

Articles of Association of Rizhao Port Jurong Co., Ltd.

2025

Contents

Chapter 1	General Provisions	1
Chapter 2	Business Objectives and Scope of the Company	3
Chapter 3	Shares Issuance	4
Chapter 4	Increase, Decrease and Repurchase of Shares	6
Chapter 5	Shares and Register of Shareholders	9
Chapter 6	Rights and Obligations of Shareholders	14
	Section 1 General Provisions of Shareholders	14
	Section 2 Controlling Shareholders and De Facto Controllers	19
Chapter 7	Shareholders' Meeting	21
	Section 1 General Provisions of Shareholders' Meeting	21
	Section 2 Convening of Shareholders' Meeting	25
	Section 3 Proposals and Notices of Shareholders' Meeting	27
	Section 4 Holding of Shareholders' Meeting	30
	Section 5 Voting and Resolutions of Shareholders' Meeting	34
Chapter 8	Party Organization	38

Chapter 9	Board of Directors	41
Section 1	Directors	41
Section 2	Board of Directors	46
Section 3	Special Committees under the Board	53
Chapter 10	Secretary to the Board of the Company	56
Chapter 11	General Manager and Other Senior Management Members	57
Chapter 12	Financial Accounting System	60
Chapter 13	Profit Distribution	61
Chapter 14	Appointment of Accounting Firms	64
Chapter 15	Notices	67
Chapter 16	Merger and Division of the Company	69
Chapter 17	Dissolution and Liquidation of the Company	72
Chapter 18	Amendments to these Articles of Association	75
Chapter 19	Supplementary Provisions	76

Note: In the marginal notes of the Articles of Association, “**Company Law**” represents the Company Law of the People’s Republic of China; “**Letter of Supplementary Opinions**” represents the Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong (Zheng Jian Hai Han [1995] No.1) jointly promulgated by the overseas listing department of the CSRC and the production system department of the former State Commission for Restructuring the Economic System on April 3, 1995; “**Opinions on Regulated Operation and In-depth Reform**” represent the Opinions on Further Assistance in Regulated Operation and In-depth Reform of Companies Listed outside the PRC (Guo Jing Mao Qi Gai [1999] No. 230) jointly promulgated by the former State Economic and Trade Commission and the CSRC on March 29, 1999; “**Main Board Listing Rules**” or “**Hong Kong Stock Exchange Listing Rules**” or “**Hong Kong Listing Rules**” represent the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited; “**Appendix A1 to the Main Board Listing Rules**” represents Appendix A1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited; and “**Appendix C1 to the Main Board Listing Rules**” represents the Corporate Governance Code and Corporate Governance Report in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Articles of Association of Rizhao Port Jurong Co., Ltd.

Chapter 1 General Provisions

Article 1 For the purpose of protecting the legal rights and interests of the Company, the shareholders, employees and the creditors as well as regulating the organization and behaviors of the Company, Rizhao Port Jurong Co., Ltd. (hereinafter referred to as the “**Company**”) formulates these Articles of Association in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Securities Law of the People’s Republic of China, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and its guidelines for the application of regulatory rules, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Guidance for the Articles of Association of Listed Companies (“**Guidance for AOA**”), the Constitution of the Communist Party of China and other relevant laws and administrative regulations of the PRC.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law and other relevant national laws and administrative regulations.

Upon approval by the State-owned Assets Supervision and Administration Commission of the People’s Government of Rizhao City, the Company was established by means of promotion on December 10, 2018 and was registered with Rizhao Administration for Industry and Commerce and obtained a business license on December 19, 2018 with the unified social credit code of 9137110057045934XE.

Article 3 The Company has been approved by the China Securities Regulatory Commission (the “**CSRC**”) on March 19, 2019 and upon the examination and approval of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on May 28, 2019, made an initial public offering of 400,000,000 ordinary shares with a par value of RMB1 each, which were listed on the Hong Kong Stock Exchange on June 19, 2019.

Article 4 The Company’s registered names are:

Full name in Chinese: 日照港裕廊股份有限公司

Full name in English: RIZHAO PORT JURONG CO., LTD.

Article 5 The Company's domicile is: South End, Haibin 5th Road, Rizhao City.

Postal code: 276826

Tel.: +86 0633 7381 569

Fax: +86 0633 7381 530

Article 6 The Company's registered capital is RMB 1,660,000,000.

Article 7 The Company is a joint stock limited company with perpetual existence.

Article 8 The legal representative of the Company is the chairman of the Board 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 resigns, the Company shall appoint a new legal representative within 30 days from the date of resignation of the legal representative.

Article 9 The legal consequences of civil activities performed by a legal representative in the name of the Company shall be borne by the Company.

Any restrictions on the authority of the legal representative as stipulated in these Articles of Association or by the general meeting shall not be used against a bona fide counterparty.

Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall assume civil liability for such damage. After the Company bears civil liability, it may seek recourse against the legal representative who is at fault in accordance with the provisions of laws or these Articles of Association.

Article 10 Shareholders shall bear liability for the Company to the extent of the shares they subscribe, while the Company shall bear liability for the debts of the Company with all its assets.

Article 11 From the date when these Articles of Association take effect, these Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se, legally binding on the Company, its shareholders, directors and senior management. Pursuant to these Articles of Association, shareholders may institute legal proceedings against shareholders; shareholders may institute legal proceedings against directors and senior management of the Company; the shareholders may institute legal proceedings against the Company; and the Company may institute legal proceedings against shareholders, directors and senior management.

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

Article 12 Senior management referred to in these Articles of Association include the general manager, deputy general manager, financial manager (also known as chief financial officer) and secretary to the Board and other senior management members recognized by the Board.

Article 13 The Company establishes the organization of the Communist Party of China to carry out Party activities, establish operation mechanism for the Party, and provide full and strong Party personnel to ensure the operation expenses of the Party organization in accordance with the provisions of the Party Constitution.

Chapter 2 Business Objectives and Scope of the Company

Article 14 The business objectives of the Company are to speed up the development of the ports in Rizhao City, Shandong and build the Company into a successful terminal operator of grains, woodchips, dried tapioca and oil in East China; adopt advanced and applicable technologies and scientific operation and management methods to enhance the Company's market competitiveness.

Article 15 As registered in accordance with law, the business scope of the Company is: operation of terminal and other port facilities; provision of cargo handling and warehouse services in the port area; rental, repair and operation of port machinery, facilities and equipment; fresh water supply (carry out operations with a valid Permit for Port Operation and within the scope approved by the permit); cargo transportation agency; cargo stowage. The businesses that are required to be approved according to the laws shall only be carried out after the approval by the relevant departments in accordance with the approved scope.

The business scope referred to in the preceding paragraph shall be such items as audited by the relevant company registration authority.

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

Chapter 3 Shares Issuance

Article 16 There shall, at all times, be ordinary shares in the Company. Ordinary shares issued by the Company include domestic shares and foreign shares. Subject to the compliance with laws, regulations and the requirements of securities regulatory authorities, the Company may create different classes of shares when needed.

Article 17 The stock of the Company shall take the form of shares.

Article 18 The Company shall issue shares in an open, fair and just manner, and each share of the same category shall have the same right.

All shares of the same category issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share.

Domestic shares and overseas listed shares issued by the Company shall have the same right in any distribution of dividend or other forms of distributions.

Article 19 All nominal value shares issued by the Company shall have nominal values denominated in Renminbi of RMB1 per share. “Renminbi (RMB)” referred to in the preceding paragraph refers to the statutory currency of the PRC.

Article 20 The domestic shares issued by the Company are under centralized depository of the China Securities Depository and Clearing Corporation Limited. The overseas listed foreign shares issued by the Company in Hong Kong are under centralized depository of Computershare Hong Kong Investor Services Limited and may also be held by shareholders in their own names.

Article 21 The Company offering its shares to both domestic and foreign investors shall, in accordance with the laws, fulfil the registration (if required) or filing procedures with the CSRC.

Foreign investors as referred to in the preceding paragraph shall mean those investors in foreign countries and Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan Region who subscribe for shares of the Company. Domestic investors shall mean those investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Company.

Article 22 Shares that the Company issues to domestic investors for subscription in Renminbi shall be known as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be known as foreign shares. Foreign shares listed overseas are called overseas listed foreign shares.

Foreign currency aforementioned refers to the statutory currency, other than RMB, of another country or region, which is recognized by the foreign exchange authority of the state and can be used to pay the Company for the shares.

Both holders of domestic shares and holders of overseas listed foreign shares are common shareholders and shall have the same rights and obligations.

Article 23 Foreign shares issued by the Company to list in the Hong Kong Stock Exchange shall be called H Shares. H Shares are shares which have been admitted for listing on the Hong Kong Stock Exchange, the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

Article 24 The Company, at the time of its establishment, issued 1,200,000,000 ordinary shares to its promoters, all of which are subscribed for and held by the promoters of the Company with a nominal value of RMB1 per share, among which:

Rizhao Port Co., Ltd. subscribed for and held 840,000,000 shares, representing 70% of the total number of ordinary shares issued by the Company at the time of its establishment, and the capital contribution was made in kind and completed on 19 March 2011.

Jurong Port Rizhao Holding Pte. Ltd. subscribed for and held 360,000,000 shares, representing 30% of the total number of ordinary shares issued by the Company at the time of its establishment, and the capital contribution was made in currency and completed on 29 March 2011.

Article 25 After the completion of the initial public offering of overseas listed foreign shares (including 60,000,000 H Shares issued upon the exercise of over-allotment option), the equity structure of the Company includes 840,000,000 domestic shares, representing approximately 50.6% of the total number of shares of the Company, and 820,000,000 H Shares (consisting of 360,000,000 H Shares converted from foreign shares and 460,000,000 H Shares issued under the Global Offering), representing approximately 49.4% of the total number of shares of the Company.

Article 26 The Company or its subsidiaries (including affiliated of the Company) shall not provide any financial assistance in the form of gifts, advances, guarantees or loans or in other forms to others for the acquisition of shares in the Company or its parent company, except for the implementation of the Company's employee stock option plans, subject to the disclosure requirements under the Hong Kong Listing Rules.

For the benefit of the Company, the Company may, on the premise of complying with the securities regulatory rules of the place where the shares of the Company are listed and upon a resolution by the shareholders' meeting or by the Board under these Articles of Association or the authorization of the shareholders' meeting, provide financial assistance for others to obtain the shares of the Company or its parent company, provided that the total accumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. A resolution by the Board shall be passed by two thirds or more of all the directors.

In the event of any violation against the provisions of the preceding two paragraphs which causes losses to the Company, the responsible directors and senior management shall be liable for compensation.

Article 27 Transfer of overseas listed foreign shares listed in Hong Kong shall be registered with the Hong Kong-based share registry designated by the Company.

Chapter 4 Increase, Decrease and Repurchase of Shares

Article 28 The Company may increase capital by the following ways in light of its business and development needs and in accordance with the relevant laws and regulations, these Articles of Association and resolutions made at shareholders' meeting:

- (I) issuing shares to non-specified investors;
- (II) issuing shares to specified investors;

- (III) distributing bonus shares to existing shareholders;
- (IV) transferring reserve funds to increase share capital;
- (V) any other ways stipulated by laws and administrative regulations and approved by the relevant regulatory authorities.

Article 29 The Company may decrease its registered capital.

Such decrease shall be made in accordance with the procedures set out in the Company Law, the Hong Kong Listing Rules, other relevant provisions and these Articles of Association.

Article 30 The Company shall prepare a balance sheet and an inventory of assets when it decreases its registered capital.

The Company shall notify its creditors within 10 days from the date the shareholders' meeting passes the resolution to decrease the registered capital and shall make announcements in newspapers or the National Enterprise Credit Information Publicity System within 30 days. The creditors shall be entitled to require the Company to repay debts or provide corresponding guarantees for such debt within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors haven't received the notice.

If the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares based on the shareholdings of the shareholders, unless otherwise provided by laws or these Articles of Association.

Article 31 The Company shall not repurchase its own shares, except under any of the following circumstances:

- (I) decrease of the registered capital of the Company;
- (II) merger with other companies holding shares of the Company;
- (III) using shares for employee stock ownership plan or as equity incentive;
- (IV) requests for the Company to repurchase its shares from shareholders who object to resolutions of the shareholders' meeting concerning merger or division of the Company;

- (V) using the shares for conversion of convertible corporate bonds issued by the listed company;
- (VI) it is necessary for the Company to maintain its value and the shareholders' equity;
- (VII) any other circumstances permitted by the laws and administrative regulations and approved by the regulatory authorities.

Article 32 The Company may acquire its shares through a public and centralized trading method or other methods recognized by laws, administrative regulations, and the securities regulatory authority of the place where the shares of the Company are listed.

Repurchase of the Company's shares under the circumstances set out in (III), (V) or (VI) of Article 31 of these Articles of Association shall be conducted by way of open and centralized transaction on the premise of complying with the securities regulatory rules of the place where the shares of the Company are listed.

Article 33 Repurchase of the Company's shares under the circumstances set out in (I) to (II) of Article 31 of these Articles of Association shall be subject to resolution at a shareholders' meeting. Repurchase of the Company's shares under the circumstances set out in (III), (V) or (VI) of Article 31 of these Articles of Association shall be on the premise of complying with the securities regulatory rules of the place where the shares of the Company are listed and subject to resolution at a Board meeting at which more than two thirds of the directors are present.

Article 34 Shares repurchased by the Company according to Article 31 of these Articles of Association under (I) herein shall be cancelled within 10 days from the date of repurchase; shares repurchased under (II) and (IV) herein shall be transferred or cancelled within six months thereafter; and the total shares of the Company held by the Company after the repurchase of shares under (III), (V) and (VI) herein shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years. If laws, regulations and the securities regulatory authority of the place where the shares of the Company are listed provide otherwise regarding matters related to share repurchases, such provisions shall prevail.

Article 35 The Company shall not accept any shares of the Company as the subject of the pledge.

Chapter 5 Shares and Register of Shareholders

Article 36 The Company's shares are all registered shares.

Matters specified in the shares of the Company in paper form shall also include other matters required by the stock exchange on which the Company's shares are listed, apart from those specified in the Company Law.

During the period when H Shares are listed on the Hong Kong Stock Exchange, the Company shall ensure all of its listing documents (including those of H Shares) contain the following statements, and shall instruct and promote its share transfer registry to reject registration of share subscription, purchase or transfer under the name of any individual holder, unless and until the said individual holder has submitted to the said share transfer registry a signed form relating to the said shares, which form shall contain the following statements:

- (I) The purchaser of shares together with the Company and each of its shareholders, and the Company together with each shareholder shall observe and comply with the Company Law and other relevant laws, administrative regulations, Special Regulations and these Articles of Association;
- (II) The purchaser of shares agrees with the Company and each shareholder, director, supervisor and senior management member of the Company, and the Company acting on its behalf and for each director, supervisor and senior management member also agrees with each shareholder, to refer all disputes or claims arising from these Articles of Association or from any right and obligation specified by the Company Law or other relevant laws or administrative regulations and with respect to the affairs of the Company, to arbitration, and that any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct a public hearing in open session and to publish its ruling, and the arbitration awards shall be final and conclusive;
- (III) The purchaser of shares agrees with the Company and each of its shareholders that the shares of the Company can be transferred freely by the holders;

(IV) The purchaser of shares authorizes the Company to conclude a contract on his/her behalf with each director and senior management member, who shall undertake to observe and fulfill their due duties for shareholders as specified in these Articles of Association.

Article 37 Shares of the Company may be transferred, presented, inherited and pledged pursuant to relevant laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association. Transfer instruments and other documents in relation to the ownership of shares shall be registered with the share registry entrusted by the Company.

Article 38 Subject to these Articles of Association and all the other applicable provisions, once the shares of the Company are transferred, the name of the transferee shall be listed in the register of shareholders as the holder of the said shares.

Where two or more persons are registered as joint holders of any shares, they shall be deemed as joint holders of the said shares subject to the following restrictions:

- (I) all joint holders of any shares shall jointly and severally assume obligations for all amounts payable for relevant shares;
- (II) if one of the joint holders dies, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. The Board shall have the right, for the purpose of making amendments to the register of shareholders, to demand a death certificate of the relevant shareholder where it deems appropriate to do so; and
- (III) among the joint holders of any shares, only the joint holder that is listed first in the register of shareholders shall be entitled to take relevant shares, receive notices of the Company, and attend the shareholders' meetings of the Company or exercise the full voting right of the relevant shares. Any notice served to the aforesaid person shall be deemed as having been served to all the joint holders of the relevant shares. Any one of the joint holders may sign a proxy authorization form, but if more than one joint holder attends the shareholders' meeting in person or by proxy, the resolution made by the joint holder with priority shall be accepted as the sole resolution made on behalf of other joint holders (regardless of whether it is made in person or by proxy). In this respect, the priority of shareholders shall be determined

according to the order of ranking of the joint holders of relevant shares in the register of shareholders.

Article 39 The Company may keep overseas the original of the register of holders of overseas listed foreign shares and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authorities under the State Council and the overseas securities regulatory authorities. The original of the register of holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong. The Company shall keep at its domicile a copy of the register of holders of overseas listed foreign shares; the entrusted overseas agency shall always ensure that the original and copies of the register of holders of overseas listed foreign shares are consistent.

Where the original and copies of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.

Article 40 The Company shall keep a complete register of shareholders. The register of shareholders shall include the following parts:

- (I) Register of shareholders kept at the domicile of the Company, save as specified in (II) and (III) herein;
- (II) Register of holders of H shares of the Company maintained at the place where the Hong Kong Stock Exchange is located;
- (III) Register of shareholders that the Board decides to keep at other places for the purpose of listing the shares of the Company.

Article 41 All transfers of overseas listed foreign shares shall be executed with a written transfer instrument in a general or common format or any other format acceptable to the Board (including the standard transfer format or transfer form specified by the Hong Kong Stock Exchange from time to time); the written transfer instrument may be signed under hand, or (if the transferor or the transferee is a company) by the corporate seal. Where the transferor or transferee of the Company's shares is a recognized clearing house (hereinafter referred to as the "**Recognized Clearing House**") as defined under the laws of Hong Kong or its agents, the written transfer instrument may be signed in a machine-printed form.

All overseas listed foreign shares listed in Hong Kong for which full payment has been made may be transferred freely in accordance with these Articles of Association. However, the Board may refuse to recognize any transfer instrument without providing any reason, unless:

- (I) the transfer instrument only involves overseas listed foreign shares listed in Hong Kong;
- (II) the stamp tax payable on the transfer instrument has been paid;
- (III) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares shall be provided;
- (IV) the Company does not have any lien over the relevant shares; and
- (V) no transfer shall be made to minors or persons of unsound mind or others under legal disability.

Where the Board refuses to register any transfer of shares, the Company shall provide the transferor and the transferee with a notification of refusal in relation to registration of transfer of shares within two months from the date on which the application for the transfer is officially filed. All transfer instruments shall be maintained at the statutory address of the Company or such places as the Board may designate from time to time.

Article 42 Issue or trading of the shares of the Company in a non-paper form shall comply with other provisions of the securities regulatory authorities and the stock exchange of the place where the Company's shares are listed.

Article 43 The shares of the Company shall be transferred in accordance with the law.

The directors and senior management of the Company shall report to the Company their shareholdings in the Company and changes thereof and shall not transfer more than 25% of all the shares of the same category they hold in the Company per annum during their terms of office determined upon taking office; the aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company. Such restrictions shall comply with the relevant provisions of the Main Board Listing Rules if H Shares are involved.

Article 44 If laws, administrative regulations, departmental rules, regulatory documents and relevant stock exchanges or regulatory agencies where the Company's shares are listed have provisions on the period of suspension of share transfer registration procedures before the date of the shareholders meeting or the Company's decision to distribute dividends, such provisions shall prevail.

Article 45 If the Company convenes a shareholders' meeting, distributes dividends, liquidates or carries out other activities which would require the determination of shareholder capacity, the Board or the convener of the shareholders' meeting shall determine the record date. Shareholders included in the register of shareholders at the close of business on the record date shall be the entitled shareholders.

Article 46 For shareholders, directors and senior management holding more than 5% of the Company's shares, if they have sold the shares of the Company or other securities with an equity nature held by them within six months after purchasing, or if they have purchased such shares or securities again within six months after selling them, the gains obtained therefrom shall be attributed to the Company and be forfeited by the Board of the Company. However, securities companies holding more than 5% of the shares due to the purchase of the remaining shares after underwriting, and other circumstances stipulated by the CSRC are excluded. If the listing rule of the stock exchange of the place where the shares of the Company are listed provide otherwise on restrictions on transfers of H shares, such rules shall prevail.

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

If the Board of the Company does not comply with the provisions of paragraph 1 of this article, the shareholders shall have the right to request the Board to do so within 30 days. If the Board of the Company fails to follow the above-mentioned deadline, the shareholders shall have the right to file a lawsuit directly to the People's Court in their own name in the interest of the Company.

If the Board of the Company does not comply with the provisions of paragraph 1 of this article, the responsible directors shall be jointly and severally liable in accordance with the law.

Chapter 6 Rights and Obligations of Shareholders

Section 1 General Provisions of Shareholders

Article 47

The Company shall keep a share register in accordance with the evidence provided by the share registrar pursuant to the provisions of the laws, regulations, normative documents and the Hong Kong Listing Rules. The share register shall be sufficient evidence of the holding of the shares of the Company by a shareholder.

A shareholder shall enjoy rights and bear obligations according to the category of his shares. Holders of the same category shall enjoy the same rights and bear the same obligations. Any proposed change to the rights attached to a category of shares shall not come into effect unless approved by a vote of at least two-thirds of the voting rights of the holders of such category of shares, who are present at the shareholders' meeting of that category of shares and have voting rights to amend such rights attached to that category of shares.

Article 48

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

- (I) to speak and vote at shareholders' meeting, unless required by the Listing Rules to abstain from voting on individual matters;
- (II) to receive dividends and other distributions in proportion to the number of shares they hold;
- (III) to lawfully request the holding of, convene, preside over, attend or appoint a proxy to attend shareholders' meeting and exercise corresponding voting rights;
- (IV) to supervise, present suggestions on or make inquiries about the operation of the Company;
- (V) to transfer, gift or pledge their shares in accordance with laws, administrative regulations and these Articles of Association;
- (VI) to obtain relevant information in accordance with these Articles of Association, including:
 1. the right to inspect and copy these Articles of Association;

2. the right to inspect or copy:

- (1) to inspect and copy a copy of the register of all classes of shareholders (the Company may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance);
- (2) to inspect and copy minutes of shareholders' meeting, resolutions of the Board and financial and accounting reports of the Company;
- (3) shareholders severally or jointly holding more than three percent of the shares of the Company for more than 180 days in succession may inspect the accounting books and accounting vouchers of the Company;
- (4) to inspect the copy of the latest annual inspection report filed with the State Administration for Industry & Commerce of the People's Republic of China or other competent authorities.

The Company shall keep all documents stated above and any other applicable documents at its domicile in Hong Kong according to the requirements of the Main Board Listing Rules for the inspection of the public and holders of overseas listed foreign shares free of charge.

The Company may refuse any inspecting or copying request which involves commercial secrets and insider information on the Company and privacy of relevant personnel.

- (VII) upon termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the quantity of shares held by them;
- (VIII) to require the Company to repurchase its shares held by the dissident shareholders when they cast votes against the proposal for merger or division at the shareholders' meeting of the Company;
- (IX) for shareholder(s) severally or jointly holding more than 1% shares of the Company, to submit written provisional proposals to the Board 10 days before a shareholders' meeting is convened, and provisional proposals shall have clear topics and specific resolution items;

- (X) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

A shareholder who requests to inspect or copy the relevant information of the Company shall comply with the Company Law, the Securities Law, and other relevant laws and administrative regulations. Any shareholder requesting for inspection of the relevant information as set forth in the preceding paragraph or for obtaining information shall furnish with the Company written document evidencing the class and quantity of shares he/she holds in the Company and the Company shall comply with such shareholder's request upon verification of his/her shareholder capacity.

Shareholders may entrust accounting firms, law firms and other intermediaries to inspect the materials specified in the preceding paragraph.

The shareholder and the engaged accounting firms, law firms and other intermediaries shall comply with the provisions of laws and administrative regulations relating to the protection of state secrets, commercial secrets, personal privacy and personal information when inspecting and duplicating relevant materials.

Article 49 Holders of shares of the Company shall assume the following obligations:

- (I) to observe laws, administrative regulations and these Articles of Association;
- (II) to pay subscription monies as per the number of shares subscribed and the method of subscription;
- (III) not to withdraw the share capital, unless required by laws and regulations;
- (IV) not to abuse their rights as shareholders to prejudice the interests of the Company or other shareholders; not to abuse the independent position of the Company as a legal person and the limited liabilities of shareholders to prejudice the interests of creditors of the Company;
- (V) to fulfil other obligations stipulated by laws, administrative regulations and these Articles of Association.

Shareholders of the Company who abuse their rights as shareholders and cause losses to the Company or other shareholders shall be liable to compensation under the laws. Shareholders of the Company who abuse the Company's independent position as a legal person to evade repayment of debts and cause material damage to the interests of its creditors shall be severally held liable to repayment of debts.

Article 50

Shareholders are entitled to request the People's Court to invalidate the resolutions of a shareholders' meeting or a Board meeting which violates the laws and administrative regulations.

The shareholders shall be entitled to request the People's Court to cancel the relevant resolution within 60 days after the resolution is adopted if the convening procedure or voting method of the shareholders' meeting or Board meeting violates the laws, administrative regulations or these Articles of Association, or the resolution content breaches these Articles of Association. However, it does not apply if the convening and voting procedure of the shareholders' meeting and the Board meeting have only minor flaws that have no substantial impact on the resolution.

Where the Board, shareholders and other stakeholders have a dispute over the validity of a resolution of the shareholders' meeting, they shall promptly institute litigation at the People's Court. Before the People's Court makes a judgement or ruling, such as a cancellation of a resolution, the stakeholders shall execute the resolution of the shareholders' meeting. The Company, directors and senior managers shall perform their duties diligently to ensure the normal operation of the Company.

Article 51

A resolution of the shareholders' meeting and the Board of the Company shall be deemed invalid under any of the following circumstances:

- (I) the resolution is adopted without convening a shareholders' meeting or Board meeting;
- (II) the resolution is not voted on at the shareholders' meeting or Board meeting;
- (III) the number of attendees of the meeting or their voting rights do not meet the quorum or the number of voting rights as stipulated in the Company Law or these Articles of Association;

(IV) 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 stipulated in the Company Law or these Articles of Association.

Article 52

In the event of violation of laws, administrative regulations or the provisions of these Articles of Association by a director or a senior management other than the members of Audit Committee in performing his/her duties, resulting in losses to the Company, the shareholders that solely or collectively hold 1% or more shares of the Company for a continuous period of 180 days shall have the right to make a written request to the Audit Committee to institute a legal action in a People's Court. In the event of violation of laws, administrative regulations or the provisions of these Articles of Association by the Audit Committee in performing its duties, resulting in losses to the Company, the shareholders shall have the right to make a written request to the Board to institute a legal action in a People's Court.

Upon receipt of the written request by the shareholders as stipulated in the preceding paragraph, in case the Audit Committee and/or the Board refuses to institute a legal action or fails to institute a legal action within 30 days from receipt of such request, or under urgent circumstances the Supervisory Committee and/or the Board fails to file a litigation immediately, causing irreparable damages to the Company, the shareholders shall have the right to institute a legal action with a People's Court directly in their own name for protecting the Company's interests.

In the event that any person infringes the legal interests of the Company's and causes losses thereto, the shareholders specified in paragraph 1 of this article may file a lawsuit to a People's Court in accordance with the provisions of the preceding two paragraphs.

Where the directors, supervisors or senior management of a wholly-owned subsidiary of the Company violate the provisions of laws, administrative regulations or these Articles of Association during the performance of their duties and cause losses to the Company, or if any third party infringes upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses, the shareholders severally or jointly holding 1% or more of the Company's shares for a period of 180 consecutive days or longer, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, are entitled to request the Supervisory Committee or the Board of the wholly-owned subsidiary to initiate legal proceedings with the People's Court in writing or directly initiate legal proceedings with the People's Court in their own names.

In the event of the violation of laws, administrative regulations or the provisions of these Articles of Association by a director or a senior management, causing damage to the shareholders' interests, the shareholders may institute a legal action with a People's Court.

Section 2 Controlling Shareholders and De Facto Controllers

Article 53 Controlling Shareholders and de facto controllers of the Company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and the provisions of the CSRC, the stock exchange and the securities regulatory rules of the place where the shares of the Company are listed, safeguarding the interests of the listed company.

Article 54 Controlling Shareholders and de facto controllers of the Company shall comply with the following provisions:

- (I) to exercise shareholders' rights in accordance with the law and not to abuse the right of control or take advantage of connected relationships to harm the legitimate interests of the Company or other shareholders;
- (II) strictly fulfilling the public statements and various undertakings made and shall not alter or waive them without authorization;
- (III) strictly fulfill the information disclosure obligations in accordance with the applicable regulations, actively and proactively cooperate with the Company in the information disclosure, and inform the Company in a timely manner of material events that have occurred or are expected to occur;
- (IV) not to occupy the Company's funds in any manner;
- (V) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (VI) not to make use of the Company's undisclosed material information to gain benefits, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;

- (VII) not to damage the lawful interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, foreign investment or any other means;
- (VIII) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organisation and business, and not to affect the independence of the Company in any way;
- (IX) laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the shares of the Company are listed, and other provisions of these Articles of Association.

Where a Controlling Shareholder or de facto controller of the Company does not act as a director of the Company but actually carries out the affairs of the Company, the provisions of these Articles of Association relating to the duties of loyalty and diligence of directors shall apply.

Where the Controlling Shareholders or de facto controllers of the Company instruct directors or senior management to engage in acts that are detrimental to the interests of the Company or shareholders, such Controlling Shareholders or de facto controllers shall bear joint and several liability with such directors or senior management.

Article 55

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

Article 56

Where a controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the provisions of the CSRC and the stock exchanges, as well as his/her undertakings in respect of the restriction on the transfer of shares.

Chapter 7 Shareholders' Meeting

Section 1 General Provisions of Shareholders' Meeting

Article 57 The shareholders' meeting of the Company shall be composed of all Shareholders. The shareholders' meeting is the organ of authority of the Company, which shall exercise the following functions and powers according to laws.

- (I) to determine the business guidelines and investment plans of the Company;
- (II) to elect and replace directors and who are not representatives of the employees and to determine matters relating to remuneration of the directors;
- (III) to consider and approve the reports of the Board;
- (IV) to consider and approve the annual financial budgets and the final accounts of the Company;
- (V) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (VI) to resolve on increase or decrease of the registered capital of the Company;
- (VII) to resolve on the Company's issue of bonds, any class of shares, warrants and other similar securities;
- (VIII) to resolve on the merger, division, dissolution and liquidation of the Company or changes in the form of the Company;
- (IX) to amend these Articles of Association;
- (X) to resolve on the appointment or dismissal of accounting firms that handles the Company's audit business;
- (XI) to consider and approve the external guarantees of the Company that require the approval by the shareholders' meeting;

- (XII) to consider the acquisition or disposal of material assets by the Company within one year with a value exceeding 30% of the latest audited total assets of the Company;
- (XIII) to consider equity incentive schemes and employee stock ownership plan;
- (XIV) to consider and approve the change in use of proceeds from fund raising;
- (XV) to authorize the Board to resolve on the issuance of corporate bonds;
- (XVI) to consider on other matters to be resolved thereby as required by laws, administrative regulations, departmental rules or these Articles of Association;
- (XVII) to consider other matters as required by the listing rules of the stock exchange of the place where the Company's shares are listed.

The shareholders' meeting may authorize or delegate the Board to handle the matters authorized or delegated by it, including but not limited to the following matters at the annual shareholders' meeting:

1. subject to the applicable laws, regulations and listing rules, to give a general mandate to the Board to issue, allot and deal with additional H shares not exceeding 20% of the H shares of the Company in issue (or other proportions as required by the applicable laws, regulations and listing rules) and authorize the Board to make corresponding amendments to these Articles of Association as it deems fit so as to reflect the new capital structure upon the allotment or issuance of shares;
2. to authorize the Board, within the cap amount of debt issuance authorized by the shareholders' meeting, to determine the specific terms and the relevant matters in relation to the issuance of the debt financing instruments such as domestic short-term financial instruments, medium-term notes, corporate bonds, overseas USD bonds based on the needs for production, operation and capital expenditure as well as the market conditions, including (but not limited to) the determination of the value, interest

rate, term, targeted group and use of proceeds of the bonds being actually issued, as well as the preparation, signing and disclosure of all necessary documents thereof subject to the aforementioned limit.

Article 58 The following external guarantees made by the Company shall be considered and approved by the shareholders' meeting.

- (I) any guarantee provided after the total amount of the external guarantees provided by the Company and its controlled subsidiaries exceed 50% of the audited net assets for the latest period;
- (II) a guarantee provided after the total external guarantees of the Company exceed 30% of the latest audited total assets;
- (III) a guarantee amount provided to others exceeding 30% of the latest audited total assets of the Company within one year;
- (IV) the guarantee provided to the guaranteed object with a debt-to-asset ratio of more than 70%;
- (V) any single guarantee whose amount exceeds 10% of the audited net assets for the latest period;
- (VI) any guarantee provided to the shareholder, de facto controller and its related party.

Except for the guarantees stipulated in the preceding paragraph shall be submitted to the shareholders' meeting for consideration, all other external guarantees of the Company and its controlled subsidiaries shall be approved by the Board.

When the shareholders' meeting considers a proposal to provide guarantees for Controlling Shareholders, de facto controllers and their related parties, the shareholder or the shareholder controlled by the de facto controller shall not participate in the voting.

Directors and senior management of the Company shall prudently manage and strictly control the risks of debts arising from external guarantees. If the Company suffers losses because the directors and senior management of the Company violate the approval authority and review procedures for external guarantees, the responsible directors and members of the senior management shall be liable for compensation for the losses arising from the violations or improper external guarantees in

accordance with the laws. The Audit Committee or eligible shareholders of the Company may initiate a legal proceeding in accordance with the requirements under these Articles of Association.

Article 59 Except that the Company is in special circumstances such as crisis, without the approval of the shareholders' meeting by special resolutions, the Company shall not enter into any contract with any party (other than a director and senior management) regarding the transfer of the management of all or any major part of the Company's businesses to such party.

Article 60 Shareholders' meeting are classified into annual shareholders' meeting and extraordinary shareholders' meeting. Shareholders' meeting shall be convened by the Board of Directors. The annual shareholders' meeting shall be convened once a year within six months from the end of the previous fiscal year.

The extraordinary shareholders' meeting shall be convened as and when necessary. The Company shall convene an extraordinary shareholders' meeting within 2 months from the occurrence of any of the following circumstances:

- (I) when the number of directors is less than the number stipulated in the Company Law or two-thirds of the number required in these Articles of Association;
- (II) when the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (III) where any shareholder(s) holding individually or collectively 10% or more of the Company's shares request(s) for the convening of an extraordinary shareholders' meeting;
- (IV) when deemed necessary by the Board or when requested by the Audit Committee;
- (V) other situations stipulated in laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed or these Articles of Association.

The place for convening a shareholders' meeting of the Company shall be the domicile or other locations specified in the notice identified by the convener. A venue shall be set for the shareholders' meeting which shall be convened on site. The Company will also provide online voting and other methods permitted by the listing rule of the stock exchange of the place where the shares of the Company are listed to facilitate the shareholders attending the shareholders' meeting. Shareholders who participate in the shareholders' meeting in the aforesaid manner shall be deemed as present.

Section 2 Convening of Shareholders' Meeting

Article 61

The Board shall convene the shareholders' meeting on time within the prescribed time limit.

With the approval of the majority of all independent non-executive Directors, the independent non-executive directors are entitled to propose to the Board the convening of an extraordinary shareholders' meeting. The Board shall, in accordance with the laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary shareholders' meeting within 10 days after receiving such proposal from the independent non-executive directors. In the event that the Board agrees to convene an extraordinary shareholders' meeting, the notice of the shareholder' meeting shall be issued within 5 days after the passing of the relevant resolution of the Board. In the event that the Board does not agree to convene an extraordinary shareholders' meeting, reasons for such disagreement shall be given.

Article 62

The Audit Committee proposes the convening of an extraordinary shareholders' meeting to the Board, provided that such proposal shall be made in writing. the Board shall, in accordance with the laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary shareholders' meeting within 10 days after receiving such proposal.

In the event that the Board agrees to convene an extraordinary shareholders' meeting, the notice of the shareholders' meeting shall be issued within 5 days after the passing of the relevant resolution of the Board. Any changes to the original proposals made in the notice require approval of the Audit Committee.

In the event that the Board does not agree to convene an extraordinary shareholders' meeting or does not furnish any reply within 10 days after receiving such proposal, the Board shall be deemed as incapable of performing or failing to perform the duty of convening a shareholders' meeting, in which case the Audit Committee may convene and preside over such meeting on a unilateral basis.

Article 63

Shareholders individually or jointly holding not less than 10% of the Company's shares (on the basis of one vote per share) are entitled to propose the convening of an extraordinary shareholders' meeting to the Board, provided that such proposal shall be made in writing. The Board shall, in accordance with the laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary shareholders' meeting within ten (10) days after receiving such requisition.

In the event that the Board agrees to convene an extraordinary shareholders' meeting, the notice of the shareholders' meeting shall be issued within five (5) days after the passing of the relevant resolution of the Board. Any change to the original proposal made in the notice requires prior approval of the shareholders concerned.

In the event that the Board does not agree to convene an extraordinary shareholders' meeting or does not furnish any reply within ten days after receiving such proposal, the shareholders individually or jointly holding not less than 10% of the Company's shares may propose to the Audit Committee the convening of the extraordinary shareholders' meeting, provided that such proposal shall be made in writing.

In the event that the Audit Committee agrees to convene an extraordinary shareholders' meeting, the notice of the shareholders' meeting shall be issued within five (5) days after receiving such request. Any changes to the original proposal made in the notice shall require prior approval of the shareholders concerned.

In the event that the Audit Committee does not issue a notice of the shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee will not convene and preside over such shareholders' meeting, and the shareholders individually or jointly holding not less than 10% of the Company's shares for not less than ninety (90) consecutive days may convene and preside over the meeting by themselves.

Article 64 Where the Audit Committee or shareholders decide(s) to convene the shareholders' meeting by itself/itselfselves, it/they shall send out a written notice to the Board. The shareholding of the convening shareholder(s) shall not be lower than 10% prior to the announcement of the resolutions of the shareholders' meeting.

The Board and the secretary to the Board shall cooperate with respect to matters relating to a shareholders' meeting convened by the Audit Committee or shareholders at its/their own discretion. The Board shall provide the register of shareholders as of the record date. Expenses arising from convening of a shareholders' meeting by the Audit Committee or shareholders shall be borne by the Company.

Section 3 Proposals and Notices of Shareholders' Meeting

Article 65 The contents of the proposals shall fall within the functions and powers of the shareholders' meeting, shall have clear discussion topics and specific matters to be resolved, and shall comply with the relevant requirements of laws, administrative regulations and these Articles of Association.

Article 66 When the Company convenes a shareholders' meeting, the Board, the Audit Committee and shareholders individually or jointly holding 1% or more of the shares of the Company are entitled to propose resolutions.

Shareholders individually or jointly holding 1% or more of the total voting shares of the Company may propose temporary resolutions in writing to the Company and submit them to the convener 10 days before the meeting. The convener shall issue a supplementary notice of the shareholders' meeting explaining the contents of the temporary resolution within two days upon the receipt of such proposal, and submit the extraordinary proposal to the shareholders' meeting for consideration. However, except for the extraordinary proposal that violates the provisions of laws, administrative regulations, or these Articles of Association, or does not fall within the scope of the functions and powers of the shareholders' meeting. The Company shall not raise the shareholding ratio required for shareholders to submit extraordinary proposals.

Other than the circumstances referred to in the preceding paragraph, after the convener has issued the public announcement of the notice of the shareholders' meeting, no changes shall be made to the proposals stated in the notice of the meeting or the newly added proposals.

Article 67 When the Company convenes an annual shareholders' meeting, it shall notify the shareholders of the time and venue of the meeting, and the matters to be considered 21 days prior to the meeting; and the Company shall notify the shareholders 15 days prior to an extraordinary shareholders' meeting.

For holders of domestic shares, notices of shareholders' meetings may be issued in the form of public announcement.

Public announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the securities regulatory authorities under the State Council during the period between 21 and 25 days prior to an annual shareholders' meeting and between 15 and 20 days prior to an extraordinary shareholders' meeting.

Notices of shareholder's meetings served on holders of overseas listed foreign shares may be published on the website designated by the Hong Kong Stock Exchange and the website of the Company, subject to the laws, administrative regulations and the listing rules of stock exchanges where the Company's shares are listed; or may be delivered by other means stipulated by the listing rules of stock exchanges where the Company's shares are listed.

Upon the publication of the notices of shareholders' meetings by the means as described above, all shareholders shall be deemed to have received the notice of the relevant shareholders' general meeting.

Article 68 The shareholders' meeting shall not vote or pass resolutions on proposals not listed in the notice of the shareholders' meeting or resolutions not in conformity with these Articles of Association.

Article 69 The notice of a shareholders' meeting shall include the following contents:

- (I) the time, venue and duration of the meeting;
- (II) the matters and proposals to be considered at the meeting;
- (III) in clear statement that all ordinary shareholders are entitled to participate the meeting and they may appoint a proxy to attend and vote at such meeting on their behalf and that such proxies need not be shareholders of the Company;
- (IV) the date of record for the shareholders who are entitled to attend the shareholders' meeting;
- (V) the name and telephone number of the regular contact person for the meeting;
- (VI) the time and procedures for voting by electronic communication or other ways.

Article 70 For the proposal to elect directors to be discussed at the shareholders' meeting, the following biographies of candidates of directors shall be fully disclosed in the notice of the meeting:

- (I) personal particulars including educational background, working experience, and any part-time job;
- (II) whether there is any connected relationship with the Company or its controlling shareholder(s) or de facto controller(s);
- (III) their shareholdings in the Company;
- (IV) whether or not they have been subject to any punishment by the CSRC or other related authorities or stock exchanges;
- (V) information required to be disclosed under the Hong Kong Listing Rules relating to the appointment, re-election or transfer of directors.

Article 71 After the issue of the notice of shareholders' meeting, the shareholders' meeting shall not be postponed or cancelled without proper reasons. The resolutions stated in the notice of shareholders' meeting shall not be cancelled. In the event that the shareholders' meeting was postponed or cancelled, the convener shall issue a supplementary notice of the meeting at least two business days prior to the designated date of the shareholders' meeting and explain on the reasons.

Section 4 Holding of Shareholders' Meeting

Article 72 The Board and other convener shall take such necessary measures to ensure the normal order of the shareholders' meeting. For any disturbance to the order of the shareholders' meeting and acts infringing on the lawful interests of the shareholders, measures shall be taken to prevent them, and the relevant authority shall be reported to pursue the matter.

Article 73 All ordinary shareholders or their proxies whose names appeared in the register of shareholders at the record date are entitled to attend the shareholders' meeting, and exercise voting rights pursuant to the relevant laws and regulations and these Articles of Association.

Shareholders may attend the shareholders' meeting in person or appoint a proxy to attend and vote on their behalf.

Article 74 Individual shareholders shall present their identification cards or other valid proof of identity when they attend the meeting in person; those who are appointed as proxies shall present their own identity cards and power of attorney when they attend the meeting.

A legal person shareholder shall appoint its legal representative or a proxy authorized by the legal representative to attend and vote at the meeting. Legal representatives shall present their identity cards, valid proof of their identity as legal representative when they attend the meeting. In the case that a proxy attends the meeting, the proxy shall present his own identity card, the written power of attorney issued by the legal representative of the legal person shareholder.

Article 75 Shareholders shall appoint a proxy by written instrument which is signed by the appointer or his/her agent so authorized in writing, or if the appointer is a legal person, sealed by the stamp of the legal person or signed by its director or agent so officially authorized.

The proxy form issued by a shareholder appointing a proxy to attend shareholders' meeting on his behalf shall state the following:

- (I) the name of the principal, and the class and quantity of shares of the Company held;
- (II) name of the proxy;
- (III) specific instructions from shareholders, including instructions to vote in favour of, against or abstain from, as the case may be, each matter in the agenda of the shareholders' meeting;
- (IV) the date of the proxy form and the expiration date;
- (V) signature (or seal) of the principal. In the case that the principal is a legal person shareholder, the proxy form shall bear the official seal of that legal person.

Article 76 Where the proxy form is signed by another person as authorized by the appointer, the power of attorney or other authorization document shall be notarized. The notarized power of attorney or other authorization document shall be placed together with the proxy form for voting at the domicile of the Company or at such other place as specified in the notice of the meeting.

Where the said shareholder is a recognized clearing house (or its agent) as defined in the relevant ordinance enacted from time to time in Hong Kong, the shareholder may authorize one or more persons as it thinks fit to act as its representative(s) at any shareholders' meeting or any class meeting provided that, if more than one person is so authorized, the power of attorney shall clearly state the number and class of shares for which each person is so authorized and shall be signed by the authorized personnel appointed by the recognized clearing house. The persons so authorized may represent the recognized clearing house (or its agent) to exercise the rights at any meeting (without being required to present share certificate, notarized power of attorney and/or further evidence of due authorization), as if such person were an individual shareholder of the Company.

If such shareholder is Hong Kong Securities Clearing Company Limited, such shareholder is entitled to appoint proxies or corporate representatives to attend shareholders' meetings and meetings of creditors, and such proxies or corporate representatives have the same statutory rights as other shareholders, including the right to speak and vote.

Article 77 The meeting attendance lists shall be prepared by the Company. The meeting attendance lists shall include participants' (individuals or entities) names, identity card numbers, number of shares held or carrying voting rights, the principals' (individuals or entities) names, etc.

Article 78 The convener shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing authority and shall register the names of the shareholders together with the numbers of shares with voting rights held by them. Before the chairman of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights in their possession, registration for the meeting shall be ended.

Article 79 When shareholders' meeting requires the directors and senior management to attend the meeting, the directors and senior management shall so attend and answer shareholders' questions.

Article 80 A shareholders' meeting shall be chaired by the chairman of the Board. If the chairman of the Board is unable to or fails to perform his/her duties, the meeting shall be chaired by the director elected by a majority of the directors jointly.

A shareholders' meeting convened by the Audit Committee itself shall be presided over by the convener of the Audit Committee. Where the convener of the Audit Committee is unable or fails to fulfill the duties thereof, a member of the Audit Committee jointly elected by a majority of the members of the Audit Committee shall preside.

A shareholders' meeting convened by the shareholders themselves shall be chaired by the convener or a representative elected by the convener.

Where a shareholders' meeting is held and the chairperson of the meeting violates the rules of procedure which makes it difficult for the shareholders' meeting to continue, a person may be elected at the shareholders' meeting to act as the chairperson so as to carry on with the shareholders' meeting, subject to the approval of more than half of the attending shareholders having the voting rights.

Article 81 The Company shall formulate the rules of procedures for shareholders' meetings, which stipulates procedures for convening and holding the shareholders' meeting and voting procedures, including notice, registration, consideration of resolutions, voting, vote counting, announcement of voting results, resolutions of the meeting, the meeting minutes and their signings, etc., and the principles for the shareholders' meeting authorizing the Board for which the authorization shall be clear and specific. The rules of procedures for shareholders' meetings shall be the appendix to the Articles of Association, which shall be proposed by the Board and approved by shareholders' meeting.

Article 82 At the annual shareholders' meeting, the Board shall report their work in the preceding year to the shareholders' meeting.

Article 83 Directors and the senior management should respond and explain to the questions of and recommendations made by shareholders at the shareholders' meeting.

Article 84 The person who presides over the meeting shall announce the number of shareholders or proxies who attend the on-site meeting and the total shares carrying voting rights held by them prior to the voting, which shall be on the basis of the register of the meeting.

Article 85 Minutes of a shareholders' meeting shall be recorded, which is the responsibility of the secretary to the Board. The minutes of the meeting shall record the following:

- (I) time, place, agenda of meeting and the name of the convener;
- (II) names of the chairperson of the meeting, directors and senior management present at the meeting;
- (III) number of shareholders and proxies present at the meeting, total number of the shares with voting rights held by them, and the percentage of shares with voting rights held by them to the total number of shares of the Company;

- (IV) process of consideration for each resolution, the gist of speaking and voting results;
- (V) shareholders' questions or recommendations and the relevant explanation or illustration;
- (VI) names of the vote counter(s) and the scrutinizer(s);
- (VII) such other matters as required by these Articles of Association to be included in the minutes.

Article 86

The convener should also ensure the truthfulness, accuracy and completeness of the minutes of the meeting. Directors, the secretary to the Board, the convener or his/her representative and the chairperson of the meeting present at the meeting shall sign on the minutes of the meeting. The minutes of the meeting should be maintained with the register for signing of attending shareholders and the letters of authorization of their proxies, and valid information relating to the voting by electronic communication or other means otherwise derived for a period not less than 10 years.

Article 87

The convener shall ensure that the shareholders' meeting is held without adjournment until the final resolution is reached. When special reasons such as force majeure events have led to the interruption or termination of the meeting, measures should be taken to resume the meeting, or to end the meeting directly. At the same time, the convener shall promptly fulfill the obligation of disclosure and report in accordance with the laws, regulations and provision of the securities regulatory rules of the place where the shares of the Company are listed.

Section 5 Voting and Resolutions of Shareholders' Meeting

Article 88

The resolutions of the shareholders' meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions put forward at the shareholders' meeting shall be adopted by not less than half of shareholders with voting rights attending the meeting.

Special resolutions put forward at the shareholders' meeting shall be adopted by not less than two-thirds of the shareholders with voting rights attending the meeting.

The term "shareholders" in this article includes shareholders who attend the shareholders' meeting through their proxies.

Article 89 Shareholders (including proxies thereof) who vote at a shareholders' meeting shall exercise their voting rights in proportion to the amount of voting shares they represent. Each share carries the right to one vote. However, the Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the shareholders' meeting.

Where any shareholder is required to waive his/her voting rights or is restricted to cast only affirmative or dissenting vote on a certain issue in accordance with applicable laws and regulations and the Hong Kong Stock Exchange listing rules, any vote cast by the said shareholder or proxy thereof in violation of the relevant provisions or restrictions shall not be counted into the voting results.

Article 90 The following matters shall be approved by ordinary resolutions at a shareholders' meeting:

- (I) work reports of the Board;
- (II) profit distribution plans and loss recovery plans formulated by the Board;
- (III) appointment and dismissal of the members of the Board (excluding employee representative directors), their remunerations and the method of payment thereof;
- (IV) annual financial budgets and final accounts;
- (V) matters other than those stipulated by laws, administrative regulations or these Articles of Association to be approved by special resolutions.

Article 91 The following matters shall be approved by special resolutions at a shareholders' meetings:

- (I) increase or reduction in registered capital of the Company;
- (II) division, spin-off, merger, dissolution and liquidation of the Company;
- (III) amendment to these Articles of Association;
- (IV) changes in the form of the Company;

- (V) acquisition or disposal of material assets or provision of guarantee by the Company to others within one year with a value exceeding 30% of the latest audited total assets of the Company;
- (VI) equity incentive scheme;
- (VII) repurchase of shares of the Company;
- (VIII) any other matter specified in the laws, administrative regulations or these Articles of Association and confirmed by an ordinary resolution at a shareholders' meeting that it may have material impact on the Company and accordingly shall be approved by special resolutions;
- (IX) other matters requiring adoption by special resolutions pursuant to the Hong Kong Stock Exchange listing rules.

Article 92 A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.

The shares of the Company held by itself have no voting rights and shall not be counted as part of the total number of shares with voting rights at the shareholders' meeting.

Article 93 When a related party transaction is considered at the shareholders' meeting, the related party shareholder(s) shall not take part in voting and the shares with voting rights held by them shall not be counted as the total valid votes; the announcement on the resolutions passed at the shareholders' meeting should fully disclose the voting details of the non-related party shareholders.

Article 94 The name list of candidates of directors shall be included in a proposal to be submitted to the shareholders' meeting for voting.

Article 95 Voting for all resolutions proposed at a shareholders' meeting shall be conducted on an item-by-item basis. For different resolutions on the same matter, voting related thereto shall be conducted based on the chronological order of the resolutions proposed. Unless a shareholders' meeting is suspended or no resolution can be adopted due to force majeure events or other special reasons, no resolution shall be set aside or rejected for voting at the shareholders' meeting.

Article 96 No amendment shall be made to a proposal when it is being considered at the shareholders' meeting; if changed, such amendment shall be deemed a new proposal and may not be voted at the current meeting.

Article 97 The same voting right shall only be exercised on site, or by other means. Where the same vote is cast for two or more times, the first cast shall hold.

Article 98 The shareholders' meeting shall vote by open ballot.

Article 99 Before the relevant proposal is voted on at the shareholders' meeting, two representatives of the shareholders shall be elected to take part in votes counting and scrutinizing. Any shareholder who is interested in the matter under consideration and his/her proxy shall not take part in votes counting or scrutinizing.

At the time of deciding on a proposal by voting at the shareholders' meeting, shareholder representatives shall count and scrutinize the votes, and announce the voting result forthwith. The voting result in connection with the resolution shall be recorded in the minutes of meeting.

Article 100 If the chairperson of the meeting has any doubt as to the result of a resolution which has been put to vote, he/she may have the ballots counted. If the chairperson of the meeting has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the chairperson of the meeting may, immediately after the declaration of the voting result, demand that the ballots be counted and the chairperson of the meeting shall have the ballots counted immediately.

Article 101 An on-site shareholders' meeting shall not end before that held through other means, and the chairperson of the meeting shall announce the voting results on each resolution, and announce if the resolution is passed pursuant to the voting results.

Prior to announcement of the voting results, any companies, vote counter, scrutineer, shareholder, the network provider and other relevant parties involving in the voting at on-site shareholders' meeting, or other means shall bear the confidentiality responsibility for the voting results.

Article 102 The shareholders attending the shareholders' meeting shall express one of the following opinions on the proposal to be voted on: for, against, or abstain. Save for the circumstance under which the securities registration and settlement institution, acting as the nominal holder of shares under the mutual stock market access between the Mainland and Hong Kong, makes reporting in accordance with the instruction of the actual holder of relevant shares.

An unfilled, wrongly filled, or illegible vote, or an uncast vote shall be deemed to be a waiver of the voting right of the voter, and the voting result for the number of shares he/she holds shall be accounted as "abstain".

Article 103 Resolutions of a shareholders' meeting shall be announced timely, and the announcement shall contain the number of shareholders and proxies present, the total number of voting rights and the percentage of their voting rights to the total of voting shares of the Company, means of voting, the voting result for each resolution and the details of each of the resolutions.

Article 104 If a resolution is not passed, or if a resolution of the previous shareholders' meeting is changed by the present shareholders' meeting, special notes in connection therewith should be made in the announcement of the resolutions of the shareholders' meeting.

Article 105 In the event that a resolution in relation to election of directors is passed at a shareholders' meeting, those newly elected shall assume office on the date on which the shareholders' meeting resolves to pass the relevant election resolution.

Article 106 Should a shareholders' meeting pass resolutions regarding cash distribution, bonus issue or transfer of surplus reserve into share capital, the specific proposals shall be implemented within two months after the close of the shareholders' meeting.

Chapter 8 Party Organization

Article 107 The Committee of the Communist Party of China Rizhao Port Jurong Co., Ltd. shall be established with the approval of the higher Party organization in accordance with the Party Constitution. At the same time, the Disciplinary Inspection Committee of the Communist Party of China Rizhao Port Jurong Co., Ltd. was established in accordance with relevant regulations. The party organization is subordinate to the Committee of the Communist Party of China Shandong Port Rizhao Port Group Co., Ltd..

Article 108 The leading group of the Company's Party organization shall be equipped based on the management authority in accordance with the Party Constitution, the Rules of Primary-level Party Organizations of State-owned Enterprises (for trial implementation) 《(中國共產黨國有企業基層組織條例(試行))》 and other provisions. The leading group of the Party Committee of the Company consists of no more than 9 members in principle, including 1 secretary of the Party Committee, 1 deputy secretary and 1 secretary of Committee for Discipline Inspection.

Article 109 Party organizations shall be established level by level in accordance with relevant regulations, Party affairs operation mechanism shall be established and improved, and Party affairs staff shall be staffed. The Company shall provide necessary conditions for the activities of the Party organization and guarantee the operation funds of the Party organization. The Company's Party organization conducts regular general elections in accordance with the Regulations Governing CPC Grassroots Elections.

Article 110 The Party Committee of the Company shall play the leadership role, setting the direction, keeping in mind the big picture and ensuring the implementation of the Party policies and principles, discussing and deciding on major company matters in accordance with regulations. Major business and management matters shall be studied and discussed by the Party Committee before the board of directors or the management makes a decision in accordance with the terms of reference and prescribed procedures. The main responsibilities are:

- (I) to enhance the political building of the Party in the Company, 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;
- (II) to thoroughly study and implement Xi Jinping Thought on socialism with Chinese characteristics in the new era, learn and propagate the Party's theory, thoroughly implement the Party's line, principles and policies, as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee and the resolutions of the Party organization at higher levels in the Company, promote the Company's responsibility and mission, focus on the main responsibility, the main business, and service major national and provincial strategies to fully fulfill economic, political, and social responsibilities;

- (III) to investigate and discuss the significant operation and management matters of the Company and support the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee and the management to exercise their rights in accordance with the laws;
- (IV) to strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, cadre and talents team of the Company;
- (V) to undertake the main responsibility of overall and strict governance of the Party, lead and support the discipline inspection and supervision agencies to fulfill their supervisory and disciplinary responsibilities as well as strictly enforce political discipline and political rules, to promote Party self-governance in every aspect and with rigor into the primary- level;
- (VI) to strengthen the building of the Party on the style of work, strictly follow the spirit of the eight requirements of the central government, and resolutely oppose the “formalism, bureaucracy, hedonism and extravagance”, especially formalism and bureaucracy;
- (VII) to strengthen the building of primary-level Party organizations and of its contingent of Party members, and unite and lead employees company-wide to devote themselves into the reform and development of the Company;
- (VIII) to lead the Company’s ideological and political work, the spirit and civilization progress, the United Front work and lead the Labour Union, Communist Youth League, Women’s Organization and other mass organizations of the Company.

Article 111 The Party Committee shall strictly control the authorization and decision-making plan of the Board to prevent irregular or excessive authorization. The Party Committee generally does not conduct preliminary research and discussion on decision-making matters authorized by the Board to the chairman and the management.

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.

Generally, secretary of the Party Committee and chairman of the Board of Directors are held by the same person, while deputy secretary is assumed by the general manager who is also a Party member. Once a leader in higher-level enterprise concurrently serves as the chairman of the Board of Directors due to work arrangement, and where there is an executive director, the secretary of the Party Committee, the executive director and the general manager shall be generally held by one person. The secretary of the Party Committee may be assumed by the general manager who is also a Party member or may be appointed separately in accordance with the actual situation of the enterprise.

Chapter 9 Board of Directors

Section 1 Directors

Article 112 Directors shall be natural persons, and none of the following persons may serve as a director of the Company:

- (I) persons without civil capacity or with limited capacity for civil acts;
- (II) persons who were sentenced for crimes of corruption, bribery, encroachment or embezzlement of property or disruption of the social and economic order, or persons who were deprived of their political rights for committing a crime, where five years have not lapsed following the serving of the sentence or persons who were sentenced to suspended sentence, where five years have not lapsed following the expiration date of the period of probation of the suspended sentence;
- (III) persons who acted as directors, or factory managers or managers of companies or enterprises which were bankrupt or liquidated and who shall bear personal liabilities for the bankruptcy or liquidation of such companies or enterprises, where three years have not lapsed following the date of completion of such bankruptcy or liquidation;
- (IV) legal representatives of companies or enterprises that had their business licenses revoked and were ordered to close down as a result of infringing the law and shall bear personal liabilities therefore, where three years have not lapsed following the date of revocation of such business licenses or order for closure;
- (V) persons who have been listed as a judgment defaulter by the people's court due to having a substantial amount of debts due and outstanding;

- (VI) persons who are imposed by the CSRC a ban from entering into the securities market for a period which has not yet expired;
- (VII) persons who are publicly recognized by the stock exchange as unsuitable to serve as directors or senior management members, etc. of a listed company with the designated period yet expired;
- (VIII) other circumstances required by laws, administrative regulations, departmental rules or securities regulatory rules of the place where the Company's shares are listed.

If the Company elects or appoints directors in violation of the provisions of this article, the election, appointment or employment shall be invalid. In the event that the circumstances as stipulated herein during the term of appointment of directors, the Company shall dismiss his/her appointment and cease his/her appointment.

Article 113 Directors shall be elected or replaced at shareholders' meetings and serve a term of 3 years. Directors are eligible for re-election upon the expiration of their terms. However, the successive terms of independent non-executive directors may not be more than 9 years.

A shareholders' meeting may dismiss a director within his/her term of office by an ordinary resolution provided that the relevant laws and administrative regulations are observed (however, the claim of such director for damage compensation under any contract shall not be affected).

The term of a director shall start from the date on which the said director assumes office to the expiry of the current Board. If the term of office of a director expires but re-election is not made responsive, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations, departmental rules and these Articles of Association until a new director is elected.

A director may be senior management concurrently, provided that the total number of directors who concurrently serve as the senior management and directors who are representatives of the employees shall not exceed half of the total number of directors of the Company.

Article 114 Directors shall comply with laws, administrative regulations, and these Articles of Association, bear the faithful obligations to the Company, take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their functions and powers to seek improper interests exercise.

Directors bear the following faithful obligations to the Company:

- (I) not to misappropriate the property or funds of the Company;
- (II) not to deposit the Company's funds in an account opened in their own name or in the name of any other individual;
- (III) not to take advantage of his/her functions and power to accept bribes or other illegal incomes;
- (IV) not to directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board or the shareholders' meeting, and without being passed by the Board or at the shareholders' meeting by way of resolutions in accordance with the Articles of Association;
- (V) not to take advantage of their positions to seek business opportunities that shall belong to the Company for themselves or others, unless such business opportunities have been reported to the Board or the shareholders' meeting and approved at the shareholders' meeting by resolution, or the Company is prohibited from utilizing such business opportunities pursuant to provisions of the laws, administrative regulations or these Articles of Association;
- (VI) not to engage in business similar to that of the Company for themselves or others without reporting to the Board or the shareholders' meeting and approved by a resolution at the shareholders' meeting;
- (VII) not to accept and keep privately commissions on transactions with other parties and the Company;
- (VIII) not to disclose the secrets of the Company without authorization;
- (IX) not to damage the interests of the Company by taking advantage of their connected relationships;
- (X) other faithful obligations specified by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

The income derived by the directors in violation of this article shall be returned to the Company; and they shall be liable for compensation if losses caused to the Company.

The provisions of item (4) of the second paragraph under this Article shall apply to the close relatives of directors and senior management members, enterprises directly or indirectly controlled by directors or senior management members or their close relatives, and any other connected persons having connected relationships with directors or senior management members, who enter into contracts or conduct transactions with the Company.

Article 115 Directors shall comply with the laws, administrative regulations and these Articles of Association, bear the diligence obligations to the Company, and perform their duties with reasonable care that managers ordinarily exercise in the best interests of the Company.

Directors shall bear the following diligence obligations to the Company:

- (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;
- (II) to treat all shareholders impartially;
- (III) to keep informed of the operation and management conditions of the Company in a timely manner;
- (IV) to approve periodic reports of the Company in written form; to ensure that all information disclosed is true, accurate and complete;
- (V) to provide status reports and information to the Audit Committee honestly, and not to hinder the Audit Committee from exercising their powers;
- (VI) other diligence obligations specified by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association.

Article 116 A director may resign before his/her term of office expires. In resigning his/her duties, a director shall tender a written resignation to the Company. Such resignation report shall become effective on the date that the Company receives it. The Company will disclose relevant information as soon as practicable.

If any director resigns so that the membership of the Board falls short of the quorum, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations, departmental rules and these Articles of Association until a new director is elected.

Any person appointed as director by the Board to fill a temporary vacancy or add the quota of directors of the Board shall serve until the first annual shareholders' meeting of the Company after the appointment, at which time the said person is eligible for re-election.

The Company is entitled to dismiss any director (including managing director or other executive director) within his/her term of office by an ordinary resolution at the shareholders' meeting provided that no provision is made in laws (however, the claim of such director for damage compensation under any contract shall not be affected).

A notice of the intention to elect a person as director and a notice by that person indicating his/her acceptance of such election shall be given to the Company at least 7 days in advance.

The period of the aforesaid notice shall commence on the date on which the Company issues the notice of meeting for the election and shall end no later than 7 days (or earlier) prior to the date appointed for the meeting.

Article 117 The Company has established a management system for resignation of directors, specifying safeguard measures for accountability and recovery in respect of unfulfilled public undertakings and other outstanding matters. If resignation of a director takes effect or if his/her term of office expires, the said director shall go through all handover formalities with the Board. His/her honesty obligation to the Company and shareholders thereof shall not terminate automatically at the end of his/her term of office but shall still be valid within the reasonable period specified in these Articles of Association. The obligations that a director bears during his/her term of office due to the performance of his/her duties shall not be waived or terminated due to his/her resignation.

Article 118 If any director fails to attend Board meetings in person or by proxy for two consecutive times, the said director shall be deemed incapable of performing his/her duties, and the Board shall suggest that the shareholders' meeting dismiss the said director.

Article 119 The Company shall have independent non-executive directors. At least one independent non-executive director of the Company shall be an accounting professional. Independent non-executive directors shall be equipped with adequate business or professional experience for competency, honestly fulfil their duties, and protect the interests of the Company, in particular the legitimate rights and interests of public shareholders, to ensure the sufficient representation of the interests of all shareholders. At least one independent non-executive director shall reside in Hong Kong on a regular basis.

Article 120 Subject to compliance with relevant laws and regulations, the shareholders' meeting may remove any director by a resolution, which shall come into effect from the date on which such resolution is made. Where a director is removed from office prior to expiration of his/her term of office without justifiable cause, the director may demand compensation from the Company.

Article 121 Where a director causes damage to others in the course of performing his/her duties in the Company, the Company shall be liable for compensation; the director shall also be liable for compensation where there is intentionality or gross negligence on his/her part.

If any director violates the laws, administrative regulations, departmental rules or these Articles of Association in fulfilling his/her duties, thereby incurring any loss to the Company, the said director shall be liable for compensation.

Article 122 Save as specified in these Articles of Association or duly authorized by the Board, no director shall act on behalf of the Company or the Board in his/her own name. If a director acts in his/her own name but a third party may reasonably think the said director is acting on behalf of the Company or the Board, the said director shall make a prior statement of his/her standpoint and capacity.

Section 2 Board of Directors

Article 123 The Company shall have a Board of Directors consisting of 6 to 9 directors. Among the Board, the number of independent non-executive directors shall be at least 3 and shall represent more than one third of members of the Board, and the number of employee representative director shall be one.

Employee representatives under the Board shall be democratically elected by the Company's employees through the employee representative meetings, employee meetings or other forms, which shall not be submitted to the shareholders' meeting for consideration.

Independent non-executive directors may directly report to the shareholders' meeting, securities regulatory authorities under the State Council and other relevant authorities.

The Board shall have one chairman. The chairman shall be elected or removed by more than half of all the directors, shall serve a term of 3 years, and is eligible for re-election.

The number of senior management members of the controlling shareholders serving concurrently as chairman or executive directors of the Company shall not exceed 2.

Directors need not hold shares of the Company.

Unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed, an independent non-executive director shall serve a term of 3 years and is eligible for re-election but shall not serve for more than 9 years.

Article 124 The Board shall exercise the following functions and powers:

- (I) convening shareholders' meetings, and reporting its work to the shareholders' meeting;
- (II) executing the resolutions of the shareholders' meetings;
- (III) determining the business plans and investment plans of the Company;
- (IV) formulating the annual financial budgets and final accounts of the Company;
- (V) formulating the profit distribution plans and loss recovery plans of the Company;
- (VI) formulating proposals for the increase or decrease of the registered capital of the Company, the issue of shares and corporate bonds or other securities, and the listing;

- (VII) formulating proposals for material acquisition, acquisition of the Company's shares or merger, division, dissolution and changes in the form of the Company;
- (VIII) deciding on the internal management setup of the Company;
- (IX) deciding on appointment or dismissal of the Company's general manager and secretary to the Board, and determining their remuneration, rewards and punishments; deciding on appointment or dismissal of the Company's deputy general manager, chief financial officer and senior management members as nominated by the general manager, and determining their remuneration, rewards and punishments;
- (X) managing the information disclosure of the Company;
- (XI) formulating the Company's fundamental management system;
- (XII) formulating proposals for any amendment to these Articles of Association;
- (XIII) proposing to the shareholders' meeting to appoint or replace an accounting firm for the Company's audit;
- (XIV) listening to the work reports of the general manager of the Company and checking his/her work;
- (XV) deciding on external investment, acquisition and disposal of assets, asset pledges, external guarantee, entrusted asset management, related party transactions, external donations, etc. of the Company within the authority granted by the shareholders' meeting;
- (XVI) deciding on investment, acquisition or sale of assets, financing, related party transactions, etc. as specified in the Hong Kong Stock Exchange listing rules;
- (XVII) deciding on other important issues of the Company, other than those which shall be resolved at shareholders' meetings pursuant to the Company Law and these Articles of Association;
- (XVIII) exercising other functions and powers conferred by the laws and regulations, Hong Kong Stock Exchange listing rules, these Articles of Association or shareholders' meetings.

The Board may resolve on the issues specified in the preceding paragraph by approval of more than half of the directors save for the issues specified in (VI), (VII) and (XII), in which approval of more than two thirds of the directors is required.

The Board shall also be responsible for the following issues:

- (I) formulating the Company's corporate governance system and reviewing and improving its corporate governance;
- (II) reviewing and supervising the training for and continuous professional development of directors and senior management;
- (III) reviewing and supervising the systems formulated and observation thereof by the Company and making relevant disclosures as per the laws and relevant provisions of the securities regulatory authority of the place where the Company's shares are listed;
- (IV) working out the Company's code of conduct and relevant compliance manual for its employees and directors, and reviewing and supervising their behaviors.

The Board shall be responsible for the above corporate governance functions and may also assign its responsibilities to one or more special committees under it.

Article 125 The Board shall explain to the shareholders' meeting any non-standard auditors' opinions issued by the certified accountants regarding the financial statements of the Company.

Article 126 The Board shall formulate the rules of procedure of the Board, for the purpose of ensuring the implementation by the Board of the resolutions of the shareholders' meeting, enhancing work efficiency, and guaranteeing scientific decision making. The rules of procedures for the Board shall govern the convening and voting procedures of the Board as an annex to these Articles of Association, shall be drafted by the Board and approved at the shareholders' meeting.

Article 127 The Board shall determine the authority of outbound investment, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related party transactions and external donations, and set up strict inspection and decision-making procedures; for important investment projects, the Board shall organize relevant experts and professionals to review and report at the shareholders' meeting for approval.

Article 128 For the disposal of any fixed assets by the Board, if the aggregate of the expected value of the fixed assets proposed to be disposed of and the value of the fixed assets which had been disposed of within 4 months immediately preceding such proposal for disposal exceeds 33% of the fixed assets value shown in the most recent balance sheet reviewed at a shareholders' meeting, the Board shall not dispose of or approve the disposal of such fixed assets without the approval by the shareholders' meeting.

The disposal of fixed assets referred to in this article includes the transfer of interests of certain assets, but excludes the provision of fixed assets as pledges to any guarantees.

Any breach of paragraph 1 of this article shall not affect the validity of any transaction entered into by the Company in disposing of fixed assets.

Article 129 The chairman shall exercise the following functions and powers:

- (I) to preside over shareholders' meetings and to convene and preside over Board meetings;
- (II) to supervise and examine the implementation of the resolutions of the Board;
- (III) to exercise other functions and powers specified in laws and regulations or these Articles of Association and granted by the Board.

Where the chairman cannot or fails to fulfil the duty thereof, a majority of the directors shall jointly elect a director to fulfil the said duty.

The Board may, if necessary, authorize the chairman to exercise part of its functions and powers during its inter-session period.

Article 130 Board meetings shall be held at least 4 times a year, and shall be convened by the chairman.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the Audit Committee may propose to convene an extraordinary Board meeting. The chairman shall convene and preside over the Board meeting within ten days of receiving such a proposal.

Article 131 A notice of Board meeting shall be served to all the directors and the general manager 14 days in advance in the event of a regular meeting or 3 days in advance in the event of an extraordinary meeting. The responsible body of the Company shall serve a written meeting notice to all the directors and the general manager by direct delivery, fax, express mail or other electronic communication means. If service is made indirectly, confirmation shall be made by telephone and the appropriate record thereof shall be made.

Where an extraordinary Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.

The notice of a Board meeting shall contain the following particulars:

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;
- (III) reasons for convening the meeting and the topics thereof;
- (IV) the date of issue of notice.

Article 132 Notice of meeting shall be deemed to have been served to any director who attends the meeting without raising any objection before or during the meeting that he/she has not received the notice of meeting.

Regular or extraordinary Board meetings may be convened in the form of teleconference or with the help of other communications equipment provided that the attending directors are able to hear clearly the directors who speak at the meetings and communicate amongst themselves. All the attending directors shall be deemed as having attended the meeting in person.

Article 133 A Board meeting shall be attended by more than half of the directors. Resolutions made by the Board shall be passed by more than half of all directors.

The Board resolutions shall be voted on a one-person-one-vote basis.

Where a director has a connected relationship with the enterprise or individual involved in resolutions of the Board meeting, he/she shall promptly submit a written report to the Board and shall not exercise the right to vote on the resolutions, nor shall he/she exercise the right to vote on behalf of another director. The Board meeting can be held by more than half of the uninterested directors. The resolutions of the Board meeting shall be adopted by more than half of the uninterested directors. If the number of uninterested directors present at the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration.

Article 134 Directors shall attend Board meetings in person. Where any director cannot attend the meetings for any reason, he/she may authorize in writing another director to attend the meetings on his/her behalf, with the power of attorney specifying the proxy's name, the proxy matter, the scope of authorization and the validity and shall be signed or sealed by the principal.

The director attending the meetings on behalf of another director shall exercise rights within the scope of authorization. Where a director is not present at a Board meeting and fails to appoint a proxy to act on his/her behalf, the said director shall be deemed to have waived his/her rights to vote at the meeting.

Article 135 In respect of any important issue to be decided by the Board, a notice and adequate information shall be sent to all the directors before the deadline specified in these Articles of Association. Directors may require providing supplementary information in strict accordance with the specified procedure. If more than one fourth of the directors or more than two independent non-executive directors think they cannot make judgments on relevant issues because the documents are inadequate or for other reasons, they can jointly propose to adjourn the Board meeting or suspend considering some issues, and the Board shall approve such proposal.

Article 136 The Board may adopt written proposal in lieu of Board meeting, but the draft of the said proposal shall be sent to every director by direct delivery, mail, fax or e-mail. If the proposal has been sent to all the directors by the Board, and the number of the directors who have signed the proposal sent to the secretary to the Board by the aforesaid means satisfies the statutory quorum, the said proposal shall be deemed to be a resolution of the Board and have the same legal effect as a resolution passed at a Board meeting held in accordance with the procedures specified in relevant provisions of these Articles of Association.

Article 137 The Board shall file resolutions of the meeting as minutes, which shall be signed by the attending directors and the minutes recorder. The directors shall be responsible for the resolutions passed at Board meetings. Any director who votes for a resolution of the Board which runs counter to the laws, administrative regulations or these Articles of Association, thereby causing serious losses to the Company, shall be liable for compensation to the Company; however, a director who has been proved as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting can be exempt from liability. The minutes of Board meetings shall be kept in the Company's archives for a period of not less than ten years.

The minutes of the Board meeting shall contain the following particulars:

- (I) the date and venue of the meeting and the name of the convener;
- (II) names of the directors present and of directors appointed as proxies to attend the Board meeting;
- (III) the agenda of the meeting;
- (IV) main points made by the directors;
- (V) the voting method and results of each proposal (the results shall indicate the number of votes for, against or abstain).

Section 3 Special Committees under the Board

Article 138 Under the Board are three special committees, i.e. Audit Committee, Remuneration Committee and Nomination Committee, whose composition and rules of procedures are resolved separately by the Board. The Board may establish other special committees as required. As ad hoc committees under the Board which provide advice and consulting for the Board on important decisions, these special committees shall not make any decision in the name of the Board. However, the committees may exercise the right to make decision according to the special authorization of the Board. The functions and powers of three special committees are:

- (I) Audit Committee shall exercise the functions and powers of the Supervisory Committee stipulated in the Company Law, being accountable to reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal controls. Audit Committee

whose major duties include: to guide, examine and supervise the construction of the Company's systems and mechanisms in respect of financial control, risk management and internal control; to make recommendations to the Board on the appointment, reappointment or change of such intermediaries as accounting firms, and their remuneration and terms of appointment; to review and supervise whether the external auditors are independent and objective and whether audit procedures are effective; to formulate and implement policies on non-audit services provided by the external auditors; to supervise and review the integrity of the Company's financial reports, annual reports, accounts, interim reports and quarterly reports (if any), and to review major opinions on relevant financial reporting set out in the statements and reports; to consider the Company's financial and accounting policies and relevant changes, and to provide relevant opinions to the Board; to make recommendations to the Board on the appointment and dismissal of the person in charge of the Company's internal audit institutions; to supervise the formulation and implementation of the Company's internal audit system; to evaluate and supervise the integrity and effectiveness of the Company's audit system; to keep good communication with the Company's internal and external audit institutions, and to ensure it has sufficient resources to carry out its internal audit function in the Company at a proper position and supervise its effectiveness.

The following matters shall be submitted to the Board for consideration upon being approved by a majority of all members of the Audit Committee: 1. to disclose the financial information of financial accounting reports and periodic reports, as well as internal control evaluation reports; 2. to appoint or dismiss accounting firm undertaking the Company's audit; 3. to appoint or dismiss the Company's chief financial officer; 4. to make changes in accounting policies or accounting estimates, or corrections of material accounting errors for reasons other than changes in accounting standards; and 5. other matters stipulated in laws, regulations and these Articles of Association.

(II) Remuneration Committee shall be responsible for establishing evaluation criteria for directors and senior management members and conducting their assessments, formulating and reviewing remuneration policies and schemes, including the decision-making mechanisms, decision-making processes, payment arrangements, and clawback provisions for directors and senior management members. Remuneration Committee whose major duties include:

to propose recommendations to the Board with respect to the overall remuneration policies and structures for the directors and senior management of the Company and the establishment of formal and transparent procedures for formulation of remuneration policies; to assess performance of executive directors, and review and approve the executive directors' compliance with the terms of their contracts; to give advice to the Board on certain remuneration packages of all executive directors and senior management, including non-monetary benefits, pension rights and compensation amounts (including the compensation for the loss or termination of office or appointment), and the remuneration of non-executive directors; to review and approve the recommendations on remuneration of management with reference to the corporate goals as approved by the Board from time to time; to review and approve the compensation that should be paid to executive directors and senior management for any loss or termination of their office or appointment, so as to ensure the said compensation conforms to the terms of relevant contract; in case of any non-compliance, the said compensation shall be fair and reasonable and will not result in excessive burden to listed companies; to review and approve the compensation arrangement in connection with dismissal or removal of relevant directors for their misconduct, so as to ensure such arrangement conforms to relevant contract terms; in case of any non-compliance, relevant compensation shall be reasonable and appropriate; to ensure that any director or any of his/her associates does not participate in the determination of his/her own remuneration; to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee shall make recommendations to the Board on the following matters: 1. remuneration for directors and senior management members; 2. Formulation or changes in equity incentive plans and employee stock ownership plans, including the achievement of conditions for participants to receive or exercise their rights; 3. arrangement of shareholding plans for directors and senior management members in connection with proposed spin-offs of subsidiaries; and 4. other matters stipulated in laws, regulations and these Articles of Association.

(III) Nomination Committee shall be responsible for establishing selection criteria and procedures for directors and senior management members, and screening and reviewing candidates for directors and senior management members and their qualifications.

Nomination Committee whose major duties include: to regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board at least every year, and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to extensively search for qualified candidate directors, to make initial examination of candidate directors and senior management members, and to offer suggestions to the Board on relevant selection; to review the independency of independent non-executive directors; to study and make recommendations on the standards and procedures for the selection of candidate directors and senior management members; and to give advice to the Board on the appointment or reappointment of directors or senior management members and the succession planning for directors (including the chairman) and senior management members.

The Nomination Committee shall make recommendations to the Board on the following matters: 1. to nominate or remove directors; 2. to appoint or dismiss senior management members; and 3. other matters stipulated in laws, regulations and these Articles of Association.

Chapter 10 Secretary to the Board of the Company

Article 139 The Company shall have a secretary to the Board, who shall be a senior management member of the Company, being responsible for the preparation and document keeping of the shareholders' meeting and the Board meeting, information management of the Company's shareholders, handling information disclosure and other matters.

Article 140 The secretary to the Board of the Company shall be a natural person with requisite expertise and experience, and shall be nominated by the chairman of the Board and appointed or removed by the Board. His/her major duties are:

- (I) to ensure that the Company has complete organization documents and records, keep and manage shareholders' information and help directors with daily works of the Board;
- (II) to organize and arrange for Board meetings and shareholders' meetings, prepare meeting materials, handle relevant meeting affairs, keep minutes of the meetings and ensure their accuracy, keep meeting documents and minutes, take initiative to keep abreast of the implementation of relevant resolutions, and report important issues occurring during the implementation to the Board and give relevant advice to the Board;

- (III) as the liaison of the Company with the securities regulatory authorities, to be responsible for organizing, preparing and timely submitting the reports and documents required by the regulatory authorities as well as accepting and organizing the implementation of relevant assignment from the regulatory authorities;
- (IV) to be responsible for coordinating and organizing the Company's information disclosure, establishing and improving the information disclosure system, attending all of the Company's meetings involving information disclosure, and keeping informed of the Company's material operation decisions and related information in a timely manner;
- (V) to ensure that the register of shareholders of the Company is established appropriately and that the persons who have the right of access to the relevant records and documents of the Company obtain the same in due time;
- (VI) to exercise other functions and powers as conferred by the Board, as well as other functions and powers as required by laws and regulations and the stock exchange of the place where the Company's shares are listed.

Chapter 11 General Manager and Other Senior Management Members

Article 141 The Company shall have one general manager who shall be decided to be appointed or dismissed by the Board, and shall have several deputy general managers who shall be decided to be nominated by the general manager and appointed or dismissed by the Board.

Persons who hold administrative posts other than directors and supervisors in the controlling shareholder units of the Company shall not serve as senior management of the Company.

The emoluments of the Company's senior management shall be only paid by the Company, not by the controlling shareholders.

Article 142 The provisions of these Articles of Association regarding the circumstances under which one may not serve as a director and the management system for resignation shall also apply to senior management members.

The provisions of these Articles of Association regarding the obligation of loyalty and diligence of directors shall also apply to senior management members.

Article 143 The general manager shall serve a term of three years, and may be reelected for successive terms.

Article 144 The general manager shall be accountable to the Board and exercise the following functions and powers:

- (I) to manage the production, operation and management of the Company, organize the implementation of the resolutions of the Board and report to the Board;
- (II) to organize the annual business plans and investment plans of the Company;
- (III) to formulate the Company's annual financial budgets and final accounts, and make recommendations to the Board on the same;
- (IV) to formulate the fundamental management system and internal management setup of the Company;
- (V) to formulate the specific rules of the Company;
- (VI) to propose the appointment or dismissal of deputy general managers and chief financial officers of the Company;
- (VII) to decide to appoint or dismiss managers and general employees other than those appointed or dismissed by the Board;
- (VIII) to decide on such projects as investment, acquisition or disposal and financing which do not need to be decided by the Board or the shareholders' meeting;
- (IX) to exercise other functions and powers as conferred by these Articles of Association and the Board.

Senior management members other than the general manager shall assist the general manager in his/her works, and may exercise part of the functions and powers entrusted by the general manager.

Article 145 The general manager shall be present at Board meetings, and if he/she is not a director, shall not have any voting right at Board meetings.

Article 146 In the exercise of his/her functions and powers, the general manager shall fulfil the obligation of loyalty and diligence in accordance with laws, administrative regulations and these Articles of Association.

Article 147 The Company shall have one chief financial officer, who shall be appointed or dismissed by the Board. The chief financial officer shall be accountable to the Board and the general manager.

Article 148 The general manager shall formulate work regulations for managers, which shall be submitted to the Board for approval before implementation.

The work regulations for general manager shall include the following:

- (I) the conditions, procedures and attendants of the general managers' meeting;
- (II) duties and respective responsibilities of the general managers and other senior management staff;
- (III) operation of fund, assets, authorities of execution of material contracts of the Company, and the report mechanism to the Board;
- (IV) other matters deemed as necessary by the Board.

Article 149 The general manager may resign before the end of his/her tenure. The specific procedures and methods for the resignation of the general manager shall be stipulated in the labour contract between the manager and the Company.

Article 150 The Company shall conclude written contracts with its directors and senior management in relation to their remunerations, subject to prior approval at a shareholders' meeting. The written contracts shall at least cover the following matters:

- (I) the directors and senior management members shall undertake to the Company to observe Company Law, these Articles of Association, Code on Takeovers and Mergers, Code on Share Repurchase and other regulations stipulated by Hong Kong Stock Exchange, and agree that the Company is entitled to remedial measures under these Articles of Association and that the said contracts and the positions as directors, supervisors and senior management members shall not be transferred;

- (II) the directors and senior management shall undertake to the Company representing respective shareholders to fulfil their due duties for the shareholders as specified in these Articles of Association;

The aforesaid remunerations shall include:

- (I) remunerations as director or senior management of the Company;
- (II) remunerations as directors or senior management of subsidiaries of the Company;
- (III) remunerations for providing other services for the management of the Company and subsidiaries thereof; and
- (IV) compensations for the said directors for losing their positions or for retirement.

Save as specified in the aforesaid contracts, the directors shall not pursue legal action against the Company for any interests due to them in respect of the matters mentioned above.

The Company shall regularly disclose the remuneration received by a director or senior management member from the Company to the shareholders.

Chapter 12 Financial Accounting System

Article 151 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant PRC authorities.

Article 152 The Company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from 1 January to 31 December.

At the end of each fiscal year, the Company shall promptly prepare an annual financial accounting report in accordance with laws, regulations and securities regulatory rules of the place where the Company's shares are listed, which shall be audited by an accounting firm according to the law.

Article 153 The Company shall not set up other account books except for the statutory account books. No Company funds may be deposited into any individual's account.

Article 154 The Company's financial reports shall be made available for shareholders' inspection at the Company 21 days before the date of the annual shareholders' meeting.

The financial report mentioned in the preceding article shall include the directors' report and the balance sheet (including all other documents to be attached in accordance with the requirements of the PRC laws, other laws, and administrative regulations), the profit and loss statement (the income statement) or the statement of income and expense (the statement of cash flow) or (under the condition of no violation of the PRC laws) summary financial reports approved by the Hong Kong Stock Exchange.

Such financial report (including every document required by laws and regulations to be annexed to the balance sheet) may be published on the website designated by the Hong Kong Stock Exchange and the website of the Company, subject to the laws, administrative regulations and the listing rules of stock exchanges where the Company's shares are listed; or may be delivered to the holders of the overseas listed foreign shares by other means stipulated by the listing rules of stock exchanges where the Company's shares are listed.

Article 155 The Company shall announce two financial reports each fiscal year, i.e. interim financial report announced within 60 days after the end of the first six months of the fiscal year and the annual financial report announced within 120 days after the end of the fiscal year.

Interim and annual financial reports of the Company shall be prepared and disclosed in accordance with the provisions of national laws, regulations and securities regulatory rules of the place where the Company's shares are listed.

Chapter 13 Profit Distribution

Article 156 When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory reserve fund. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocation is required.

Where the statutory 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 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 reserve fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at a shareholders' meeting, also allocate funds from the after-tax profits to the discretionary reserve fund.

After making up for the losses and making contributions to the reserve fund, any remaining after-tax profits available for distribution to shareholders shall be distributed by the Company to the shareholders in proportion to their respective shareholdings according to the resolutions adopted at the shareholders' meeting.

If the shareholders' meeting has, in violation of the provisions of the preceding article, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve fund, the shareholders shall return the profits distributed in violation of the provision to the Company, in case of losses caused to the Company, shareholders and responsible directors and senior management member shall be liable for compensation.

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

Article 157 The reserve fund of the Company can be applied for making up for losses of the Company, expansion of the Company's production and operation or capitalization for capital increase of the Company.

When the reserve fund is used for off-setting the loss of the Company, the discretionary reserve fund and statutory reserve fund shall be first used; if the losses can still not be covered, the capital reserve may be used according to provisions.

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

Article 158 After the shareholders' meeting of the Company has resolved on the profit distribution plan, or after the Board of the Company has formulated a specific plan according to the interim dividend conditions and caps for the next year considered and approved at the annual general meeting, the distribution of dividends (or bonus shares) shall be completed within two months.

Article 159 The Company shall appoint a payment receiving agent for holders of overseas listed foreign shares in Hong Kong. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed foreign shares, and such payment shall be kept by the payment receiving agent on such shareholders' behalf for any payment to them.

The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.

The payment receiving agent appointed by the Company for holders of overseas listed foreign shares listed in the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

The Company has the power to cease sending dividend warrants by post to a holder of overseas listed foreign shares, provided that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, the Company may exercise such right when the dividend warrants have failed to be delivered initially and after the dividend warrants have been returned.

In relation to the exercise of right to issue warrants to unregistered bearer, no warrant thereof shall be issued to replace the one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed. The Company has the right to sell the shares of holders of overseas listed foreign shares with whom it loses contact, in a manner as its Board of Directors deems appropriate, subject to the following conditions:

- (I) Dividends of such shares have been declared for at least three times within a 12-year period and the dividends have not been claimed by anyone during such period; and
- (II) Upon expiry of the 12-year period, the Company publishes an announcement on one or more newspapers in the place where the Company is listed, stating its intention to sell the shares, and notifies the Hong Kong Stock Exchange of such intention.

Article 160 Cash dividends and other monies paid by the Company to holders of domestic shares shall be paid in Renminbi. Cash dividends and other monies paid by the Company to holders of overseas listed foreign shares shall be stated and announced in Renminbi and paid in Hong Kong dollars. The foreign currency required for the payment of cash dividends and other monies by the Company to the holders of overseas listed foreign shares shall be arranged in accordance with the provisions of the PRC in relation to foreign exchange administration.

Article 161 Unless otherwise provided in the relevant laws or administrative regulations, if the cash dividends and other monies are to be paid in Hong Kong dollars, the Company shall adopt the average offer price of the relevant foreign exchange quoted by the People's Bank of China prevailing a calendar week before the date on which the dividends and other monies are declared.

Chapter 14 Appointment of Accounting Firms

Article 162 The Company shall implement the internal audit system, clearly defining the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit, and shall be implemented upon approval by the Board.

The internal audit institution of the Company shall conduct supervision and inspection on matters such as the Company's business activities, risk management, internal control, and financial information. The internal audit institution shall maintain independence, allocate dedicated audit personnel, and shall not be placed under the leadership of the finance department or share office with the finance department.

The internal audit institution shall be accountable to the Board. During the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the Audit Committee. Where the internal audit institution discovers relevant significant issues or leads, it shall immediately report directly to the Audit Committee.

When the Audit Committee communicates with external audit units such as accounting firms and state audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

The Audit Committee shall participate in the performance assessment of the head of internal audit.

Article 163 The Company shall employ an accounting firm that complies with the provisions of the Securities Law to audit accounting statements, verify the net assets, and offer other relevant consulting services. The term of employment of the accounting firm shall be one year, and the appointment may be renewed.

The appointment or dismissal of the accounting firm by the Company must be determined by the shareholder' meeting. The Board may not appoint an accounting firm before it is approved by the shareholder' meeting.

Article 164 The accounting firm appointed by the Company shall hold office from the conclusion of the annual general meeting at which the appointment is made until the conclusion of the next annual general meeting.

Article 165 The Company shall guarantee to provide the accounting firm with true and complete accounting vouchers, account books, financial accounting reports and other accounting information, and shall not reject, conceal or misstate any information.

Article 166 If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it should notify the accounting firm 15 days in advance, and the accounting firm has the right to state its opinions at the shareholders' meeting at which its removal is voted on.

If the accounting firm resigns, it shall make clear to the shareholders' meeting whether there is any impropriety on the part of the Company.

Article 167 The audit fees of an accounting firm shall be determined by the shareholders' meeting.

Article 168 Where a resolution at a shareholders' meeting is passed to appoint an accounting firm other than the incumbent accounting firm to fill a casual vacancy in the office of accounting firm, or to reappoint an accounting firm that was appointed by the Board of Directors to fill a casual vacancy, or to remove an accounting firm before the expiration of its term of office, the following provisions shall apply:

(I) The appointment or removal proposal shall be sent (before notice of the shareholders' meeting is given) to the accounting firm proposed to be appointed or proposed to leave its post or the accounting firm which has left its post in the relevant fiscal year.

Leaving includes leaving by removal, resignation and retirement.

- (II) If the accounting firm which is leaving its post makes statements in writing and requests the Company to give the shareholders notice of such statements, the Company shall (unless the statements have been received after the prescribed time) take the following measures:
 - 1. in any notice of meeting held for making the resolution, state the fact of the statements having been made by the leaving accounting firm; and
 - 2. attach a copy of the statements to the notice and send it to each shareholder who is entitled to receive the notice of the shareholders' meeting in the manner stipulated in these Articles of Association.
- (III) If the Company fails to send out the accounting firm's statements in the manner set out in (II) of this Article, such accounting firm may require that the statements be read out at the shareholders' meeting and may make further complaints.
- (IV) The accounting firm which is leaving its post shall be entitled to attend the following meetings:
 - 1. the shareholders' meeting at which its term of office expires;
 - 2. the shareholders' meeting at which it is proposed to fill the vacancy caused by its removal; and
 - 3. the shareholders' meeting which is convened as a result of its resignation.

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

Article 169 The accounting firm may resign its office by depositing at the Company's legal address a written notice of resignation, which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:

1. a statement that their resignation does not involve any information to be disclosed to the shareholders or creditors of the Company; or
2. a statement that any such information is to be disclosed.

The Company shall, within fourteen days after receipt of the written notice referred to in paragraph (2) of this Article, send a copy of the notice to the relevant governing authority. If the notice contains a statement under (II) (2) of this Article, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed foreign shares (i.e. the shareholder who entitles to receive the financial report of the Company) at the address registered in the share register.

Where the accounting firm's notice of resignation contains a statement under (II) (2) of this Article, the accounting firm may require the Board of Directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

Chapter 15 Notices

Article 170 Except as otherwise provided in these Articles of Association, notices, materials or written statements issued by the Company to its shareholders may be delivered by the following means:

- (I) by personal delivery;
- (II) by post;
- (III) by fax or email;
- (IV) by way of publishing information on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the listing rules of stock exchanges where the Company's shares are listed;

- (V) by way of announcement;
- (VI) by any other means as agreed by the Company or the addressee or as accepted by the addressee after the notice is received;
- (VII) by any other means as approved by relevant regulatory authorities at the places where the Company's shares are listed or as specified in these Articles of Association.

Provided that the Company shall provide corporate communications to the holders of overseas listed foreign shares in accordance with the requirements of the Hong Kong Stock Exchange listing rules. Unless the context otherwise specifies, the "announcement" referred to in these Articles of Association shall mean, in respect of announcements made to the holders of domestic shares or the announcements to be published in the PRC as required by the relevant requirements and these Articles of Association, the publication of an announcement in newspapers or periodicals in the PRC, and such newspapers or periodicals shall have been prescribed under the laws and administrative regulations of the PRC or by the securities regulatory authorities under the State Council; and the "corporate communications" referred to in these Articles of Association shall mean any document issued or to be issued by the Company for the information or action of holders of any of its securities or the investing public, including but not limited to: (1) the directors' report, its annual accounts together with the auditors' report; and, where applicable, its summary financial report; (2) the interim report and, where applicable, its summary interim report; (3) a notice of meeting; (4) a listing document; (5) a circular; and (6) a proxy form.

Holders of the Company's overseas listed foreign shares may choose to receive printed copies of the corporate communications by mail, and they can also select to receive Chinese or English version only, or both. Shareholders can give written notice in advance to the Company within reasonable time to revise the method and language version of receiving foregoing information under appropriate procedures.

Shareholders or directors who want to prove that notices, documents, information or written statements have been served on the Company shall provide evidential materials showing the same has been served on the correct address by ordinary means or by prepaid mail within the designated periods.

Article 171 Save as otherwise specified in these Articles of Association, the means of service of notice specified in the preceding article shall apply to notice of the shareholders' meetings, Board meetings and meetings of the Supervisory Committee held by the Company.

If a notice of the Company is served by announcement, the said notice shall be deemed as received by all the relevant persons once the said notice is announced.

Article 172 In respect of the date of receiving a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the addressee on the note of receipt. If the notice is delivered by post, it shall be deemed to be received after 48 hours from the date upon which the post office receives the notice. If the notice is delivered by way of fax or email or by way of publishing information on websites, it shall be deemed to be received on the date it is sent or published. If the notice is delivered by way of announcement, it shall be deemed to be received on the date on which the announcement is first published. Such announcement shall be published on the newspapers or periodicals that satisfy the relevant requirements.

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

Article 173 In the event that the listing rules of stock exchanges where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may (as per the intent stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by the applicable laws and regulations and pursuant to the applicable laws and regulations.

Chapter 16 Merger and Division of the Company

Article 174 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

Merger by absorption means that a company absorbing another company and the company being absorbed shall be dissolved. Merger by establishment of a new entity means that a merger of two or more companies through the establishment of a new company and the companies being merged shall be dissolved.

Where the price paid for the Company's merger does not exceed 10% of the Company's net assets, such merger may not be resolved at the shareholders' meeting. Where the Company's merger is exempt from approval by resolution at the shareholders' meeting in accordance with the preceding two paragraphs, such merger shall be subject to approval by resolution of the Board.

In the event of a merger, the parties to the merger shall enter into 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 resolution on merger and shall publish an announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. Creditors may, within 30 days of receipt of the notice or within 45 days of the date of the announcement in the case of failure of receipt of the notice, require the Company to pay its debts in full or to provide a corresponding guarantee for such debt.

Upon the merger, creditors' right or debts of each of the parties to the merger shall be assumed by the company which survives the merger or the newly established company.

Article 175 Where the Company is divided, its properties shall be divided accordingly.

In the event of a division, the Company 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 resolution on division and shall publish an announcement about the resolution in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

The debts of the Company prior to the division shall be undertaken by the companies after division, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before division.

Article 176 Where the Company still incurs losses after making up its losses in accordance with the second paragraph of Article 156 of these Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not make distribution to its shareholders, nor exempt the shareholders from their obligation to pay capital contributions.

The provisions of the second paragraph of Article 30 of these Articles of Association shall not apply to the reduction in the registered capital in accordance with the preceding paragraph. The Company shall publish an announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction of its registered capital at the shareholders' meeting.

After reducing its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulated amount of the statutory reserve fund and discretionary reserve fund reaches 50% of its registered capital.

Article 177 Where the reduction of the registered capital is in violation of the Company Law and other relevant provisions, shareholders shall return the funds they have received and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the liable directors and senior management members shall be liable for compensation.

Article 178 Where an increase in registered capital of the Company is made by means of issue of new shares, the shareholders shall not be entitled to have any pre-emptive right unless otherwise provided in these Articles of Association or the shareholders' meeting resolves that the shareholders shall have pre-emptive right.

Article 179 The Company shall, in accordance with laws, apply for change in its registration with the company registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with laws. Where a new company is established, the Company shall apply for registration thereof in accordance with laws.

Where the Company increases or reduces its registered capital, it shall apply to the companies registration authority to modify its registration in accordance with law.

Chapter 17 Dissolution and Liquidation of the Company

Article 180 In any of the following circumstances, the Company shall be dissolved:

- (I) a special resolution on dissolution is passed at a shareholders' meeting (such resolution shall be passed by a vote of at least two thirds of the total voting rights of the shareholders present and voting in person or by proxy at the shareholders' meeting);
- (II) dissolution is necessary due to a merger or division of the Company;
- (III) its business license is revoked, or it is ordered to close up or to be revoked according to laws;
- (IV) where the Company's operations and management encounter serious difficulty, and its continuation will cause substantial loss to the interests of the shareholders and no solution can be found through any other channel, shareholders holding 10% or more of the voting rights of the Company may make requisition to the people's court to dissolve the Company;
- (V) the term of operation specified in these Articles of Association expires or any other circumstance for dissolution specified in these Articles of Association arises.

Upon the occurrence of events of dissolution specified in the preceding paragraph, the Company shall publish such events through the National Enterprise Credit Information Publicity System within ten days.

Where the Company falls under the circumstance set out in item (I) or (V) of the first paragraph under this article and has not distributed its property to its shareholders, the Company may continue to subsist by amending these Articles of Association or by resolution at the shareholders' meeting.

The amendments to these Articles of Association or resolutions made at the shareholders' meeting in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders (including their proxies) attending a shareholders' meeting.

Article 181 Where the Company is dissolved pursuant to (I), (III), (IV) and (V) of Article 180 hereof, it shall be liquidated. The directors shall be the liquidation obligors of the Company, and a liquidation committee shall be set up, within 15 days from the date upon which the cause of dissolution arises, to carry out the liquidation process.

The membership of the liquidation committee shall consist of directors, unless otherwise provided in these Articles of Association or the election of other persons resolved at the shareholders' meeting.

If the liquidation obligors result in losses to the Company or its creditors as a result that they fail to fulfill their liquidation obligation in a timely manner, they shall be liable for compensation.

Article 182 During the liquidation period, the liquidation committee 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 inform creditors by notice or announcement;
- (III) to dispose of and liquidate any unfinished businesses of the Company;
- (IV) to pay outstanding taxes and taxes incurred during the liquidation process;
- (V) to settle claims and debts;
- (VI) to distribute the remaining assets after the Company's debts having been paid in full;
- (VII) to represent the Company in civil lawsuits.

Article 183 The liquidation committee shall within 10 days of its establishment send a notice to creditors, and within 60 days of its establishment make a public announcement on a newspaper or on the National Enterprise Credit Information Publicity System. The creditors may declare their claims to the liquidation committee within 30 days from the date they receive such notice or within 45 days from the date of announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide evidences. The liquidation committee shall register such claims.

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

Article 184

The liquidation committee shall, after examining the Company's assets and preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the shareholders' meeting or the people's court for confirmation.

After payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts, the remaining assets shall be distributed by the Company according to the proportion of shares held by shareholders.

During the liquidation period, the Company shall continue to exist, but shall not commence any business activities irrelevant to the liquidation.

The assets of the Company shall not be distributed to any shareholder before full payments have been made out of the assets according to the preceding paragraph.

Article 185

If the liquidation committee, having examined the Company's assets and having prepared a balance sheet and an inventory of assets, 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 the law.

After the people's court has accepted the bankruptcy application, the liquidation committee shall turn over any matters regarding the liquidation to the bankruptcy administrator designated by the people's court.

Article 186

Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation and submit it to the shareholders' meeting or the people's court for confirmation, and shall submit to the company registration authority to apply for cancellation of registration of the Company.

Article 187 Members of the liquidation committee shall fulfill their duties of liquidation and bear the obligations of loyalty and diligence.

Where the members of the liquidation committee are negligent in performance of liquidation duties and cause the Company to suffer losses, they shall be liable for compensation.

A member of the liquidation committee is liable to indemnify its creditors in respect of any loss arising from his/her intentional or gross negligence.

Where the Company is declared bankrupt in accordance with laws, it shall implement bankruptcy liquidation in accordance with relevant laws relating to bankruptcy of enterprise.

Chapter 18 Amendments to these Articles of Association

Article 188 The Company may amend these Articles of Association pursuant to laws, administrative regulations and these Articles of Association.

Under any of the following circumstances, the Company shall amend these Articles of Association:

- (I) after amendment has been made to the Company Law or relevant laws, administrative regulations or securities regulatory rules of the place where the Company's shares are listed, the contents of these Articles of Association are in conflict with the amended laws, administrative regulations or securities regulatory rules of the place where the Company's shares are listed;
- (II) the changes that the Company have undergone are inconsistent with the provisions of these Articles of Association;
- (III) the shareholders' meeting has resolved to amend these Articles of Association.

Article 189 Amendments to the Articles of Association passed by resolutions at the shareholders' meeting, which require approval of the competent authorities, shall be submitted to the competent authorities for approval. Any amendments requiring alteration registration shall be filed for alteration registration according to the law.

Article 190 The Board shall amend these Articles of Association in accordance with the resolutions of the shareholders' meeting and the approval opinions of relevant competent authorities.

Article 191 If the amendments to these Articles of Association are the information required to be disclosed by national laws, regulations and securities regulatory rules of the place where the Company's shares are listed, they shall be disclosed in accordance with the regulations.

Chapter 19 Supplementary Provisions

Article 192 In these Articles of Association, the meaning of an "accounting firm" is the same as that of "auditors".

In these Articles of Association, the meaning of "related party transactions" is the same as that of "connected transactions".

In these Articles of Association, the meaning of "controlling shareholder" is the shareholder who holds ordinary shares (including preferred shares with voting rights restored) representing more than 50% of the total share capital of the Company, or a shareholder having sufficient voting rights in respect of the shares who holds to pose a significant influence on the resolutions of the shareholders' meetings despite holding less than 50% of the total share capital of the Company.

In these Articles of Association, the meaning of "de facto controller" is a natural person, legal entity or other organization that is able to actually control the acts of the Company through an investment relation, agreement or other arrangement.

In these Articles of Association, the meaning of "no less than" or "within" includes the underlying number, while "more than", "beyond", "lower than" or "more than" does not include the underlying number.

The "connected relationships, related party relationships" referred to in these Articles of Association refer to the relationships between the controlling shareholders, de facto controllers, directors and senior management of the Company and the companies directly or indirectly controlled by them, and other relationships that may lead to the transfer of interests of the Company, provided that the state-controlled enterprises are not affiliated just because they are controlled by the state. Where the listing rules of the Hong Kong Stock Exchange provide otherwise, such provisions shall prevail.

The “state” as mentioned in these Articles of Association refers to the People’s Republic of China.

Article 193 These Articles of Association are written in Chinese. Should there be any discrepancies between the versions in other languages and the Chinese version, the Chinese version shall prevail.

Article 194 The power of interpretation of these Articles of Association shall be vested in the Company’s Board of Directors.

Article 195 These Articles of Association shall take effect upon approval at the shareholders’ meeting of the Company. Any matters not contained herein shall be proposed by the Board of Directors at the shareholders’ meeting for approval.