to be considered, the relevant shareholder and his/her proxy shall not participate in counting and scrutinizing of the votes.

When a proposal is voted at a general meeting, solicitors, shareholders representatives and supervisor representatives shall be jointly responsible for counting and scrutinizing votes, and the poll results shall be announced at the general meeting and included in the meeting minutes.

Shareholders of the Company or their proxies who cast their votes via the Internet or through other means shall have the right to inspect their own voting results through an appropriate voting system.

Article 98 A physical general meeting shall not be concluded earlier than the one held via the Internet or through other means. The chairman of the meeting shall announce details and poll results on each proposal, and whether a proposed resolution has been passed based on such results.

Prior to the formal announcement of poll results, the Company, vote counters, vote scrutineers, substantial shareholders, network services providers and other related parties involved at the physical general meeting, via internet or by other means, shall have an obligation to keep confidential details of the voting.

Article 99 Shareholders attending the general meeting shall express one of the following opinions on the proposals submitted for voting: in favor, against, or abstain. The securities registration and clearing institution shall work as the nominal shareholder under the inter-connected mechanism for trading on stock markets in the Mainland and Hong Kong, except as declared according to the intention of the actual shareholder.

The blank votes, votes with mistakes, votes with illegible words and votes not submitted shall all be deemed as that the voters have given up the voting rights, and the voting results of such shares shall be counted as “abstain”.

Article 100 If the meeting chair has any doubt as to the result of any resolution put to the vote, he may have the votes counted. If the meeting chair does not count the votes counted, any attending shareholder or proxy who objects to the result announced by the meeting chair may demand that the votes be counted immediately after the declaration of the voting result, and the meeting chair shall have the votes counted immediately.

Article 101 Resolutions passed at the general meeting shall be announced timely. The announcement should list the number of shareholders or their proxies attending the meeting, the total number of voting shares of such shareholders or proxies, the ratio of such voting shares to total voting shares at the Company, the means by which votes were cast, the voting result for each proposal, and the detailed contents of each resolution passed.

Article 102 Where a proposal is not approved, or a resolution passed at the former general meeting is modified at the general meeting, a special note shall be made in the announcement on resolutions of the general meeting.

Article 103 Where a proposal on the election of directors and supervisors is passed at a general meeting, the term of office of the newly appointed directors and supervisors shall commence on the date on which the relevant resolution on election is passed at the general meeting.

Article 104 Where a proposal on the distribution of cash dividends or bonus shares or on share capital increase with transfers from the capital reserves has been passed at a general meeting, the Company shall implement a specific plan within two months upon the conclusion of the general meeting.

CHAPTER 5 PARTY COMMITTEE OF THE COMPANY

Article 105 In accordance with the Constitution of the Communist Party of China and the Regulations on the Work of Grassroots Organizations of State-owned Enterprises of the Communist Party of China (For Trial Implementation) and with the approval of superior Party organizations, the Company has established the Committee of Sichuan Energy Investment Development Co., Ltd. of the Communist Party of China (hereinafter

referred to as the “Party Committee”). Meanwhile, the Company has also established the Discipline Inspection Commission of the Party (hereinafter referred to as the “Discipline Inspection Commission”) according to the relevant requirements.

Article 106 The Party Committee of the Company shall be elected at the Party member congress or the Party representative congress with a term of office of five years in general. Regular re-election shall be conducted upon the expiration of its term of office. The term of office of the Discipline Inspection Commission of the Party shall be the same as the Party Committee of the Company.

Article 107 The leadership team of the Party Committee of the Company consists of 7 members, with 1 secretary and 2 deputy secretaries. The leadership team of the Discipline Inspection Commission of the Company consists of 3 members, with 1 secretary and 1 deputy secretary.

Article 108 The Party Committee of the Company shall perform the leadership functions, controlling the directions, managing the overall situation and ensuring the implementation, discuss and make decisions on significant matters of the Company in accordance with the regulations. Its main responsibilities include:

- (1) Strengthen the Party’s political construction, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics as well as educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path;
- (2) Thoroughly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, learn and propagate the Party’s theory, carry out the guidelines, principles and policies of the Party and supervise and ensure that the major decisions and deployment of the Party Central Committee and the resolutions of higher-level Party organizations are implemented in the Company;
- (3) Consider and discuss the major operational and management issues of the Company, and support the shareholders’ general meeting, the Board and the management in performing their duties in accordance with laws;
- (4) Strengthen the leadership and gate keeping role in the selection and appointment of personnel of the Company and enhance the construction of the leadership team, cadre team and talents team of the Company;
- (5) Assume the primary responsibility of the Company to improve Party conduct and uphold integrity, lead and support the internal discipline inspection organizations to perform their supervisory and disciplining responsibilities as well as exercise strict administrative discipline and political rules and promote Party self-governance in every aspect and with rigor into the grassroots level;

- (6) Strengthen the building of grassroots Party organization and Party member team, and unite and lead officials and employees to devote themselves into the reform and development of the Company;
- (7) Lead the political work, the spirit and civilization construction and the united front work of the Company, as well as lead mass organizations such as the Labor Union, the Communist Youth League and the women's organization of the Company.

Article 109 Significant operating management matters shall be studied and discussed by the Party Committee before the Board of Directors makes a decision in accordance with its functions and powers and specified procedures.

Article 110 By insisting on and improving the leadership mechanism of “Dual Entry and Cross Appointment”, eligible members of the Party Committee may take seats in the Board of Directors and the management through statutory procedures, while eligible members of the Board of Directors and the management who are also Party members may take seats in the Party Committee in accordance with related regulations and procedures.

The positions of secretary of the Party Committee and the chairman of the Board of Directors shall be held by the same person. The general manager of the Party members shall serve as the deputy secretary of the Party Committee. The Party Committee may appoint a designated deputy secretary in charge of the Party building, who shall serve as a member of the Board of Directors, rather than a management member.

Article 111 Strengthening work support. In accordance with the principles of facilitating and strengthening the work of the Party and lean and efficient operation, the Party Committee of the Company shall establish Party building working organizations based on actual needs, and such organizations may operate under a joint office with the management departments of similar corporate functions. The Company shall provide necessary resources to carry out Party activities, ensure the premises and funding for the activities of the Party organization, and provide for the funding of the work of the Party organization under administrative expense in the annual budget on the basis of 1% of the total salaries of all staff in the previous year.

CHAPTER 6 DIRECTORS AND BOARD OF DIRECTORS

SECTION 1 DIRECTORS

Article 112 The directors of the Company shall be natural persons, who shall not serve as a director of the Company if he/she:

- (I) has no civil capacity or has limited civil capacity;

- (II) has been subject to criminal penalties due to corruption, bribery, embezzlement or misappropriation of property or sabotaging the socialist market economic order, or has been deprived of his or her political rights due to any criminal conviction, where no more than five years have elapsed since the date of completion of the execution of such penalty or deprivation, or a period of two years has not yet elapsed since the date of expiration of the probation period in case of probation;
- (III) has served as a former director, the factory chief or the manager of a company or enterprise bankrupted or liquidated, and was held personally liable for the bankruptcy, and no more than three years have elapsed since the date of completion of the bankruptcy or liquidation of such company or enterprise;
- (IV) has served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to any violation of law, and was held personally liable for the revocation, and no more than three years have elapsed since the date of cancellation of business license or being ordered to close down;
- (V) has defaulted on a personal debt in a significant amount and been listed as a dishonest person subject to enforcement by the people's court;
- (VI) has been banned from entering the securities market by the CSRC and the period has not elapsed;
- (VII) is under other circumstances as provided by the laws, administrative regulations or departmental rules.

If any director is elected or appointed in violation of the provisions of this article, such election, appointment or employment shall be null and void. The Company shall dismiss a director from office if the circumstances of this Article arise during his or her term of office.

Article 113 Directors shall be elected or replaced at the shareholders' general meetings for a term of 3 years and may be dismissed by the shareholders' general meetings before maturity of the term of office. Upon maturity of the term of office, a director shall be eligible for re-election and re-appointment.

The term of office of the directors shall commence from the date of their appointment until the expiry of the term of the current session of the board of directors. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules and the Articles of Association until a new director is elected.

Subject to compliance with the laws, administrative regulations, departmental rules, the rules for the listing of the Company's shares and the provisions of these Articles, any person appointed by the board of directors to fill a casual vacancy or as an addition to the board of directors shall hold office only until the next following annual general meeting and be eligible for reelection at that time.

Subject to the relevant laws and administrative regulations, a director may be removed by an ordinary resolution in a shareholders' general meeting, before the expiration of his term of office (but without prejudice to any claim which such director may here for damages under any contract).

The manager or other senior management officers may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as manager or other senior management officers and the directors who also serve as employee representatives shall not exceed one half of the total number of directors of the Company.

Article 114 Directors shall comply with laws, administrative regulations and the Articles of Association, and shall assume the following duties of loyalty to the Company:

- (I) Not to use his position to accept bribes or other illegal income, and not to misappropriate the Company's assets;
- (II) Not to misappropriate the Company's funds;
- (III) Not to open any bank account in his own name or others' name for the deposit of the Company's assets or funds;
- (IV) Not to violate the provision of the Articles of Association to lend the Company's funds to others or provide security of the Company's assets for debts of others without the approval of shareholders' general meeting or the Board of Directors;
- (V) Not to violate the provisions of these Articles of Association or fail to fulfill the reporting obligations to the shareholders' general meeting or the Board of Directors, and not to enter into any contract or engage in any transaction with the Company, without the resolution passed by the shareholders' general meeting or the Board of Directors;
- (VI) Not to use one's position to pursue business opportunities that belong to the Company either for their own account or for the account of any other person, except in any of the following circumstances: (1) after reporting to the Board or the general meeting and passing the resolution at the Board or the general meeting in accordance with the provisions of the Articles of Association; and (2) where the Company cannot take such business opportunity in accordance with the provisions of laws, administrative regulations or the Articles of Association;

- (VII) Not to engage in business of the same kind as that of the company in which they serve either for themselves or on behalf of others, without reporting to the Board of Directors or the general meeting and obtaining approval through resolutions by the Board of Directors or the general meeting as stipulated in these Articles of Association;
- (VIII) Not to misappropriate commissions derived from transactions entered into by the Company;
- (IX) Not to disclose confidential information of the Company without permission;
- (X) Not to abuse his related relationships with the Company to jeopardize the interests of the Company;
- (XI) Other fiduciary obligations as required by the laws, administrative regulations, departmental regulations and the Articles of Association.

The provisions of the preceding paragraph (V) shall apply to the entering of contracts or transactions with the Company by close family members of the directors, supervisors and senior management, enterprises directly or indirectly controlled by the directors, supervisors, senior management or their close family members, and related persons who have other related relationships with the directors and senior management.

Incomes derived from the violation by directors of the provision of this Article shall belong to the Company; anyone who has caused any loss to the Company shall be liable for compensation.

Article 115 Directors shall comply with laws, administrative regulations and the Articles of Association, and shall fulfill the following duties of diligence to the Company:

- (I) Directors shall prudently, seriously and diligently exercise rights conferred by the Company to ensure that the business activities of the Company are in compliance with the requirements of national laws, administrative regulations and various economic policies and that the business activities shall not exceed the scope of business specified in the business license;
- (II) Directors shall fairly treat all shareholders of the Company;
- (III) Directors shall learn about the status of business and management of the Company in a timely manner;
- (IV) Directors shall issue a written confirmation of opinions for regular reports of the Company and ensure the authenticity, accuracy and completeness of information disclosed by the Company;

- (V) Directors shall truthfully provide the relevant information and materials to the Board of Supervisors, and shall not hinder the Board of Supervisors or supervisors from exercising their functions and powers;
- (VI) Directors shall fulfill other duty of due diligence stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Article 116 If any director fails to attend in person or appoint other directors as his/her representative to attend meetings of the Board of Directors for two consecutive times, such director shall be deemed to have failed to perform his duties, and the Board of Directors shall propose to replace such director at the shareholders' general meeting.

Article 117 A director may resign before expiration of his term of office. The resigning director shall submit a written resignation to the Board of Directors.

In the event that the resignation of any director results in the number of members of the Board of Directors to be less than the statutory minimum requirement, the said director shall continue to perform duties as director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until a new director is elected and assumes his/her office.

Save for the circumstances referenced in the preceding paragraph, the resignation of a director shall become effective upon submission of his resignation to the Board of Directors.

Article 118 When a director's resignation becomes effective or his term of office expires, he shall duly carry out all handover procedures with the Board of Directors. His fiduciary obligations to the Company and shareholders shall not necessarily terminate from the end of his term of office, and shall remain effective within a reasonable period as specified in the Articles of Association. The Director's obligation to maintain the confidentiality of the Company's trade secrets shall survive the end of his/her term, until such secrets enter the public domain.

Article 119 No director shall act on behalf of the Company or the Board of Directors in his personal capacity, unless specified under the Articles of Association or legally authorized by the Board of Directors. In the event that a director is acting in his personal capacity, but may be reasonably deemed to be acting on the behalf of the Company or the Board of Directors by a third party, such director shall state his stance and capacity in advance.

Article 120 Prior to the expiration of his term of office, any director who has withdrawn from his office without permission, or who violates any laws, administrative regulations, departmental rules or the Articles of Association or during the course of performing his duties, and Company suffers only loss, such director shall be liable for compensation of such loss.

Article 121 The Company shall have independent non-executive directors. The independent non-executive directors shall act in accordance with the relevant provisions of the laws, administrative regulations, the CSRC and the stock exchanges.

SECTION 2 BOARD OF DIRECTORS

Article 122 The Company shall establish a Board of Directors, which shall comprise 13 directors, including 5 independent non-executive directors. The number of independent directors shall represent one third or above of the Board of Directors, at least one independent director shall be an accounting professional (refers a person with a senior title or qualification as a certified public accountant).

Independent non-executive directors shall perform their duties independently and free from any influence of the substantial shareholders or de facto controllers or other stakeholders of the Company and any entity or individual who has interests in its substantial shareholders or de facto controllers. Independent directors shall perform their duties honestly and faithfully, safeguard the Company's interest and in particular, preventing encroachment of the lawful rights and interests of public shareholders. Independent non-executive directors may report directly to the shareholders' general meeting, the securities regulatory authorities of the State Council and other relevant departments.

The Board of Directors shall have one chairman and one vice chairman. The chairman and the vice chairman of the Board of Directors shall be elected or removed by more than one half of all directors. The term of office of the chairman and the vice chairman shall be 3 years and is renewable upon re-election.

Article 123 The Board of Directors is responsible for the shareholders' general meeting and shall exercise the following functions and powers:

- (I) to convene the shareholders' general meeting, submit relevant matters to the shareholders' general meeting for passing and report to the shareholders' general meeting;
- (II) to implement the resolutions adopted at shareholders' general meetings;
- (III) to decide on the Company's business plans and investment plans;
- (IV) to decide the Company's annual financial budgets and accounts;
- (V) to formulate the Company's proposals on profit distribution and plan for recovery of losses;
- (VI) to formulate proposals for increases or reductions of the Company's registered capital and proposals for the issue and listing of corporate debentures or other securities;

- (VII) to formulate plans for material asset acquisition or disposal, repurchase of the Company's shares, or merger, demerger, dissolution and change of corporate formation of the Company;
- (VIII) to decide on the establishment of the Company's internal management structure;
- (IX) to appoint or dismiss the Company's general manager; and to appoint or dismiss other senior management officers of the Company pursuant to the nomination of the general manager; and to decide on the matters relating to the remuneration of the aforesaid senior management officers;
- (X) to decide on the wages, welfare and reward and punishment system of employees of the Company;
- (XI) to formulate the Company's basic management system;
- (XII) to formulate proposals for amendment to the Articles of Association;
- (XIII) to determine the establishment of the Company's domestic and overseas branch offices;
- (XIV) to decide on the matters such as merger, division, reorganization or dissolution of the Company's wholly-owned subsidiaries and associated companies;
- (XV) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;
- (XVI) to propose at general meetings a resolution in respect of candidates for independent non-executive directors and replacement of independent non-executive directors;
- (XVII) to propose at shareholders' general meetings for the appointment, renewal or removal of accountants' firm conducting auditing for the Company;
- (XVIII) to hear the work report and inspect the work of the general manager;
- (XIX) to manage information disclosure of the Company;
- (XX) to formulate the equity incentives plan;
- (XXI) save as otherwise required to be decided by the general meetings under laws and regulations and the Articles of Association, the Board exercises its power to make decisions on external investments (including capital increase and equity transfer of the invested enterprises), financing, risk management and trust management, external guarantees, etc.;
- (XXII) to formulate and review the corporate governance policy and practices of the Company;

- (XXIII) to review and supervise the training and continuing professional development of directors, supervisors and senior management;
- (XXIV) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements;
- (XXV) to formulate, review and supervise the code of conduct and compliance manual (if any) applicable to employees and directors;
- (XXVI) to review the Company's compliance with the Code on Corporate Governance Practices and disclosure in the Corporate Governance Report as set out in the Listing Rules of the Main Board;
- (XXVII) to decide on other major affairs of the Company, save for matters required to be resolved at shareholders' general meetings as specified under the Company Law and the Articles of Association;
- (XXVIII) to exercise other functions and powers conferred by the Articles of Association or the shareholders' general meetings;
- (XXIX) other matters as required by the PRC laws and regulations.

With the exception of matters specified in sub-paragraphs (VI), (VII) and (XII) which shall be passed by two-thirds or more of the directors, the resolutions of the Board of Directors in respect to any other aforesaid matters may be passed by more than half of all directors.

Resolutions made by the Board of Directors with respect to connected transactions shall not come into force unless they are signed by independent non-executive directors.

Article 124 The Board of Directors shall explain to the shareholders' meeting regarding the non-standard audit opinion issued by the certified public accountant on the Company's financial report.

Article 125 The Board shall formulate rules of procedure for Board meetings to ensure the implementation of the resolutions of the shareholders' meeting, enhance work efficiency and guarantee scientific decision-making.

Article 126 The independent non-executive directors shall attend the board meeting in person; In the event that an independent director is unable to attend the meeting in person for any reason, he/she shall review the meeting materials in advance, form a clear opinion, and appoint another independent director by a written power of attorney to attend the meeting on his/her behalf.

Article 127 The Company shall establish the working system of independent non-executive directors, provide its independent non-executive directors with necessary working conditions and personnel support for their performance of duties, and designate special departments and personnel, such as the office of the board of directors and the secretary of the board of directors, to assist independent directors in performing their duties. The secretary of the board of directors shall ensure smooth communication between independent directors and other directors, officers, and other relevant personnel, and ensure that independent directors have access to sufficient resources and necessary professional opinions in the performance of their duties.

Article 128 The independent non-executive directors shall also exercise the following special powers in addition to the functions and power as prescribed in the Company Law, other relevant laws, administrative regulations and as granted in the Articles of Association:

- (I) To independently engage intermediary to audit, consult or review on specific matters of the listed company;
- (II) To submit an application to the board of directors for holding an interim shareholders' meeting;
- (III) To propose the convening of board meeting;
- (IV) To solicit voting right from shareholders in accordance with the law prior to convening the shareholders' general meeting;
- (V) To express independent opinions on matters that may harm the interests of listed companies or minority shareholders;
- (VI) Other powers conferred by laws, administrative regulations, the CSRC and the Articles of Association.

The independent non-executive directors shall exercise the powers listed in the (I) to (III) of the preceding paragraph with the consent of more than half of all independent directors.

Article 129 In addition to the functions and powers as above mentioned, the independent non-executive directors shall issue their independent opinions to the Board of Directors or the shareholder's meeting with respect to the matters as below:

- (I) Discloseable related party transactions;
- (II) Proposed changes to or waivers of undertakings by the Company and related parties;
- (III) Decisions made and measures taken regarding the acquisition by the Board of Directors when the Company is acquired;

- (IV) Other matters as stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

The above matters shall be approved by more than half of all independent non-executive directors of the Company.

Article 130 The chairman of the Board shall exercise the following functions and powers:

- (I) To preside over general meetings and to convene and preside over board meetings;
- (II) To supervise and examine the implementation of the resolutions of the Board;
- (III) To sign the share certificates, corporate bonds and other marketable securities issued by the Company;
- (IV) To sign the significant documents of the Board and other documents required to be signed by the legal representative of the Company, and to exercise the powers of the legal representative of the Company;
- (V) To organize the formulation of relevant systems and to coordinate the operation of the Board;
- (VI) To properly authorize chairman to sign documents and contracts on behalf of the Company in compliance with the Listing Rules and laws and regulations;
- (VII) To represent the Company in major decisions and participation in external activities;
- (VIII) To exercise special powers of disposal regarding the Company's affairs in compliance with the laws and regulations and in the interests of the Company in the event of force majeure and material emergency circumstances, and to report to the Board after exercising such powers;
- (IX) To receive the regular or extraordinary work reports of the senior management of the Company and to advise on the implementation of resolutions of the Board;
- (X) To nominate the general manager and secretary of the Board of the Company;
- (XI) To supervise and examine the work of the special committee under the Board;
- (XII) To exercise other functions and powers conferred by the laws, regulations, these articles and the Board.

Vice Chairman of the Board of the Company shall provide assistance to the work of the Chairman of the Board. When the Chairman of the Board is unable or fails to fulfill his duties, the Vice Chairman of the Board shall exercise such duties (if the Company shall have two or more Vice Chairmen of the Board, the Vice Chairman of the Board elected by more than half of the directors shall exercise such duties). When the Vice Chairman of the Board is unable or fails to fulfill his duties, a director elected by more than half of the directors shall exercise such duties.

Article 131 At least four regular meetings of the Board shall be held each year. Such meetings shall be convened by the chairman of the Board and notice thereof shall be given to all directors and supervisors 14 days before the meeting in writing.

Article 132 Under the following circumstances, an extraordinary meeting of the Board may be convened and presided over within 14 days by the chairman of the Board upon proposal:

- (I) Proposed by shareholders representing more than one-tenths of the voting rights;
- (II) Jointly proposed by more than one-third of directors;
- (III) Deemed necessary by when the chairman of the Board;
- (IV) Jointly proposed by more than two independent non-executive directors;
- (V) Proposed by the Board of Supervisors;
- (VI) Proposed by the general manager to hold an interim board meeting.

Article 133 Notice of regular board meetings shall be given to all directors and supervisors 14 days prior to the meetings, and 5 days prior to interim board meetings. The Board office or other departments designated by the Board shall give notice in writing to all the directors and supervisors by hand, fax, e-mail or other means.

Where an interim board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting. With the written consent of all directors presented at the meeting, the above time limit shall not be applied.

Article 134 The notice of the meeting of the Board shall include the following:

- (I) Time and place of the meeting;
- (II) Duration of the meeting;
- (III) Reasons and issues of discussion;
- (IV) Date on which the notice is given.

Article 135 The meeting notice shall be deemed to be delivered to such director if he/she presents at the meeting and does not raise the issue of the non-receipt of such notice prior to his/her arrival at the meeting or the commencement of the meeting.

The regular or interim meetings of the Board can be held by conference call or other similar communication equipment, the interim meetings of the Board can be held by e-mail circulation or other written resolution for so long as the attending directors are able to fully express their views and learn about the subject and related information of the meeting. All attending directors shall be considered as being present at the meetings.

Article 136 The Board meetings shall be held only if more than half of the directors are present.

Each director shall have one vote. Unless otherwise provided by the laws, administrative regulations and the Articles of Association, resolutions of the Board shall be passed by more than half of all directors.

Article 137 A director with related relationship with the companies involved with any matters in the resolution of the Board shall neither exercise voting rights on such resolution, nor exercise the voting right on behalf of any other directors. Such meeting of the Board shall only be held if more than half of directors with no related relationship present at the meeting, and the resolutions made at the meeting of the Board shall be approved by more than half of directors with no related relationship. In case there is less than three directors with no related relationship present at the meeting, the matter shall be submitted to the general meeting for consideration.

Article 138 Directors shall attend board meetings in person. In the event that a director is unable to attend a meeting for any reason, he/she may appoint another director by a written power of attorney to attend the meeting on his/her behalf. The authorization letter shall specify the name of the proxy, the matters for entrustment, the scope of authorization and validity period, and shall be signed or sealed by the principal.

The director attending the meeting as proxy shall exercise such director's right within the scope of authorization. Where a director is unable to attend the board meeting in person and fails to authorize a proxy to act on his/her behalf, the said director shall be deemed to abstain from voting at such meeting.

The secretary to the discipline inspection committee of the Company may attend the meetings of the Board of Directors, special committees under the Board and the general manager office as well as other meetings for the consideration and decision-making of significant matters on the production, operation and management of the Company.

Article 139 Any material matters to be decided by the Board must be proceeded strictly as specified procedure. A notice shall be given to all directors at the time required by the Articles of Association and sufficient information shall be given at the same time. The directors may request additional information. When more than a quarter of directors or two or more of independent non-executive directors consider that the information of the matters is not sufficient or for other grounds for an informed decision, they may jointly propose to postpone the meeting or delay the discussion of certain resolved matters in the board meeting, and the Board shall adopt the relevant proposal.

Article 140 In addition to general meetings of the Board, the Board may approve the written resolutions in lieu of convening meetings of the Board, but the draft of such resolutions shall be delivered to each director through personal delivery, post, telegraph, facsimile or e-mail. Such resolution will be passed as a resolution of the Board, only after it has been delivered to all directors by the Board, signed and approved by the required quorum of the directors and delivered to the secretary to the Board by one of the aforesaid means, and then the board meeting shall not be convened.

Article 141 The Board shall prepare the minutes to record the decisions made concerning the matters considered at the board meetings, which shall be signed by the attending directors and the recorder and shall be kept by the secretary of the Board. The directors shall be responsible for the resolutions passed at the board meetings. Any director who votes for a board resolution which contravenes the laws, administrative regulations or the Articles of Association and which result in the Company suffering from material losses, shall be responsible for the liabilities of compensation. A director who votes against such resolution and has been proved as having expressed dissenting opinions on such resolution and such opinions are recorded in the minutes of the meeting can be exempt from liability.

The minutes of the Board meeting shall be kept as company records for a period of not less than ten years.

Article 142 The minutes of the Board meeting shall include the following:

- (I) The date, venue and name of the convener of the meeting;
- (II) The names of the directors attending the meeting and the names of the directors (proxies) attending the Board meeting appointed by other directors;
- (III) The meeting agenda;
- (IV) Summaries of the speeches of directors;
- (V) The voting method and results for each resolution (the voting results shall specify the number of votes for, against or abstention).

Article 143 The Board shall establish special committees such as compliance committee, audit committee, remuneration committee and nomination committee and risk control committee in accordance with the needs and the requirements of the relevant laws and regulations and listing rules. The composition, terms of reference and rules of procedure of the special committees under the Board shall be otherwise agreed by the Board. A special committee is the special body under the Board and is responsible for providing advice or recommendations in respect of material decisions to the Board or exercises its decision-making rights under authority of the Board. The chairman of the nomination committee shall be served by the chairman of the Board.

CHAPTER 7 THE GENERAL MANAGER AND OTHER SENIOR OFFICERS

Article 144 The Company shall have one general manager, who shall be nominated by the chairman of the Board and engaged or dismissed by the Board; The Company shall have five deputy general managers, one chief financial officer (chief accountant), one chief engineer and one chief economist, who shall be nominated by the general manager and engaged or dismissed by the Board. A director may serve concurrently as the general manager or other senior officers.

Article 145 The circumstances set forth in Article 112 hereof whereby a person is qualified to serve as a director shall also apply to senior management officers.

The provisions of Article 114 hereof concerning the duties of loyalty of directors and the provisions of (IV), (V), and (VI) of Article 115 hereof concerning the duties of diligence shall also apply to senior management officers.

Article 146 Senior management officers of the Company shall only receive remuneration from the Company and shall not have their salaries paid by the controlling shareholder.

Article 147 The manager shall serve a term of three years, renewable upon reappointment.

Article 148 The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

- (I) To be in charge of the production, operation and management of the company, and to report to the Board, or to report to the chairman of the Board during the intersessional period of the Board;
- (II) To organize the implementation of the resolutions of the Board, and to formulate and implement the annual business plans and investment plans of the company;
- (III) To formulate the plan of the Company's annual finance budgets and final accounts, and propose to the Board;

- (IV) To draft the basic management system of the Company and the plan for the establishment of the Company's internal management organization;
- (V) To formulate the specific rules and regulations of the Company;
- (VI) To request the Board to employ or dismiss other senior officers other than the secretary of the Board;
- (VII) To decide on the employment or dismissal of management personnel other than those to be employed or dismissed by the Board;
- (VIII) To propose to convene extraordinary board meetings in case of emergence;
- (IX) To implement the matters of the Company such as investment, financing, contracts and transactions to the extent of powers delegated by the Board;
- (X) Other functions and powers delegated by the Articles of Association and the Board.

The manager is to attend Board meetings.

Article 149 The general manager shall formulate the working rules for the general manager and submit the same to the Board of Directors for approval before implementation.

Article 150 The working rules for the general manager shall contain the following details:

- (I) Conditions for the convening of and the procedures for the general manager's meetings, and the attendees thereof;
- (II) Specific duties and division of work of the general manager and other senior management;
- (III) The authority to use the funds and assets and execute material contracts, and the system of reporting to the Board of Directors and the Board of Supervisors;
- (IV) Other matters as the Board of Directors considers necessary.

Article 151 The general manager may tender his/her resignation before the expiry of his/her term office. The specific procedures and measures regarding the resignation of the general manager shall be governed by the labor contract between the general manager and the Company.

Article 152 The Company shall have one secretary of the Board, who is responsible for the preparation of the Company's shareholders' general meetings and Board meetings, the safekeeping of documents, the management of the information of the Company's shareholders, dealing with information disclosure and other matters. The secretary of the Board shall present at the meeting of Party Committee where significant operating management matters are studied and discussed.

The secretary of the Board shall comply with laws, administrative regulations, departmental rules and the Articles of Association.

Article 153 In case the senior management violate the laws, administrative regulations, departmental rules or the provisions of the Articles of Association in fulfilling their duties of the Company, and as a result cause loss to the Company, they shall be liable for compensation.

Article 154 The senior management of the Company shall faithfully perform their duties and act in the best interests of the Company and all shareholders. Where any senior management of the Company fails to faithfully perform his or her duties or breaches his or her obligation of good faith and thereby causes damage to the interest of the Company and public shareholders, he or she shall be liable for compensation according to the laws.

CHAPTER 8 BOARD OF SUPERVISORS

SECTION 1 SUPERVISORS

Article 155 The circumstances set forth in Article 112 hereof whereby a person is qualified to serve as a director shall also apply to supervisors.

Directors, the general manager, and other senior management shall not act concurrently as supervisors.

Article 156 Supervisors shall comply with laws, administrative regulations and the Articles of Association, owe a duty of loyalty and diligence to the Company, and shall not use their position to accept bribes or other illegal income, nor misappropriate the Company's property.

Article 157 The term of office of supervisors shall be three years. Upon maturity of the term of office, a supervisor shall be eligible for re-election and re-appointment.

Article 158 If the term of office of a supervisor expires but re-election is not made responsively, or if a supervisor resigns during their term resulting in the number of members of the Board of Supervisors falling below the legal minimum, the said supervisor shall continue fulfilling the duties as supervisor pursuant to laws, administrative regulations and the Articles of Association until a new supervisor is elected.

Article 159 The supervisors shall ensure that the information disclosed by the Company is true, accurate and complete, and shall sign a written confirmation opinion on the periodic reports.

Article 160 Supervisors may attend meetings of the Board and raise inquiries or suggestions regarding the resolutions made by the Board.

Article 161 Supervisors shall not use their relationships to harm the interests of the Company; if any loss is caused to the Company, they shall be liable for compensation.

Article 162 Any supervisor who violates any laws, administrative regulations, departmental rules or the Articles of Association or during the course of performing his duties, and Company suffers only loss, such supervisor shall be liable for compensation of such loss.

SECTION 2 BOARD OF SUPERVISORS

Article 163 The Company shall have a Board of Supervisors. The Board of Supervisors shall be composed of six members, and shall have one chairman. The terms of office of Supervisors shall be three years, renewable upon re-election. The chairman of the Board of Supervisors shall be elected by more than half of the supervisors.

The chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors. Where the chairman of the Board of Supervisors is incapable of performing or fails to perform his/her duties, a supervisor shall be elected by not less than half of the supervisors to convene and preside over the meetings of the Board of Supervisors.

The members of the Board of Supervisors shall comprise four representatives of shareholders and two representatives of staff and workers, of which the proportion of employee representatives shall not be less than one-third. The election and dismissal of the representatives of shareholders shall be decided by shareholders in the general meeting of shareholders, while the representative of staff and workers shall be elected by the staff and workers of the Company in the staff and workers' congress, the assembly of staff and workers or other democratic ways.

Article 164 The Board of Supervisors shall be accountable to the general meeting of shareholders and exercise the following functions and powers:

- (I) To examine the Company's financial affairs;
- (II) To supervise the directors and senior officers in their performance of the Company's duties and to propose the dismissal of directors and senior officers who have contravened any law, administrative regulations, these Articles of Association or shareholders' resolutions;

- (III) To demand any directors and senior officers of the Company who acts in a manner which is harmful to the Company's interests to rectify such behavior;
- (IV) To propose the convening of the extraordinary general meeting of shareholders; and to convene and preside over general meetings in case the Board of Directors fails to fulfill the obligations to convene and preside over the general meetings as prescribed in the Company Law;
- (V) To propose resolutions at a shareholders' general meeting;
- (VI) To institute a suit to the directors or senior officers of the Company according to Article 189 of the Company Law;
- (VII) To examine financial information such as financial reports, business reports and profit distribution plans as proposed by the Board to the general meeting, and if there are any queries or irregularities identified in the business operations, to initiate an investigation, and, when necessary, to engage an accountancy firm, law firm and other professional institutions to assist in the investigation at the expenses of the Company;
- (VIII) To propose the convening of an extraordinary meeting of the Board of Directors;
- (IX) Other functions and powers conferred by the laws and administrative regulations and the Articles of Association.

Article 165 Meetings of the Board of Supervisors shall be held at least once every six months and shall be convened by the chairman of the Board of Supervisors.

A supervisor may propose the convening of the extraordinary meeting of the Board of Directors.

The Board of Supervisors shall give a written notice of the meeting affixed with the seal of the Board of Supervisors 10 days (for general meeting) or 5 days (for extraordinary meeting) before the meeting date respectively. The notice of meeting shall be given to all the supervisors by hand delivery, facsimile transmission, electronic mail or other means. If the notice is not given by hand delivery, a subsequent telephone call shall be made for confirmation and corresponding records shall be made.

In case of emergency and an extraordinary meeting of the Board of Supervisors is required to be convened as soon as possible, the notice of such meeting shall be given by telephone communication or other verbal means at any time provided that the convener of the meeting shall make relevant explanation at the meeting.

Article 166 The method for conducting business for the Board of Supervisors: resolutions of the Board of Supervisors shall be made by way of voting with one vote of each supervisor, conducted by way of casting written votes with the identity of the voter stated on the voting papers.

The voting procedure: a supervisor may cast a vote as affirm, object or abstain. Each attending supervisor shall indicate his/her voting intention by choosing one of the above. The chairman of the meeting shall request each supervisor who fails to choose any of the above or have chosen two or more of the above to vote again. Refusal to do so shall be regarded as having abstained from voting. Any supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having abstained from voting.

Decisions of the Board of Supervisors shall be made by the affirmative vote of not less than half of all supervisors.

Article 167 The Board of Supervisors shall formulate rules of procedure for its meetings, clarifying the methods of deliberation and voting procedures to ensure the efficiency of the work of the Board of Supervisors and scientific decision-making.

Article 168 The Board of Supervisors shall record the decision of the matters discussed as the minutes of the meeting, supervisors who attended the meeting shall sign on the minutes of the meeting.

The supervisor is entitled to request for making some descriptive record with regard to his/her speech in the meeting. The minutes of the meeting of the Board of Supervisors shall be kept as company records for at least ten years.

Article 169 The notice of meeting of the Board of Supervisors shall include the following:

- (I) The date, location and duration of the meeting;
- (II) Reasons and issues of discussion;
- (III) Date on which the notice is given.

CHAPTER 9 STAFF DEMOCRATIC MANAGEMENT AND LABOR AND PERSONNEL SYSTEM

Article 170 The Company shall improve the democratic management system taking the employee representative congress as the basic form, make public the affairs of enterprises and business, and put into practice the information right, participation right, expression right and right of supervision of employees in accordance with the laws. The Company shall listen to the opinions of employees in respect of important decisions, and the major issues involving the immediate interests of the employees must be submitted to the employee representative congress or employee congress for deliberation.

Article 171 The employees of the Company shall organize a trade union in accordance with the “Trade Union Law of the People’s Republic of China” to carry out the activities of the trade union and protect the legitimate rights and interests of its staff. The Company shall provide conditions which are prerequisite for the activities of the trade union.

Article 172 The Company shall abide by the relevant national laws and administrative regulations on labor protection and production safety, implement relevant national policies, and safeguard the legitimate rights and interests of employees. The Company shall formulate the labor, personnel and wage systems in light of the needs of production and operation in accordance with the relevant national laws, administrative regulations and policies on labor and personnel. The Company shall, based on its actual situation, establish selection and employment mechanisms that meet market-oriented requirements such as open recruitment of employees, election and competitive recruitment of management personnel, adjustment of underperforming staff and dismissal of the incompetent. In addition, the Company shall establish a market-competitive remuneration system for key core employees and actively and orderly carry out medium-and long-term incentive plans.

CHAPTER 10 FINANCIAL AND ACCOUNTING, PROFIT DISTRIBUTION AND AUDITING

SECTION 1 FINANCIAL AND ACCOUNTING SYSTEM

Article 173 The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations and the requirements established by relevant state authorities.

Article 174 The Company shall adopt the Gregorian calendar year as its accounting year, which shall commence on January 1 and end on December 31 of the same Gregorian calendar year. The Company shall prepare financial reports at the end of each accounting year. Such reports shall be reviewed and verified by an accounting firm according to law. The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations.

Article 175 The Company shall disclose the annual report within four months from the end of each accounting year and the interim report within three months from the end of the first half of each accounting year. The annual report and interim report mentioned above shall prepared in accordance with relevant laws, administrative regulations, and the requirements of the CSRC and the stock exchange.

Article 176 The Company will not keep account books other than the statutory account books. The Company may not deposit its assets in accounts opened in the name of any individual.

Article 177 The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to an annual general meeting to be convened. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred herein this Chapter.

A copy of either the aforementioned financial report or the Directors' report, accompanied by the balance sheet (including every document required by law to be annexed thereto) and profit and loss account or income and expenditure account, or the summary financial report shall, at least 21 days before the date of the annual general meeting, be provided to the shareholder of overseas listed shares. In compliance with the laws and regulations in the jurisdiction in which the Company's shares are listed and the Main Board Listing Rules, the Company may send the same to the shareholders by posting the same on the websites of the stock exchange and the Company's website.

Article 178 The Company shall publish two financial reports each accounting year, i.e. an interim financial report to be published within 60 days after the end of the first six months of the accounting year and the annual financial report to be published within 120 days after the end of the accounting year. Interim results or financial data published or disclosed by the Company shall be prepared in accordance with the provisions of relevant laws, administrative regulations, departmental regulations and the Listing Rules.

Article 179 When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory common reserve fund. When the cumulated amount of the statutory common reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

Where the statutory common reserve fund of the Company is insufficient to make up for the losses of the Company incurred during the previous years, before making allocation to the statutory common reserve fund in accordance with the preceding paragraph, the profits generated during the current year shall be used to make up for such losses.

After making allocation to the statutory common reserve fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at a general meeting, also allocate funds from the after-tax profits to the discretionary common reserve fund.

After making up for the losses and making contributions to the common reserve fund, any remaining profits shall be distributed by the Company to the shareholders in proportion to their respective shareholdings according to the resolutions adopted at a general meeting.

If the shareholders' general meeting has, in violation of the provisions of the preceding paragraphs, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory common reserve fund, the shareholders must return the profits distributed in violation of the provision to the company; shareholders and responsible directors, supervisors, and senior management who cause losses to the Company shall be liable for compensation.

No profits shall be distributed in respect of the Company's shares held by the Company.

Article 180 The reserve of the Company shall be applied for making up for losses of the Company, and expansion of the Company's production and operation or conversion to registered capital increment of the Company.

When the reserves are used to recover the losses of the Company, the discretionary reserve and the statutory reserve shall be prioritized; the capital reserve may be used in accordance with the regulations if such reserves are not sufficient to recover the losses.

Where the statutory reserve is converted into registered capital, the balance of such reserve shall not fall below 25% of the Company's registered capital prior to such conversions.

Article 181 Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

Article 182 The Company shall appoint receiving agents on behalf of shareholders holding overseas listed shares. The receiving agents shall on behalf of such shareholders receive dividends distributed by the Company in respect of the overseas listed shares and other proceeds, and proceeds from which shall be managed by the receiving agents on such shareholders' behalf to be paid to them.

The receiving agents appointed by the Company shall comply with the relevant requirements of the law 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 shares listed in the Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Subject to compliance with the relevant laws and regulations of the PRC, the Company may exercise its right to confiscate the dividends which are not claimed by anyone but such right can only be exercised in or after the sixth year after the date of declaring dividends.

The Company may exercise power to cease sending dividend warrants by post to a holder of shares listed overseas when such warrants have not been cashed twice in a row. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

The Company shall have the power to sell, in such manner as the Board of Directors thinks fit, any shares of a Shareholder of overseas-listed shares who is untraceable, but is subject to the following conditions:

- (I) the Company has distributed dividends for at least 3 times in respect of such shares within 12 years, but none of such dividends was claimed;
- (II) the Company, after the expiration of a period of 12 years, made an advertisement on one or more newspapers of the place which the Company is listed, stating its intention to sell such shares, and notified the Hong Kong Stock Exchange.

Article 183 Cash dividends and other payments payable by the Company to holders of Domestic Shares shall be declared in Renminbi. Cash dividends and other payments payable by the Company to holders of overseas listed shares shall be denominated and declared in Renminbi and paid in Hong Kong dollars or Renminbi. The Company shall arrange the foreign currency for payment of cash dividends and other payments payable to holders of foreign shares in accordance with foreign exchange management related regulations of the State.

Article 184 Unless provided otherwise in any laws or administrative regulations, the Company shall adopt the average of the median exchange rates for HKD to RMB as quoted by the China Foreign Exchange Trading Center for the Gregorian calendar week immediately before the date on which the dividends and other sums were declared as the exchange rate to calculate the dividends and other sums which are payable in HK dollars.

SECTION 2 INTERNAL AUDIT

Article 185 The Company shall adopt an internal audit system and designate full-time auditors to supervise the internal audits of financial incomes and expenses as well as the business activities of the Company.

Article 186 The internal audit system of the Company and the duties of auditors shall come into effect upon the approval of the Board. The person in charge of audits shall be accountable to and report to the Board.

SECTION 3 APPOINTMENT OF ACCOUNTING FIRM

Article 187 The Company shall appoint an accounting firm that complies with the provisions of the Securities Law and the Main Board Listing Rules to conduct the audit of the financial statements, verification of net assets, and other related consulting services, with a term of one year, which may be renewed.

Article 188 The accounting firm engaged to conduct the annual audit shall be determined by the general meeting of shareholders.

Article 189 The Company undertakes to provide accurate and complete accounting documents, books of accounts, financial and accounting report and other accounting information to the appointed accountant firm, the Company shall not refuse to provide such information, conceal and misrepresent any facts.

Article 190 Should there be a vacancy for the post of accounting firm, the Board may appoint an accounting firm to fill the vacancy before a shareholders' general meeting. Any other accounting firm which is still in service may continue to act as the accounting firm during the period the vacancy remains unfilled.

Article 191 Notwithstanding any terms stipulated in the appointment contract signed between the accounting firm and the Company, a shareholders' general meeting can, before the expiry of the tenure of the accounting firm, pass an ordinary resolution to dismiss the accounting firm. The accounting firm's right to claim for compensation from the Company for such dismissal, if any, shall remain unaffected.

Article 192 The audit fee of an accounting firm shall be decided upon by an ordinary resolution made at the general meeting. If permitted by relevant laws and regulations and the relevant stock exchange or regulatory authorities of the place where the Company's shares are listed, the remuneration of an accounting firm engaged by the board of directors shall be determined by the board of directors.

Article 193 In the event of termination of the appointment or non renewal of the appointment of the accounting firm, the Company shall notify the accounting firm 15 days in advance. In the voting for the dismissal of the accounting firm at the general meeting, the Company shall allow the accounting firm to make its representation.

Where the accounting firm proposes to resign, it shall explain to the general meeting whether there has been any impropriety on the part of the Company.

CHAPTER 11 NOTICES AND ANNOUNCEMENTS

SECTION 1 NOTICES

Article 194 Notices of the Company can be issued via the following methods:

- (I) by courier;
- (II) by mail;
- (III) by facsimile or email;
- (IV) by publishing on the websites designated by the Company and the Hong Kong Stock Exchange in accordance with laws, administrative regulations and the listing rules of the stock exchange where the Company's shares are listed;
- (V) by an announcement;

- (VI) by any other methods as agreed between the Company and the addressee or as accepted by the addressee after the notice is received; or
- (VII) any other methods approved by the relevant regulatory bodies of the place of listing of the Company's shares or required by the Articles of Association.

The Company shall make available corporate communications to shareholders in the manner required and permitted under the Hong Kong Listing Rules. The aforesaid corporate communications refer to any documents issued or to be issued by the Company for the reference or action of any H Shareholders of the Company or other persons as required by the Hong Kong Listing Rules, including but not limited to: 1. the Company's annual report (including the Directors' report, the Company's annual accounts, the audit report, and the summarized financial report (if applicable)); 2. the Company's interim report and summarized interim report (if applicable); 3. notice of meetings; 4. listing documents; 5. circulars; 6. proxy form (which has the meaning ascribed to it by the listing rules of the stock exchange where the Company's shares are listed).

Article 195 Where the notice of the Company is served by way of announcement, all relevant persons shall be deemed to have received the notice upon the publication of the announcement.

Article 196 For notices of the Company served by personal delivery, the recipient shall sign (or seal) on the delivery receipt and the date of signature affixed by the recipient shall be deemed as the date of service. For notices delivered by post, the fourth business day commencing from the date on which the notice is submitted to the post office for delivery shall be deemed as the date of service. For notices served by announcement, the first date of publishing the announcement shall be deemed as the date of service.

Article 197 The accidental omission to give the notice of general meeting to, or the non-receipt of the notice of general meeting by, any persons entitled to receive such notice shall not invalidate the meeting and the resolutions at that meeting.

SECTION 2 ANNOUNCEMENTS

Article 198 If an announcement is to be made to H Shareholders in accordance with these Articles of Association, such announcement shall also be published on the designated website and/or the Company's website in the manner prescribed by the Hong Kong Listing Rules. All notices or other documents which shall be submitted by the Company to the Hong Kong Stock Exchange shall be written in English.

Article 199 If the listing rules of the stock exchange where the Company's shares are listed stipulate that the Company send, post, distribute, announce or otherwise provide relevant documents of the Company in English and Chinese, if the Company has made appropriate arrangement to confirm whether the shareholders hope to receive only the English version or the Chinese version, the Company may (as per the intent stated by the

shareholders) send only the English version or the Chinese version to the related shareholders within the range allowed by the applicable laws and regulations and pursuant to the applicable laws and regulations.

CHAPTER 12 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

SECTION 1 MERGER, DIVISION, CAPITAL INCREASE AND CAPITAL REDUCTION

Article 200 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

A merger by absorption shall refer to that a company absorbs another company, and the company being absorbed shall be dissolved. A merger by establishment of a new company shall refer to that a new company is established as a result of a merger of two or more companies, and the companies being merged shall be dissolved.

Article 201 In the case of a merger of the Company, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's merger resolution which is passed and shall publish a public notice in newspaper or National Enterprise Credit Information Publicity System within 30 days of the date of the Company's division resolution.

A creditor may, within 30 days from the date of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within 45 days from the date of the notice, demand the Company to repay its debts or provide a corresponding guarantee.

After the merger of the Company, the claims and debts of the parties to the merger shall be assumed by the surviving company or the newly established company.

Article 202 In the case of a division of the Company, its assets shall be divided accordingly.

In the case of a division of the Company, the parties to the division shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's division resolution which is passed and shall publish a public notice in newspaper or National Enterprise Credit Information Publicity System within 30 days of the date of the Company's merger resolution.

Debts of the Company prior to the division shall be assumed by the companies which exist after the division, except otherwise agreed in the written agreement in respect of debt service reached between the Company and the creditor prior to the division.

Article 203 When the Company reduces its registered capital, it must draw up a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of the Company's resolution for reduction of registered capital passed at the shareholders' general meeting and shall publish a notice in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor has the right within 30 days from the date of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within 45 days from the date of the notice, to demand the Company to repay its debts or provide a corresponding guarantee for repayment of such debt.

The Company's registered capital after reduction shall not be less than the statutory minimum amount.

Article 204 Where a merger or division of the Company involves changes in registered items, such changes shall be registered according to laws with the company registration authority; if the Company is dissolved, its deregistration shall be carried out according to laws; where a new company is incorporated, the registration of the incorporation of the company shall be carried out according to laws.

Where the Company increase or decrease its registered capital, such changes shall be registered according to laws with the company registration authority.

SECTION 2 DISSOLUTION AND LIQUIDATION

Article 205 The Company shall be dissolved for any of the following reasons:

- (I) the term of business operation set out in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (II) special resolution on dissolution is passed by Shareholders at a general meeting;
- (III) dissolution is necessary due to a merger or division of the Company;
- (IV) the Company's business license is revoked or it is ordered to close down or it is cancelled according to law;
- (V) where the Company gets into serious trouble in operations and management and its continuation may cause substantial loss to the interests of its shareholders, and no solution can be found through any other channel, shareholders representing 10% or more of the total voting rights of the Company may request the people's court to dissolve the Company.

If the Company encounters the grounds for dissolution as stipulated in the preceding paragraph, it shall publicly announce the grounds for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Article 206 In the event of paragraph (I) of Article 205 hereof, the Company may carry on its existence by amending the Articles of Association. Amendments to the Articles of Association in accordance with the preceding paragraph shall be approved by more than two-thirds of the voting rights held by shareholders present at the general meeting.

Where the Company is dissolved by virtue of the reasons set out in item (I), (II), (IV) and (V) of Article 205 of the Articles of Association, the Company shall establish a liquidation group within 15 days commencing from the date on which the events being the grounds for dissolution has been occurred to start liquidation process. The members of the liquidation group shall be composed of persons selected by Directors or decided at shareholders' general meeting. If no liquidation group has been established to conduct liquidation within the time limit, the creditors may request the People's Court to designate the relevant personnel to form a liquidation group to conduct liquidation.

Article 207 During the liquidation period, the liquidation group shall exercise the following functions and powers:

- (I) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify all creditors by notice or public announcements;
- (III) to dispose of and liquidate any relevant unfinished business matters of the Company;
- (IV) to pay all outstanding taxes and taxes occurred during liquidation process;
- (V) to settle claims and debts;
- (VI) to deal with assets remaining after the Company's debts having been paid in full;
- (VII) to represent the Company in any civil proceedings.

Article 208 The liquidation group shall within ten days of its establishment send a notice to creditors, and within 60 days of its establishment make a public announcement in a newspaper or National Enterprise Credit Information Publicity System. The creditors shall report their claims to the liquidation group within thirty days of the receipt of the notification, or in the event that no such notification is received, within forty-five days of the date of the first published announcement.

When the creditors report their claims, they shall explain clearly relevant matters regarding the claims and provide supporting evidence. The liquidation group shall register the claims.

The liquidation group may not reimburse any such creditor during the period of such creditor's claim.

Article 209 The liquidation group shall, after examining the Company's assets, preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the general meeting or the People's Court for confirmation.

The assets of the Company shall be distributed in the following order: the liquidation expenses, paying wages, social insurance contributions and statutory compensation of the Company's employees; taxes owed by the Company; the debts of the Company.

After the assets are applied by the Company to settle debts in accordance with the above provisions, the remaining assets shall be distributed to the shareholders according to the proportion of their shareholdings.

During the liquidation period, the Company shall not engage in any new business activities.

Before the settlement of repayments as provided in the preceding article has been made, the Company's properties shall not be distributed to shareholders.

Article 210 If the liquidation group, having examined the Company's assets and having prepared a balance sheet and assets list, discovers that the Company's assets are insufficient to pay its debts in full, it shall apply to the People's Court for a declaration of insolvency in accordance with law.

After the People's Court has declared the Company insolvent, the company's liquidation group shall turn over any matters regarding the liquidation to the People's Court.

Article 211 Following the completion of liquidation, the liquidation group shall prepare a report on liquidation, which shall be submitted to the shareholders' general meeting or the People's Court for confirmation. The liquidation group shall also submit to the company registration authority and apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

Article 212 The members of the liquidation group shall discharge their duties in good faith and perform their liquidation obligations in accordance with the law.

Members of the liquidation group shall not abuse their functions and powers to accept bribes or other unlawful income, nor shall they misappropriate the Company's properties.

Members of the liquidation group shall be liable for compensation for any losses caused to the Company or creditors due to intentional misconduct or gross negligence.

CHAPTER 13 AMENDMENT TO THE ARTICLES OF ASSOCIATION

Article 213 In the event of any of the following circumstances, the Company shall amend its Articles of Association:

- (I) where, after the Company Law or relevant laws, administrative regulations, and regulations related to the supervision of listed companies are revised, the matters stipulated in the Articles of Association are in conflict with such revised laws, administrative regulations, and regulations related to the supervision of listed companies;
- (II) where any change in the Company causes inconsistency with those contained in the Articles of Association;
- (III) where the shareholders' general meeting decides to amend the Articles of Association.

Article 214 The Articles of Association shall be amended according to the following procedures:

- (I) the Board shall approve a resolution to amend the Articles of Association, and prepare the proposed amendments;
- (II) the Board shall convene a general meeting to vote on the amendments to the Articles of Association in general meeting;
- (III) The amendments to the Articles of Association are passed by way of a special resolution approved by the general meeting;
- (IV) The Company shall submit the revised articles of association to the company registration authority for filing.

Article 215 Should the amendment to the Articles of Association passed by resolutions at the shareholders' general meeting is subject to the approval by the competent authorities, it shall be reported to the competent authorities for approval. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with law.

Article 216 The Board shall amend these Articles of Association in accordance with the resolutions of the shareholders' general meeting and the approval opinions of the competent authorities on any amendment hereto.

Article 217 Any amendment to the Articles of Association shall be subject to announcement if so required by the laws and regulations.

CHAPTER 14 SUPPLEMENTARY PROVISIONS

Article 218 Definitions:

- (I) The controlling shareholder(s) shall refer to a shareholder the ordinary shares (including preferred shares with restored voting right) held by whom account for more than fifty percent of the total share capital of the Company or a shareholder who holds less than fifty percent of the same but by whom the voting powers attached to the shares held is enough to impose significant impact on the resolution of the shareholders' general meeting.
- (II) A de facto controller refers to a person who is not a shareholder of the Company, but may actually affect the actions of the Company through investment relationship, agreements or other arrangements.
- (III) The related-party relationship shall refer to the relationship between the controlling shareholders, de facto controller, directors, supervisors, and senior management of the Company and the enterprise directly or indirectly controlled thereby and any other relationship that may lead to the transfer of any interest of the Company. However, enterprises controlled by the State do not have a related-party relationship with one another simply because they are under the control of the State.

“The above”, “within”, “the following” as referred to in the Articles of Association are inclusive of the stated figure, while “over”, “other than” are not inclusive of the stated figure.

Article 219 Subject to the provisions hereof, the Board may formulate detailed rules for implementation of these Articles of Association, provided that such detailed rules shall not conflict with the provisions hereof.

Article 220 The Articles of Association is prepared in Chinese, the latest Chinese version of the Articles of Association approved by and registered with the authorities for company registration shall prevail in case of any discrepancies between the Chinese version and any other language version of the Articles of Association.

Article 221 The Articles of Association shall be interpreted by the Board of the Company.

Article 222 Appendixes to the Articles of Association include the rules and procedures of shareholders' general meetings, the rules and procedures of Board meetings and the rules and procedures of the supervisory committee.

Article 223 Upon approval at general meeting, the Articles of Association will become effective.