

Chongqing Iron & Steel Company Limited

重慶鋼鐵股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(在中華人民共和國註冊成立的股份有限公司)

(Stock Code: 1053)

ARTICLES OF ASSOCIATION

Revised version as at 26 November 2025

Note: The Articles of Association is drafted in Chinese and English translation is for your reference only. In case of any inconsistencies between the Chinese and the English version, the Chinese version shall prevail.

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ARTICLES OF ASSOCIATION OF CHONGQING IRON & STEEL COMPANY LIMITED

CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of Chongqing Iron & Steel Company Limited (the “Company”), shareholders, employees and creditors, and regulate the organization and activities of the Company, these articles of association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Guidelines for the Articles of Association of Listed Companies issued by the China Securities Regulatory Commission (the “CSRC”) and other relevant requirements.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law and other relevant legislations and administrative regulations of the People’s Republic of China (the “PRC”).

The Company is established by way of promotion under the approval given under the State Council Committee for the Restructuring of Economic Systems Document (Ti Gai Sheng Zi [1997] No. 127). It has been registered on 11 August 1997 with the Chongqing Administration Bureau of Industry and Commerce and the business license thereof has been obtained. The State Council Committee for the Restructuring of Economic Systems issued the Document Ti Gai Sheng Zi [1997] No. 132 on 15 August 1997 under which the Company was approved to list and offer shares overseas. The unified social credit identifier of the Company is 91500000202852965T.

The name of the promoter is: Chongqing Iron & Steel Group Company Limited.

Article 3 The registered names of the Company:

In Chinese: 重慶鋼鐵股份有限公司 (abbreviation for external use: 重鋼股份公司)

In English: CHONGQING IRON & STEEL COMPANY LIMITED (abbreviation: CHONGQING IRON & STEEL)

Article 4 The Company’s residence: No. 2 Jiangnan Avenue, Jiangnan Street, Changshou Zone, Chongqing, Postal code: 401258.

Article 5 The legal representative shall be the chairman who executes the Company’s affairs on behalf of the Company. Where the director who serves as the legal representative tenders a resignation, he/she shall be deemed to have resigned as the legal representative at the same time. Where the legal representative tenders a resignation, the Company shall appoint a new legal representative within 30 days from the date of the resignation of the legal representative.

Article 6 The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company. The limitation on the functions and powers of the legal representative in these articles of association or by the general meeting shall not be asserted against a bona fide counterpart. Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall bear civil

liability for such damage. The Company may, after bearing such civil liability, seek indemnification from the legal representative at fault in accordance with laws or these articles of association.

Article 7 The Company is a joint stock company with perpetual existence. The legitimate rights and interests of the Company and its – 3 – shareholders are under the jurisdiction of and protected by the PRC laws, regulations and other relevant provisions of the Government.

Article 8 The Company’s total capital is divided into shares of equal value, and the shareholders are liable to the Company to the extent of their shareholdings, while the Company is liable for its debts to the extent of all of its assets.

Article 9 These articles of association shall take effect from the date on which they are approved by the Company’s general meeting through a special resolution. If they need to be approved by a competent authority according to provisions of PRC laws, regulations or departmental rules, they shall take effect with approval of both the general meeting and the competent authority.

To regulate the structure and activities of the Company, fully implement the important requirement of “Two Unswervingly”, and uphold and strengthen the Party’s comprehensive leadership, from the date when these articles of association take effect, it shall constitute a legally binding document regulating the structure and activities of the Company and governs the rights and obligations between the Company and its shareholders and among the shareholders.

Article 10 These articles of association shall be binding on the Company and its shareholders, Directors and senior management, all of whom are entitled to claim rights concerning the affairs of the Company in accordance with these articles of association.

These articles of association and its appendices are actionable by a shareholder against shareholders, Directors and senior management of the Company, and the Company, vice versa, by the Company against shareholders, Directors, and senior management.

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

Senior management referred to in these articles of association refer to president, senior vice president, Secretary to the Board, chief financial officer and general legal counsel of the Company.

Article 11 The Company may invest in other enterprise(s). Where the law stipulates that the Company shall not be jointly and severally liable to such enterprise(s) for their liabilities as their investor, such provisions shall prevail.

Article 12 The Company shall establish the organizations of the Party, carry out the Party's activities, establish the Party's working organizations, deploy sufficient and competent party business personnel and guarantee the operating expenses of Party organizations.

CHAPTER 2 BUSINESS OBJECTIVE AND SCOPE OF BUSINESS

Article 13 The Company's operational goal is to establish and perfect an operational mechanism adapting to the market economy and rely on progress in science and technology and scientific management and concerted efforts of all employees to sharpen its competitive edge at home and abroad, enhance its operational performance and safeguard its shareholders' rights and interests to the maximum extent.

Article 14 The Company's scope of business is subject to the items approved by the corporate registration authority.

General items: ferroalloy smelting; steel rolling and processing; coal-based activated carbon and other coal processing; sales of coal and coal products; sales of metal materials; sales of metal ores; sales of renewable resources; technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; production of chemical products (excluding permitted chemical products); sales of chemical products (excluding permitted chemical products); manufacturing of basic chemical raw materials (excluding manufacturing of licensed chemical such as hazardous chemicals); general cargo storage services (excluding hazardous chemicals and other items that require permit approval); domestic ship agent; domestic freight forwarding agent; leasing of non-residential real estate; leasing of land use rights; leasing of machinery and equipment; leasing of special equipment; processing and treatment of metallic waste and debris. (except for the items subject to approval under the law, business activities may be carried out independently with the business license according to law)

Items subject to approval: port operations; hazardous chemical operation; hazardous waste operation; power generation business, power transmission business, power supply (distribution)

business; production of reinforcing steel products for construction. (for items subject to approval according to law, business activities shall only be carried out upon approval by the relevant authorities, and the specific business items shall be subject to the approval documents or licenses obtained from the relevant authorities)

The Company shall operate within the scope of business approved by the corporate registration authority.

The Company may alter its scope of business by making amendment to its articles of association according to legal procedures and then having such amendment registered at the corporate registration authority.

CHAPTER 3 SHARE, TRANSFER OF SHARE AND REGISTERED CAPITAL

Article 15 The Company may at any time create ordinary shares: Having regard to its requirements and upon the approvals of the State Council authorized approving authorities, the Company may create other class of shares.

Article 16 The shares issued by the Company shall have a par value of Renminbi 1 per share.

Article 17 The Company may issue shares to domestic investors and overseas investors upon the registration or filing of the securities regulatory authority of the State Council.

The overseas investors referred to in the preceding paragraph shall mean the investors from foreign countries and the regions of Hong Kong, Macau and Taiwan who subscribe for the shares issued by the Company; domestic investors shall mean the investors within the PRC other than those investors from the aforesaid regions.

The shares of the Company shall be issued in an open, fair and equal manner, and each of the shares of the same class shall carry the same rights. In the place where the shares of the same class are listed, shares of the same class shall be issued under the same conditions at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by any entity or individual.

Article 18 The shares issued by the Company to the domestic investors and subscribed in Renminbi shall be called domestic shares. The shares issued by the Company to the overseas investors and subscribed in foreign currency shall be called foreign shares. Those foreign shares listed overseas shall be called overseas listed foreign shares.

Article 19 With approval of the examination and approval authority authorized by the State Council, the Company has issued a total of 8,851,763,767 shares of the ordinary shares, including:

- (I) 650,000,000 shares of domestic shares issued to the Company's promoter Chongqing Iron & Steel (Group) Co., Ltd when the Company was founded;

- (II) 413,944,000 shares of ordinary shares issued to overseas investors after the Company was founded;
- (III) 319,183,200 shares of dividend stock issued to the Company's shareholders in consideration of the distributable profit due to the shareholders with approval of the general meeting in 2005 and special resolutions of the meetings of the H share holders and domestic share holders on 9 June 2006;
- (IV) 350,000,000 shares of Renminbi ordinary shares issued to domestic investors with approval of China Securities Regulatory Commission;
- (V) The Company issued 1,996,181,600 shares to Chongqing Iron & Steel (Group) Co., Ltd. for purchase of material assets in November 2013;
- (VI) The Company completed a non-public issuance of 706,713,780 shares to target subscribers for fundraising in December 2013.
- (VII) In November 2017, as ruled and approved by the First Intermediate People's Court of Chongqing, the Company increased 4,482,579,687 shares of Renminbi ordinary shares by way of conversion from capital reserve for the purpose of execution of the bankruptcy reorganisation plan. The foresaid increased shares shall not be distributed to the shareholders and can only be used to repay the debts of the Company and expenses incurred from the reorganization pursuant to the provisions of the reorganisation plan; Chongqing Changshou Iron & Steel Company Limited (重慶長壽鋼鐵有限公司) conditionally accepted the 2,096,981,600 shares of domestic shares held by Chongqing Iron & Steel (Group) Co., Ltd., the promoter of the Company, according to the reorganisation plan.
- (VIII) Upon consideration and approval at the 2024 second extraordinary general meeting, 2024 first class meeting of A shareholders and 2024 first class meeting of H shareholders held by the Company on 30 December 2024, the Company completed the cancellation of 66,838,500 RMB-denominated ordinary shares which had been repurchased under the 2024 repurchase and cancellation plan on 18 February 2025, thereby reducing the Company's share capital by RMB66,838,500.

The Company's shareholding structure is as follows: The Company has a total of 8,851,763,767 shares of ordinary shares. The shareholders of its overseas-listed foreign shares hold 538,127,200 shares of foreign shares, accounting for 6.08% of the Company's total ordinary shares; and there are 8,313,636,567 shares of domestically listed Renminbi ordinary shares, accounting for 93.92% of the Company's total ordinary shares.

Article 20 The registered capital of the Company shall be Renminbi 8,851,763,767.

Article 21 The Company or its subsidiaries (including affiliated enterprises of the Company) shall not provide financial assistance in the form of, among others, gifts, advances, guarantees, or lending for others to acquire the shares of the Company or its parent company, except for

implementation of the Company's employee stock ownership plan.

For the benefit of the Company, pursuant to a resolution passed by the general meeting, or a resolution passed by the Board in accordance with these articles of association or authorization of the general meeting, the Company may provide financial assistance to others to obtain shares of the Company or its parent company, but the cumulative total amount of financial assistance shall not exceed 10% of the total issued share capital. Such resolution of the Board shall be approved by two-thirds or more of all Directors.

Article 22 The Company may, based on its operation and business requirements and in compliance with the provisions of laws and regulations, increase its capital in the following manners pursuant to a resolution passed by a general meeting:

- (I) Issuance of shares to non-specific investors;
- (II) Issuance of shares to specific investors;
- (III) By issuing bonus shares to existing shareholders;
- (IV) By transferring capital reserve to share capital;
- (V) By other methods as permitted by laws, administrative regulations and the CSRC.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of these articles of association, be conducted in accordance with the procedure stipulated by relevant laws and administrative regulations in the PRC as well as the listing rules of the stock exchanges where shares of the Company are listed.

Article 23 The Company does not accept its own shares as the subject matter of pledge.

Article 24 The Company's domestic shares can be traded on the stock exchanges in China with approval of the Company's Board, general meetings and competent government departments, while its overseas-listed foreign shares can be traded on the Hong Kong Stock Exchange or other stock exchanges overseas also with approval of the Company's Board, general meetings and competent government departments.

Article 25 Shares in the Company held by the promoters shall not be transferred within 1 year from the date of the Company's establishment. The shares which were issued before the public offer shall not be transferred within 1 year since the shares of the Company were listed on the stock exchange(s).

During their tenure, Directors and the senior management of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer more than 25% per year of the total number of shares of the same class held by them as determined when they assume the posts, except for those changes arising from judicial enforcement, heritage, legacy and division of properties under laws. The shares held by them shall not be transferred within 1 year from the date when the shares of the Company were listed and traded on the stock exchange. The aforesaid person(s) shall not transfer its shares in the Company within the half year from the retirement date.

Article 26 In case Directors, senior management of the Company and shareholders holding shares of the Company up to 5% or more sell their shares or other securities with equity nature

within six (6) months upon buying or buy back within six (6) months upon selling, their revenue received shall be transferred to the Company. The Board of the Company shall take back the revenue. However, securities firms buying and holding the remaining shares of 5% or more upon underwriting and other circumstances as prescribed by laws and regulations, the CSRC, and the regulatory authorities in the place where the Company's shares are listed are exempted.

Shares or other equity-based securities held by Directors, senior management and natural person shareholders as referred to in the preceding paragraph include shares or other securities with equity nature held by his/her spouse, parents, children and by using other person's accounts.

Should the Board not implement the first paragraph of this article, the shareholders shall have the right to demand the Board to implement within thirty (30) days. Should the Board fail to implement within the aforementioned period, the shareholders shall have the right to file a lawsuit directly to the People's Court in their own names for the benefits of the Company.

Should the Board not implement the first paragraph of this article, the responsible Directors shall, according to the law, be held jointly liable.

Provisions of this article are applicable to the Company's shares issued within the territory of the People's Republic of China.

Article 27 In the case of a capital increases or decreases, the Company shall have such change in its capital registered at the corporate registration authority and make an announcement for it.

CHAPTER 4 CAPITAL REDUCTION AND SHARE REPURCHASE

Article 28 The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law and other relevant regulations as well as these articles of association.

Article 29 In the case of capital reduction, the Company shall prepare a balance sheet and a schedule of property.

In the case of capital reduction, the Company shall notify its creditors within 10 days after the general meeting makes the decision to reduce its registered capital, and meanwhile, make an announcement in a newspaper or National Enterprise Credit Information Publicity System within 30 days. The creditors have the right to demand debt repayment or guarantee for debt repayment from the Company within 30 days if they have received the Company's notice or within 45 days if they have failed to receive the Company's notice.

Where the Company reduces its registered capital, the amount of capital contribution or shares shall be reduced correspondingly in proportion to the shares held by its shareholders, unless otherwise provided by law or these articles of association.

The Company's registered capital after the capital reduction shall not be less than the

minimum amount legally required.

Article 30 Where the registered capital is reduced in violation of the Company Law or other relevant provisions, shareholders shall return funds received and the original state shall be restored if capital contributions from shareholders are reduced or exempted; if losses are caused to the Company, the shareholders and the responsible Directors and senior management shall be liable for compensation.

Article 31 The Company shall not purchase its shares. However, except under any of the following circumstances:

- (I) to reduce its registered capital;
- (II) to merge with other companies which hold its shares;
- (III) to utilize its shares in the employee share ownership plan for share incentive;
- (IV) to repurchase the shares of a shareholder who disagrees with the merger or division decision of the general meeting;
- (V) to utilise the shares for conversion of corporate bonds which are convertible into shares issued by the Company;
- (VI) where it is necessary for the Company to safeguard the value of the Company and the interests of its shareholders.

The Company may purchase its shares through public centralized trading or other methods recognized by laws, administrative regulations and the CSRC.

If the Company acquires its own shares for reasons stated in (III), (V) and (VI) of the first paragraph of this article, the acquisition shall be conducted through public centralized trading.

If the Company acquires its own shares for reasons stated in (I) and (II) under the first paragraph of this article, the acquisition shall be subject to a resolution of the general meeting; unless otherwise required by the regulatory rules of the place where the Company's shares are listed, if the Company acquires its own shares for reasons stated in (III), (V) and (VI) of the first paragraph of this article, the acquisition shall be subject to authorization by the general meeting and approved by a resolution of a Board meeting attended by two-thirds or more of all Directors.

After the Company acquires its own shares according to provisions of the first paragraph of this article, it shall retire the shares it acquires for the reason stated in (I) of the same article within 10 days after the acquisition, and transfer or retire the shares it acquires for the reason stated in (II) or (IV) of the same article within 6 months after the acquisition. In case of the circumstance as stated in (III), (V) and (VI) of the same article, the total shares of the Company held by the Company itself shall not exceed 10% of its total shares in issue and such shares shall be transferred or retired within 3 years after the acquisition.

Article 32 If the Company repurchases its shares off the stock exchange by way of agreement, it shall obtain prior approval given by the general meeting according to these articles of association. With prior approval of the general meeting given in the same way, the Company may cancel or modify a contract which has been concluded in the same way as above or waive any right under such contract.

The shares repurchase contract mentioned in the preceding paragraph includes, without limitation, the agreement in which the Company agrees to perform obligations or obtain rights vested on the repurchased shares.

The Company shall not transfer the shares repurchase contract or any right thereunder.

CHAPTER 5 SHARE CERTIFICATE

Article 33 The Company adopts the registered shares certificate, which is a certificate issued by the Company to evidence shareholders' holding of the Company's shares. The Company may issue shares certificates in the paper form according to relevant provisions.

Apart from what the Company Law provides, the Company's shares certificate shall also contain the matters required to be contained by the stock exchange at which the Company's shares are listed for trading.

Article 34 The shares certificate in paper form shall be signed by the Company's legal representative. If the stock exchange at which the Company's shares are listed for trading requires other senior management member(s) of the Company to sign the certificate, the certificate shall be signed concurrently by other senior management member(s) so required. The certificate in paper form shall take effect after being stamped or printed with the Company's seal. Authorization of the Board is required to stamp the shares certificate with the Company's seal. The signatures of the Company's legal representative or other senior management member(s) on the shares certificate shall take the printed form. If the Company's shares are issued and traded in a paperless way, provisions of the securities regulatory authority in the place where the shares are listed shall be applicable.

CHAPTER 6 REGISTER OF SHAREHOLDERS

Article 35 The Company shall keep a register of shareholders in accordance with the certificates provided by the securities registration and clearing institution. The register of shareholders shall be sufficient evidence of shareholdings in the Company. Shareholders shall enjoy rights and have obligations in accordance with the class of shares held by them. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.

Article 36 The Company may, in accordance with the agreement or understanding between the securities regulatory authority of the State Council and overseas securities supervisory authorities, keep the register of shareholders in relation to overseas listed foreign

shares outside the PRC and shall appoint overseas agencies to manage such register. The original register of shareholders in relation to overseas listed foreign shares which are listed in Hong Kong shall be kept in Hong Kong.

Copies of the register of shareholders in relation to overseas listed foreign shares shall be kept at the seat of the Company. Appointed overseas agencies shall from time to time guarantee that the original register of shareholders in relation to overseas listed foreign shares and the copies thereof shall be consistent.

Where there is any inconsistency between the original register of shareholders of overseas listed foreign shares and the copies thereof, the original shall prevail.

Article 37 The Company shall have a register of shareholders in accordance with the relevant laws and regulations of the place where its securities are listed.

Article 38 Different parts of the register of shareholders shall not overlap. No transfer of any shares registered in any part of the register of shareholders, shall during the continuance of that registration, be registered in any other part of the register of shareholders.

Changes or corrections to any part of the register of shareholders shall be made in accordance with the laws of the place where the register is kept.

Article 39 Where laws, administrative regulations and the listing rules of the stock exchange at which the shares of the Company are listed for trading contain provisions which stipulate the period of closure of the register of shareholders prior to a shareholders' general meeting or on the reference date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 40 A shareholder is a person who lawfully holds shares in the Company and whose name is entered in the register of shareholders.

A shareholder shall enjoy rights and assume obligations according to the class and proportion of the shares held by him or her. Shareholders holding the same class of shares shall enjoy same rights and undertake same obligations.

In respect to joint shareholders:

- (I) If one of the joint shareholders is deceased, only the surviving shareholders will be deemed by the Company as owner of the shares held by the joint shareholders, but the Board has the right to demand a certificate of death of the deceased joint shareholder it deems appropriate from the surviving joint shareholders for the purpose of modifying the Company's list of shareholders.
- (II) In respect to the joint shareholders of any shares, only the one whose name appears first on the Company's list of shareholders has the right to receive the Company's shares certificate or notice, attend the Company's meeting of

shareholders or exercise the voting right vested on the shares concerned; and any notice served on the aforesaid person will be deemed to have been served on the joint shareholders of the stock concerned.

- (III) If any one of the joint shareholders issues a receipt for any dividend, bonus or capital return due to the joint shareholders, such receipt will be deemed as effective receipt issued together by the joint shareholders to the Company.

Article 41 If the Company holds general meeting, distributes dividend, goes into liquidation or conducts other activities that require identification of its shareholders, the Board or convener of the general meetings shall determine a record date, which shall comply with provisions of relevant laws and regulations of the place where the securities are listed. All shareholders registered before closing of the shares rights registration date shall be shareholders who are entitled to relevant rights and interests.

Article 42 The Company's ordinary shareholders have the following rights:

- (I) to receive dividend and other forms of interest distribution in proportion to the shares they hold in the Company;
- (II) to request for the holding of, convene, chair, or participate or entrust a proxy to participate in, the general meeting according to law, and exercise the corresponding speaking right and voting right;
- (III) to supervise over the Company's operation and set forth proposals or address inquiries;
- (IV) to transfer, gift or pledge the shares they hold according to provisions of laws, administrative regulations and these articles of association;
- (V) to review and copy these articles of association, the register of members, minutes of general meetings, resolutions of Board meetings and financial and accounting reports. Qualified shareholders may review the Company's accounting books and vouchers;
- (VI) to participate in distribution of the Company's residual property in proportion to the shares they hold in the Company at the time of the Company being terminated or liquidated;
- (VII) to require the Company to repurchase the shares they hold if they disagree with the merger or division decision made by the general meeting;
- (VIII) other rights vested by laws, administrative regulations, departmental rules or these articles of association.

Article 43 Where the shareholder requests to review or copy the relevant information of the Company, he/she shall comply with the Company Law, the Securities Law and other laws and administrative regulations, and shall pay reasonable fees to the Company. Should a shareholder request to review or access the relevant information as mentioned in the preceding paragraph, he/she shall provide the Company with written document that proves the class and number of shares of the Company held by him/ her. After the Company has verified the identity of the shareholder, the Company shall provide the information requested. If the contents involve the trade secrets, inside information or the personal privacy information of anyone, the Company may refuse the access to such information.

Article 44 If a resolution of the general meeting or Board violates laws or administrative regulations, the Company's shareholders have the right to file a suit to demand a court ruling that the resolution is null and void.

If the convening procedures or voting methods of the general meeting or the meeting of the Board violates laws, administrative regulations or these articles of association, or a resolution

of such meetings violates these articles of association, the Company's shareholders have the right to file a suit to demand cancellation of such resolution within 60 days after the resolution is made. However, except that there are only minor defects in the convening procedures or voting methods of the general meeting or the meeting of the Board, which do not materially affect the resolution.

Where the Board, shareholders and other stakeholders dispute the validity of a resolution of a general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgement or ruling, the stakeholders shall execute the resolution of the general meeting, and no entity shall refuse to execute the resolution of the general meeting on the ground that the resolution is invalid. The Company, directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

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

Article 45 Resolutions of the general meeting or Board meeting of the Company shall not be established under any of the following circumstances: (1) no general meetings or Board meetings have been convened to pass the resolution; (2) the resolution is not voted on at the general meeting or Board meeting; (3) the number of persons attending the meeting or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or these articles of association; (4) the number of persons agreeing to the resolution or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or these articles of association.

Article 46 If a Director or senior management other than members of the audit and risk committee violates provisions of laws, administrative regulations or these articles of association in performing his/her duty and results in loss on the part of the Company, a shareholder who holds 1% or more of the Company's shares separately or jointly with others for more than 180 consecutive days has the right to in written notice request the audit and risk committee to file a suit against such Director or senior management; if the audit and risk committee violates provisions of laws, administrative regulations or these articles of association in performing their duty and results in loss on the part of the Company, the aforesaid shareholders can request the Board in writing to file a suit against the audit and risk committee with the People's Court.

However, if an investor protection institution established in accordance with laws, administrative regulations or provisions of the securities regulatory authorities of the State Council holds the shares of the Company, and a lawsuit is filed to the People's Court in its own name for the interests of the Company, the shareholding proportion and duration shall not be subject to the above provisions.

If the audit and risk committee or the Board refuses to file the suit after receiving the written request of the Company's shareholder provided in the preceding paragraph or fails to file the

suit within 30 days after receiving such request, or in the case of an urgent situation where the Company may suffer an irredeemable damage if the suit is not filed forthwith, the shareholder provided in the preceding paragraph has the right to directly file the suit with the People's Court in his/her own name for the Company's benefit.

If other persons infringe the Company's legal rights or interests and cause losses to the Company, the shareholder provided in the first paragraph of this article can file a suit against such person with the People's Court according to provisions of the two preceding paragraphs.

Article 47 If a Director or senior management member violates provisions of laws, administrative regulations or these articles of association and thus impairs interest of the Company's shareholders, the Company's shareholders can file a suit against such Director or senior management member with the People's Court.

Article 48 Shareholders of the Company's ordinary shares shall undertake the following obligations:

- (I) to comply with laws, administrative regulations and these articles of association;
- (II) to pay the share capital according to the number of shares they subscribe and the method of their subscription;
- (III) not to withdraw shares except in the circumstances permitted by laws or regulations;
- (IV) not to abuse shareholders' rights to impair the Company's or other shareholders' interest, and not to abuse the Company's legal personality or shareholders' limited liability to impair the interest of the Company's creditors;

If a shareholder abuses the shareholders' rights and results in the loss on the part of the Company or other shareholders, the shareholder shall undertake compensatory liability according to law.

If a shareholder abuses the Company's legal personality or shareholders' limited liability to evade debt and severely impairs the interest of the Company's creditors, the shareholder shall undertake joint and several liabilities toward the Company's debt.

- (V) other obligations provided by laws, administrative regulations or these articles of association.

Article 49 If a shareholder who holds more than 5% of the Company's voting shares pledges his/her shares, the shareholder shall make a written report to the Company on the very day of the pledge being made.

Article 50 If a person obtains the Company's shares from others who is deceased or bankrupt, he/she can apply to the Company with evidence for registering himself/herself or a person he/she designates as the Company's shareholder according to relevant laws or regulations of China. The Company has the right to reject such application according to relevant provisions of these articles of association. A person who is registered as a shareholder of the Company according to this article will have the right to obtain the dividend due to him/her when he/she becomes the Company's shareholder. If the Company refuses to register a person as its shareholder according to this article, it shall give the person a written notice and show causes within two months after the person applies for registration.

CHAPTER 8 OBLIGATION OF CONTROLLING SHAREHOLDERS TO OTHER SHAREHOLDERS

Article 51 The controlling shareholders of the Company and the de facto controller shall exercise their rights and fulfil their obligations in accordance with the laws, administrative regulations, the provisions of the CSRC and the stock exchange, and safeguard the interests of the listed company.

Article 52 The controlling shareholders of the Company and the de facto controller shall comply with the following provisions: (1) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders; (2) to strictly fulfil the public statements and undertakings made, without unilateral alteration or waiver; (3) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur; (4) not to appropriate the Company's funds in any way; (5) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations; (6) not to make use of the Company's undisclosed material information for personal gain, 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; (7) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related-party transactions, profit distribution, asset restructuring, foreign investment or any other means; (8) 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; (9) other provisions of laws, administrative regulations, provisions of the CSRC, business rules of stock exchanges and these articles of association.

Where a controlling shareholder of the Company or de facto controller 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 a controlling shareholder of the Company or de facto controller instructs a Director or a member of the senior management to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such Director or member of the senior management.

Article 53 If the controlling shareholders and the de facto controller pledge the Company's shares they hold or actually control, they shall maintain the Company's control rights and ensure stable production and operation.

Article 54 If the controlling shareholders and the de facto controller transfer their holdings of the Company's shares, they shall comply with the restrictive provisions on share transfer in laws, administrative regulations, provisions of the CSRC and the stock exchange, as well as the commitments they have made regarding restricted share transfers.

Article 55 In addition to the obligations imposed by the laws and administrative regulations or required by the listing rules of the stock exchange on which the shares of the Company are listed, the controlling shareholder, in exercising the power as a shareholder,

shall not exercise his voting rights in a manner prejudicial to the interests of all or some part of the shareholders when making decision on the following matters:

- (I) to relieve a Director of his duty to act honestly in the best interests of the Company;
- (II) to approve the expropriation by a Director (for his own benefit or for the benefit of another), in any guise, the assets of the Company, including (but not limited to) an opportunity beneficial to the Company;
- (III) to approve the expropriation by a Director (for his own benefit or for the benefit of another) the individual rights of other shareholders, including (but not limited to) rights to distributions and voting rights save and except restructuring of the Company submitted for approval by the shareholders in general meeting in accordance with these articles of association.

Article 56 The Company's Directors and senior management have the obligation to ensure that the Company's capital is not appropriated by the Company's controlling shareholder. If a Director, senior management connives at appropriation of the Company's property by the controlling shareholder or its affiliated enterprises, the Board shall mete out disciplinary punishment to the person who is directly responsible for the appropriation according to severity of the circumstance and start the removal procedures against the Director who is chiefly responsible for the appropriation.

CHAPTER 9 GENERAL MEETINGS

Article 57 The general meeting of the Company shall be composed of all shareholders. The general meeting is the Company's power organ and shall exercise the following powers according to law:

- (I) to decide on the Company's operation guidelines and investment plans;
- (II) to elect and replace Directors who are not employee representatives and decide on Directors' compensation;
- (III) to deliberate and approve reports of the Board;
- (IV) to deliberate and approve the Company's annual financial budget and final account;
- (V) to deliberate and approve the Company's profit distribution plan and loss coverage plan;
- (VI) to make resolution on the Company's increase or reduction of registered capital;
- (VII) to make resolution on the Company's merger, division, dissolution, liquidation or change in corporate form;
- (VIII) to make resolution on the Company's issue of bonds;
- (IX) to make resolution on the Company's appointment and dismissal of the accountant's office engaged in the audit work of the Company;
- (X) to amend the Company's Articles of Association;
- (XI) to deliberate proposals made by the Board, the audit and risk committee, or shareholders who individually and jointly hold an aggregate of 1% or more of the Company's voting shares; However, unless the temporary proposals are in violation of laws, administrative regulations or the provisions of these articles of association, or do not fall within the terms of reference of the general meeting;
- (XII) to deliberate and approve the guarantee matters provided in Article 58 of these articles of association; (XIII) to deliberate the current year's major purchase or sale of assets

which exceeds 30% of the Company's latest audited total assets;

(XIII) to deliberate and approve changes in the use of fund raised;

(XIV) to deliberate equity incentive plans and employee stock ownership plans; and

(XV) other things requiring a resolution of the general meeting according to provisions of laws, administrative regulations, listing rules of the stock exchange at which the Company's shares are listed for trading, or these articles of association.

The general meeting may authorize the Board to resolve on the issue of corporate bonds.

Article 58 The following external guarantees of the Company shall be deliberated and approved by the general meeting:

- (I) any guarantee provided after the total amount of external guarantees provided by the Company and its holding subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (II) any guarantee provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's latest audited total asset;
- (III) any guarantee after the amount of guarantees provided by the Company to others within one year has exceeded 30% of the Company's latest audited total assets;
- (IV) guarantees provided for an entity with the asset-liability ratio exceeding 70%;
- (V) guarantees for each of which the amount exceeds 10% of the Company's latest audited net assets; and
- (VI) guarantees provided for the Company's shareholders, de facto controllers or related parties.

The third item of the preceding paragraph shall be adopted by the general meeting through a special resolution.

Before providing external guarantee, the Company shall fully understand the financial and credit standing of the guaranteed party and make thorough analysis on impact of the guarantee on the Company's interest and on risks facing the Company as a result of the guarantee. The guaranteed party shall have sound credit standing and debt service ability.

If guarantees are provided externally in violation of the consideration procedures and approval authority of the general meeting or the Board, the Company shall reserve the right to pursue legal and regulatory accountability against the responsible personnel.

Article 59 The "external guarantees" referred to in these articles of association mean the guarantee provided by the Company for other persons, including the guarantees provided by the Company for its holding subsidiaries. The "total amount of external guarantees provided by the Company and its holding subsidiaries" refer to the sum of the aggregate amount of external guarantees provided by the Company, including those provided for its holding subsidiaries, and the aggregate amount of external guarantees provided by the Company's holding subsidiaries. Without prior approval of the general meeting, the Company shall not conclude with other persons than its Directors, President or other senior management member(s) contracts that entrust all or part of the Company's important business to the care of such "other persons".

Article 60 General meetings are divided into annual general meeting and extraordinary general

meeting. General meetings shall be convened by the Board which will determine the time and venue of the meeting. The annual general meeting shall be convened once every year and shall be held within six months after the end of the preceding accounting year. The Company shall convene an extraordinary general meeting within two months upon the occurrence of following circumstances:

- (I) if the number of Directors is less than the number provided by the Company Law or less than two-thirds of the number required by these articles of association, namely, the number of Directors is smaller than 6;
- (II) where the accrued losses of the Company amount to one-third of its total share capital;
- (III) when shareholders separately or jointly holding 10% or more of the Company's shares request in written;
- (IV) when deemed necessary by the Board;
- (V) when requested by the audit and risk committee;
- (VI) other circumstances as provided in relevant laws, administrative regulations, rules from relevant authorities, listing rules of the stock exchange(s) where shares of the Company are listed or these articles of association.

The shareholdings referred to in sub-paragraph (III) above shall be calculated as at the date of written request of the shareholder.

Article 61 The general meeting shall be held at the Company's domicile or such other places as the convener advises.

The general meeting will be held in the form of on-site meeting. The Company will provide online voting at the same time to facilitate shareholder participation. If a shareholder participates in the general meeting via the internet, he/she will be deemed to have been present at the meeting.

Article 62 If the Company is to hold an annual general meeting, it shall issue a written notice 20 working days (excluding the day on which the notice is sent) before the meeting is held, and in case the Company is to hold an extraordinary general meeting, it shall issue a written notice 10 working days or 15 days (excluding the day on which the notice is sent), whichever is the longer, before the meeting is held, so as to inform all registered shareholders of the matters to be deliberated in the meeting as well as the date and place of the meeting.

Article 63 If the Company is to hold a general meeting, a shareholder who holds 1% or more of the Company's shares individually and jointly with other shareholders, the Board and the audit and risk committee have the right to submit proposals to the Company.

Shareholders individually and jointly holding 1% or more of the shares of the Company may put forward an interim proposal and submit it in writing to the convener no later than 10 days prior to the date of the general meeting. The convener shall issue a supplemental notice of the general meeting within 2 days upon receipt of such proposal to announce the content of the interim proposal, and submit the same to the general meeting for consideration, provided that the interim proposal violates laws, administrative regulations or the provisions of these articles of association, or does not fall within the scope of authority of the general meeting.

The proposals, which have not been listed in the notice of the general meeting or that are not in line with this article, shall not be voted and resolved on at the general meeting.

Article 64 Subject to compliance with laws, administrative regulations and relevant provision under these articles of association, the contents of the proposals shall contain clear topics and concrete resolutions, which shall fall within the scopes of duties and functions of the general meeting.

Article 65 When the Company convenes the general meeting, it will appoint lawyers to give and publicly announce legal opinions on the following matters:

- (I) whether the procedures to convene and hold the meeting are compliant with the provisions of laws, administrative regulations and these articles of association;
- (II) whether the qualifications of participants and convener of the meeting are valid;
- (III) whether the procedures and results of voting in the meeting are valid; and
- (IV) legal opinions on other matters required by the Company.

Article 66 Notice of general meetings shall include the following:

- (I) the time, place and duration of the meeting;
- (II) the matters and proposals being put forward to the meeting for consideration;
- (III) it shall contain conspicuously a statement that all shareholders shall have the right to attend the general meeting and may appoint a proxy in writing to attend the meeting and vote at such meeting, and that a proxy need not be a shareholder of the Company;
- (IV) the record date of shareholders entitled to attend the general meeting;
- (V) the name and contact number of the general contact person for meetings;
- (VI) the time and procedures for voting online or by other means;
- (VII) other information required to be included by laws, administrative regulations, and the regulatory rules of the place where the Company's shares are listed.

All specific content of all proposals shall be fully and completely disclosed in the notice and supplemental notice of the general meeting.

Where the general meeting is conducted online, the notice of the general meeting shall specify the voting time and procedures for the online voting method that complies with laws and regulations.

Article 67 If the general meeting is to discuss election of Directors, the notice of the meeting shall fully disclose detailed information of the candidates, including at least the following content:

- (I) such personal information as education background, work experience, and part-time jobs, etc;
- (II) whether the candidates are related to the Company's controlling shareholder and de facto controller;
- (III) number of shares of the stock held by the candidates in the Company;
- (IV) whether the candidates have ever been punished by China Securities Regulatory Commission or other departments concerned or stock exchanges; and
- (V) other information required to be disclosed by listing rules of the stock exchange at which the Company's shares is listed for trading.

The election of Directors shall adopt the cumulative voting system. In addition, every candidate for the Director shall be nominated by a separate proposal.

Article 68 Upon the delivery of the notice of a general meeting, the Board shall not delay or cancel the meeting to be held, unless there is a proper reason; motions stated in the notice of general meetings shall not be cancelled. Where the general meeting is to be delayed or cancelled, the convener shall announce reasons therefore not less than two (2) working days prior to the original date of meeting.

Article 69 For holder of the overseas listed shares (H shares), the general meeting should dispatch notice of general meeting by person or by prepaid mail to shareholders (whether or not such shareholder is entitled to vote at the meeting). The mail shall be to the recipients' addresses shown on the register of members. Subject to the laws, regulations and listing rules of the listing place, the aforesaid notices may be issued or provided by the Company via website of the Company or using electronic means, instead of the abovementioned ways in this article. For holders of domestic shares, notice of general meeting can be given by way of public announcement.

The public notice referred to in the preceding paragraph shall be published in one or more national newspapers designated by the securities regulatory authority of the State Council within the period stipulated in Article 62 of these articles of association; after the publication of such notice, the holders of domestic shares shall be deemed to have received the notice of the relevant general meetings.

Article 70 The accidental omission to give a notice of a meeting to or the non-receipt of notice of a meeting by any person who is entitled to receive notice shall not invalidate the meeting and the resolutions passed at such meeting.

Article 71 All shareholders registered on the record date or their proxies have the right to attend the general meeting and to exercise their voting right according to relevant laws, regulations and these articles of association. Any shareholder who has the right to attend and vote in the general meeting can attend the meeting in person, or entrust one or more proxies (who can be non-shareholders of the Company) to attend and vote in the meeting.

The recognized clearing house may authorize such person or persons as it thinks fit to act as its representative at any general meeting and any meeting of creditors as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. However, if more than one person is authorized, the power of attorney shall state the number and class of the shares in respect of which each such person is so authorized. The representative so authorized does not need to show the shares certificate; nor does the authorization document need to be notarized. The person(s) so authorized may exercise rights on behalf of the recognized clearing house (or its proxies), and shall enjoy the same statutory rights as other shareholders, including the right to speak and vote, as if they were the individual shareholders of the Company.

Article 72 The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or signed by a Director or attorney duly authorised.

Article 73 The instrument appointing a proxy shall be delivered to the legal residence of the Company or such other place as is specified in the notice of meeting in paper or electronic form as permitted by the listing rules of the place where the Company's shares are listed not less than 24 hours before the time appointed for the meeting at which the person named in the instrument proposes to vote or, 24 hours before the time appointed for taking of the poll. Where such instrument is signed by a person under a power of attorney or other authority on behalf of the appointor, that power of attorney or other authority shall be notarized. A notarially certified copy of that power of attorney or other authority together with the instrument appointing a proxy shall be delivered to the legal residence of the Company or such other place as is specified in the notice of the meeting in paper or electronic form as permitted by the listing rules of the place where the Company's shares are listed.

In the event that the appointor is a corporation, such shareholder shall be represented at the general meeting of the Company by its legal representative or the person authorized by its Board or other governing body of such appointer.

Article 74 Individual shareholders attending the general meeting in person shall submit their own identity cards or valid certificates or certifications or stock account cards which can show their capacities; Proxies shall submit personal valid identity certificates and the power of attorney when they attend the meeting.

A legal person shareholder shall appoint its legal representative or a proxy authorised by the legal representative to attend the meeting. Legal representatives shall submit

personal valid identity certificates and valid proofs of their legal representative identity when they attend the meeting; Proxies shall submit their own identity cards and the power of attorney issued by the legal representative of the legal person shareholder when they attend the meeting.

Article 75 The letter of authorization issued by a shareholder to entrust other persons to attend the general meeting shall contain the following content:

- (I) name of the appointer, and the class and number of shares held in the Company;
- (II) name of the proxy;
- (III) the specific instructions of the shareholder, including instructions on vote in favor of, against, or abstain from voting on each matter on the meeting's agenda;
- (IV) date and term of the letter of authorization; and
- (V) signature (or seal) of the entrusting shareholder. If the entrusting shareholder is a legal person, the letter of authorization shall be affixed with its official seal.

Article 76 Where the instrument appointing a proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, that power of attorney or other authority shall be notarized. A notarially certified copy of that power of attorney or other authority together with the instrument appointing a proxy shall be deposited at the domicile of the Company or such other place as is specified in the notice of the meeting.

Article 77 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the principal or revocation of the proxy or power of authority or other authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company before the commencement of the meeting at which the proxy is used.

Article 78 The Company shall be responsible for making the register of participants of the general meeting. The register shall indicate the name (or organization), identity number, number of shares or voting shares and name (or organization) of the principal of the participants, etc.

Article 79 The Company shall be responsible for making the register of participants of the general meeting. The register shall indicate the name (or organization), identity number, number of voting shares held or represented and name (or organization) of the principal of the participants, etc.

Article 80 The convener of the general meeting and the lawyer appointed by the Company will jointly check validity of the shareholders' qualifications according to the list of shareholders provided by the securities registration and settlement organizations and register the name and number of voting shares in possession of the shareholders attending the meeting in person or by proxy. Participant registration shall stop before chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of voting shares they represent.

Article 81 The Board shall make a work report of the previous year to the Company's shareholders in the annual general meeting, so does each of the independent Director.

Article 82 If the general meeting requires Directors and senior management to be present the meeting, Directors and senior management shall attend and answer inquiries from shareholders.

Article 83 The chairman of the general meeting shall announce the number of shareholders and proxies present at the meeting and the total number of voting shares represented by them before voting. The number of shareholders and proxies present at the meeting and the total number of voting shares represented by them shall be subject to the register of participants of the meeting.

Article 84 The general meeting shall have meeting minutes, which shall be prepared by Secretary to the Board. The meeting minutes shall record the following content:

- (I) time, place and agenda of the meeting and name of the convener;
- (II) name of the Chairman, Directors, and senior management present at the meeting;
- (III) number of the shareholders and proxies attending the meeting (including both domestic and foreign [if any] shareholders), number of voting shares they hold, and proportion of such shares to the Company's total shares;
- (IV) deliberation process, key opinions and voting result of each proposal;
- (V) opinions or suggestions of shareholders and corresponding reply or explanations;
- (VI) name of the lawyer, tellers and scrutineers; and
- (VII) other contents required to be included into the meeting minutes by these articles of association.

Article 85 The convener of the general meeting shall ensure that the meeting minutes are true, accurate and complete. Directors, Secretary to the Board, convener or his/her representative and chairman attending or present at the general meeting shall sign the meeting minutes respectively. The meeting minutes shall be kept for no less than 10 years together with the register of participants attending the meeting, letters of authorization of proxies representing shareholders, and effective voting materials of shareholders who attend the meeting by internet or other means.

Article 86 The convener of the general meeting shall ensure that the meeting is held continuously till final resolutions are made. If the general meeting is suspended or fails to make resolutions for such special reasons as force majeure, the convener shall take necessary measures to resume the meeting as soon as possible or close the meeting forthwith and make an announcement in a timely manner. Meanwhile, the convener shall make a report to the local representative office of the CSRC and the stock exchange.

Article 87 Resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolution of a general meeting shall be passed by a majority of the voting rights held by the shareholders (including shareholders who appoint proxies to attend the general meeting) present at the meeting.

Special resolution of a general meeting shall be passed by two-thirds or more of the voting rights held by the shareholders (including shareholders who appoint proxies to attend the general meeting) present at the meeting.

Article 88 On a poll, a shareholder (including shareholders who appoint proxies to attend the general meeting) entitled to two or more votes need not use all his votes or cast all the votes he uses in the same way.

Article 89 The following matters shall require approval of an ordinary resolution at a general meeting:

- (I) the working reports of the Board;
- (II) profit distribution plan and plan for making up losses prepared by the Board;
- (III) the election of Directors who are non-employee representatives and determination of their remuneration and method of payment;
- (IV) annual financial budgets and statements of final accounts of the Company;
- (V) annual report of the Company;
- (VI) any other matters except those passed by special resolutions as prescribed by the laws, administrative regulations and these articles of association.

Article 90 The following matters shall require approval of a special resolution at general meetings:

- (I) the increase in and reduction of the registered capital of the Company;
- (II) the demerger, spin-off, amalgamation, dissolution and liquidation of the Company;
- (III) amendments to these articles of association;
- (IV) any acquisition or disposal of major assets or the grant of guarantees by the Company within one (1) year with a value exceeding 30% of the latest audited total assets of the Company;
- (V) the share incentive schemes;
- (VI) any other matters as required by laws, administrative regulations or these articles of association, and any other matters that are considered to have a significant impact on the Company as determined by an ordinary resolution of the general meeting and so necessitate a special resolution for approval.

Article 91 The Board shall convene the general meeting on time within the specified period.

Subject to the consent of a majority of all the independent Directors, the independent Directors shall have the right to propose the convening of extraordinary general meetings to the Board. When proposed by independent Directors to convene an extraordinary general meeting, the Board shall reply in writing within ten (10) days upon the receipt of the motion whether it agrees or not to convene the extraordinary general meeting according to the laws, administrative regulations and these articles of association.

In case the Board agrees to convene the extraordinary general meeting, it shall serve a notice of convening the extraordinary general meeting within five (5) days after the resolutions are made by the Board. In case the Board disagrees to convene the extraordinary general meeting, it shall state the reasons with an announcement.

Article 92 The audit and risk committee shall have the right to propose the convening of extraordinary general meeting to the Board and shall submit such proposal in writing to the

Board. The Board shall, in accordance with the regulations prescribed by the laws, administrative regulations and these articles of association, state with its feedback in writing within ten (10) days upon receipt of the proposal whether they agree or disagree to the convening of the extraordinary general meeting.

In case the Boards agrees to convene the extraordinary general meeting, it shall publish a notice of convening the extraordinary general meeting within five (5) days upon the resolutions of the Board being made. The Board shall seek the approval of the audit and risk committee for any amendment in the original proposal in the notice.

In case the Board disagrees to convene the extraordinary general meeting, or fails to give feedback within ten (10) days upon receipt of the proposal, it shall be assumed that the Board is unable to or fails to perform the duties of convening the general meeting. The audit and risk committee can then convene and host the meeting.

Article 93 The shareholders holding 10% or more of the shares of the Company individually and jointly shall propose the convening of an extraordinary general meeting to the Board and shall submit such proposal in writing to the Board. The Board shall, in accordance with the regulations prescribed by the laws, administrative regulations and these articles of association, states with its feedback in writing within ten (10) days upon receipt of the request whether they agree or disagree to the convening of the extraordinary general meeting.

In case the Board agrees to convene the extraordinary general meeting, it shall publish a notice of convening the extraordinary general meeting within five (5) days upon the resolutions of the Board. The Board shall seek the approval of the relevant shareholders for any amendments in the original proposal in the notice.

In case the Board disagrees to convene the extraordinary general meeting, or fails to give feedback within ten (10) days upon receipt of the proposal, shareholders holding 10% or more of the shares of the Company individually and jointly shall have the right to propose to the audit and risk committee the convening of the meeting, and shall propose the request to the audit and risk committee in writing.

In case the audit and risk committee agrees to convene the extraordinary general meeting, it shall publish a notice on convening the extraordinary general meeting within five (5) days upon receiving the request. If the notice comprises changes on the original proposals, it shall obtain the consent of the shareholders concerned.

Should the audit and risk committee fail to publish the notice on convening the extraordinary general meeting before the deadline, it shall be assumed that the audit and risk committee will not convene and host the general meetings, and the shareholders holding 10% or more of the shares of the Company individually and jointly may convene and host the meeting after ninety (90) consecutive days.

Article 94 When the audit and risk committee or shareholders have decided to convene the general meeting, they shall inform the Board in writing, and file a case to the stock exchange.

The audit and risk committee or the convening shareholders shall, before publishing the notice of the extraordinary general meeting and the announcement of the resolutions of the

extraordinary general meeting, submit the certificate proof concerned to the stock exchange.

Before the announcement of the extraordinary general meeting, the convening shareholders shall have a shareholding proportion of no less than 10%.

Article 95 The Board and the Secretary to the Board shall cooperate on the work for the general meeting convened by the audit and risk committee or shareholders. The Board shall provide the register of shareholders on the record day.

Article 96 The Company shall undertake all necessary expenses for the meeting when the audit and risk committee or shareholders convene the general meeting.

Article 97 In the event that the Board fails to convene the meeting as required above and shareholders decide to convene and hold the same as a result, all reasonable costs incurred therefrom shall be undertaken by the Company and the cost shall be deducted from the fees payable to the Directors who fail to fulfill their duties.

Article 98 The general meeting shall be presided over by Chairman, who shall serve as chair of the meeting at the same time. If the Chairman is not able or refuses to perform his/her duty, the vice chairman (if there are two or more vice chairmen, the one jointly elected by a majority of the Directors shall preside over the meeting) shall preside over the meeting. If the vice chairman is not able or refuses to perform his/her duty, the meeting shall be presided over by a Director elected by a majority of the entire Directors.

In the case of the general meeting convened by the audit and risk committee, convener of the audit and risk committee shall preside over and concurrently serve as chairman of the meeting. If the convener is not able or refuses to perform his/her duty, a member of the audit and risk committee elected by a majority of members of the audit and risk committee shall come in to preside over the meeting.

In the case of the general meeting convened by shareholders themselves, conveners or the person elected by the conveners shall preside over and concurrently serve as chairman of the meeting.

If the chairman of the general meeting violates the rules of procedures so that the meeting cannot proceed, with consent of a majority of the shareholders with voting right and present at the meeting, the meeting can elect another person to serve as chairman of the meeting so that the meeting can continue.

Article 99 The Board and other conveners of the general meeting shall take necessary measures to maintain order of the meeting. They shall take actions to stop any behaviours that interfere with the meeting or infringe shareholders' legal rights and interests at the meeting and immediately report to competent authority for investigation.

Article 100 Shareholders (including shareholders who appointed proxies to attend the general meeting) shall exercise their voting right in proportion to the number of voting shares they hold, each of which enjoys one vote.

When material issues affecting the interests of minority shareholders are considered at a general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The shares held by the Company itself have no voting right and shall not be counted into the total voting shares represented by shareholders attending the general meeting.

If a shareholder purchases shares with voting rights of the Company in violation of paragraph 1 and paragraph 2 of Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not be allowed to exercise voting rights for a period of thirty-six months after the purchase and shall not be counted in the total number of shares with voting rights present at the general meeting.

The Board, independent Directors and shareholders of the Company holding 1% or more of the voting shares of the Company or investor protection institutions established pursuant to laws, administrative regulations or requirements of the CSRC, may publicly solicit shareholders' vote. When soliciting shareholders' vote, the specific voting intention and other information shall be fully disclosed to the solicitation targets. The solicitation of voting rights from shareholders with the provision of direct or indirect compensation shall be prohibited. The Company may not impose any minimum shareholding requirement for the solicitation of voting rights, except for statutory conditions.

Article 101 When the general meeting deliberates matters on related transactions, related shareholders shall not participate in the voting and their voting shares shall not be count into the total effective voting shares. The resolution announcement of the general meeting shall fully disclose voting results of the non-related shareholders.

Resolutions of the general meeting shall explain voting results of the non-related shareholders in great details. If the related shareholders are not able to withdraw from voting in special circumstances, they can participate in relevant voting according to normal procedures with consent of the competent authority and on condition of complying with relevant laws, regulations and listing rules of the stock exchange at which the Company's shares are listed for trading, but the meeting resolution shall make detailed explanations for such situations. In respect to proposals from which the related shareholders expressly withdraw, other shareholders attending the general meeting shall deliberate and vote on the relevant related transactions; and the voting result shall have the same legal effect as other resolutions adopted by the meeting.

The "special circumstances" aforesaid refer to the following situations:

- (I) where shareholders attending the general meeting include the related shareholders only;
- (II) where the related shareholders' proposal to participate in voting has been submitted to the general meeting and adopted by other shareholders attending the meeting through a special resolution;
- (III) other situations where the related shareholders are not able to withdraw.

Article 102 Except in special circumstances, such as crises, without approval of the

general meeting via a special resolution, the Company shall not conclude with other persons than its Directors, President or other senior management member(s) contracts that entrust all or part of the Company's important businesses to the care of such other persons.

Article 103 The list of candidates for Directors shall be submitted to the general meeting in the form of proposals for voting.

In the case of electing Directors, the general meeting may adopt the cumulative voting system according to provisions of these articles of association or resolutions of the meeting.

When two or more independent Directors are elected at the general meeting, the cumulative voting system shall be implemented.

The "cumulative voting system" referred to in the preceding paragraph means the voting system under which each share of the stock has the same number of votes as that of the Directors to be elected when the general meeting elects Directors and shareholders can cast all their votes to a single candidate. The Board shall disclose to shareholders the resume and basic information of the candidates for Directors.

Article 104 Except in the case of the cumulative voting system, the general meeting will vote on all proposals one by one. If different proposals are made for the same matter, the proposals will be voted on in the order of time at which they are made. Except in the case that the meeting is suspended or is not able to make resolutions for such special reason as force majeure, the meeting will not shelve or choose not to vote on the proposals made.

Article 105 The general meeting will not make amendment to the proposals already made in their deliberation; otherwise, the amendment will constitute a new proposal, which can not be voted on in the current meeting.

Article 106 The same vote can be cast by one means only, namely, on the spot, via the internet or in other ways. If the same vote is cast more than once, the first instance of the voting shall prevail.

Article 107 The general meeting shall vote by registered ballot.

Article 108 Before voting on a proposal, the general meeting shall elect two shareholders to participate in counting and scrutinize the votes. If a shareholder is connected to the matter deliberated, the shareholder or his/ her proxy shall not participate in counting and scrutinizing the votes.

After the general meeting votes on a proposal, the lawyer and shareholders' representatives shall jointly count and scrutinize the votes and announce on the spot the voting result, which shall be recorded in the meeting minutes.

The Company's shareholders or their proxies who vote by the internet or other means have the right to check the result of voting through the voting system.

Article 109 The general meeting held on the spot shall not close earlier than the meeting held via the internet or in other ways. The chairman of the meeting shall announce the result of voting on every proposal and announce whether a proposal has been adopted according to the voting result.

Before the voting result is formally announced, all parties concerned, including the companies, tellers, scrutineers, shareholders and internet service providers involved in the general meeting held on the spot, via the internet or in other ways, shall keep the voting situation confidential.

Article 110 Shareholders attending the general meeting shall vote in favor or against or abstain from voting on the proposals submitted for voting, except for securities registration and clearing institutions which serve as the nominal holders of stocks traded in the stock markets of the Mainland and Hong Kong under the stock connect mechanism, and make declarations according to the intention of the actual holders.

If a ballot is unmarked, marked incorrectly or illegibly, or not cast at all, the voter concerned will be deemed to have waived the right to vote, and the voting result of the shares he/she holds in the Company will be recorded as “abstain”.

Where a shareholder is required to abstain from voting on a particular matter or is restricted to vote only in favor of or only against a resolution pursuant to the relevant provisions, any vote of such shareholder or his proxy contrary to that provision shall be deemed by the Company as void.

Article 111 If the chairman of the general meeting has queries about the voting result, he/she can demand a vote count; if the chairman does not demand a vote count, but shareholders or their proxies attending the meeting disagree with the voting result announced by the chairman, the dissenting shareholders have the right to demand a vote count immediately after announcement of the voting result; in this circumstance, the chairman shall organize a vote count forthwith.

Article 112 The resolutions of a general meeting shall be announced promptly in accordance with relevant laws, regulations and listing rules of the stock exchange on which the shares of the Company are listed and traded. The announcement shall specify the number of attending shareholders and proxies, the total number of attending shares held with voting rights and its proportion to the total shares held with voting rights in the Company, the means of resolutions, the voting results on each resolution and the details of each resolution passed as well as any other contents as required by relevant laws, regulations and listing rules of the stock exchange on which the shares of the Company are listed and traded.

Article 113 Should the resolution not be passed or the current general meeting alters the resolutions of the previous meeting, a special note shall be made in the announcement on the resolutions of the general meeting.

Article 114 The commencement date of the appointments of newly appointed Directors shall be the date of passing the resolution on the election of the Directors concerned at the general meeting.

Article 115 The Company shall implement the practical solutions within two (2) months upon the conclusion of the general meeting when the general meeting has passed the resolutions on the distribution of cash dividends or bonus shares or on the transfer of provident fund to share capital.

CHAPTER 10 SPECIAL PROCEDURES FOR VOTING BY HOLDERS OF CLASS SHARES

Article 116 Shareholders holding different classes of shares are referred to as holders of class shares.

A holder of class shares shall, in accordance with laws, administrative regulations and these articles of association, enjoy rights and assume obligations.

Article 117 Rights conferred on any class of shareholders in the capacity of shareholders (“class rights”) may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Articles 120 to 123 of these rules.

Article 118 The following circumstances shall be deemed to be a variation or abrogation of the rights of holders of certain class shares:

- (I) The increase or decrease of the number of shares of such class, or the increase or decrease of the number of shares of a class having voting rights, distribution rights, or other privileges equal or superior to the shares of such class;
- (II) To convert all or part of a class of shares into another class, or to convert all or part of another class of shares into that class of shares, or to grant such conversion right;
- (III) The removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (IV) The reduction or removal of a dividend preference or a liquidation preference attached to shares of such class;
- (V) To add, remove or reduce conversion privileges, options, voting rights, transfer or preemptive rights or rights to acquire securities of the Company of such class;
- (VI) To remove or reduce rights to obtain payables in specific currencies from the Company attached to shares of that class;
- (VII) To create a new class of shares having voting rights, distribution rights or other privileges equal or superior to the shares of such class;
- (VIII) To restrict the transfer or ownership of such class of shares or impose additional restrictions thereto;

- (IX) To issue rights to subscribe for, or convert into, shares of such class or another class;
- (X) To increase the rights or privileges of shares of another class;
- (XI) To conduct the proposed restructuring of the Company in such a way that may result in the holders of different classes of shares to assuming liability disproportionately;
- (XII) The variation or abrogation of the provisions of this chapter.

Article 119 Shareholders of the affected class, whether or not otherwise entitled to vote at general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning sub paragraphs (II) to (VIII), (XI) and (XII) of Article 118, but interested shareholder(s) shall not be entitled to vote at class meetings.

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

- (I) in the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on a stock exchange, an “interested shareholder” refers to a controlling shareholder within the meaning of the Article 260 of these articles of association of the Company;
- (II) in the case of a repurchase of the company’s own share by an agreement, “an interested shareholder” refers to the shareholder who is related to the agreement;
- (III) in the case of a restructuring of the Company, “an interested shareholder” refers to a shareholder within a class who undertakes less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.

Article 120 Resolutions of a class meeting shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting who are entitled to vote at class meetings in accordance with Article 71 and Article 119.

Article 121 The written notice of convening a class meeting shall be given to notify shareholders whose names appear in the register of shareholders of such class shares of the matters proposed to be considered and the date and place of the meeting with reference to the notice period as stipulated in Article 62 of these articles of association.

Article 122 Notice of class meeting only required to be served on shareholders entitled to vote thereat.

The procedure of any class meeting shall be conducted as similarly as possible as any general meeting. Provisions in these articles of association which relate to any general meeting shall apply to any class meeting.

Article 123 Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign shares shall be regarded as holders of different classes of shares.

The special procedures for voting by holders of class shares shall not apply to the following circumstances:

- (I) Where the Company issues, upon the approval by a special resolution of its shareholders in general meeting, either separately or concurrently once every twelve months, not more than twenty (20) percent of each of its existing issued domestic invested shares and overseas-listed foreign-invested shares;
- (II) Where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of its establishment is carried out within fifteen (15) months from the date of approval by the securities commission of the State Council;
- (III) Shares held by holders of domestic shares are transferred to overseas investors under the approval by the securities regulatory authority of the State Council, and are dealt with on overseas stock exchanges.

CHAPTER 11 THE PARTY COMMITTEE OF THE COMPANY

Article 124 In accordance with the Constitution of the Communist Party of China, the Regulations on the Work of Basic Organizations of the State-owned Enterprises of the Communist Party of China (Trial) and other provisions and with approval of higher-level Party organizations, the Company has established the Committee of the Communist Party of China of Chongqing Iron & Steel Company Limited. Meanwhile, the Company has also established the Commission for Discipline Inspection of the Communist Party according to the relevant requirements.

Article 125 The Party Committee of the Company shall be elected at the Party member congress or the Party representative congress; each term of office is five (5) years. Regular re-election shall be conducted upon the expiration of its term of office. Each term of office of the Discipline Inspection Commission under the Party shall be the same as the Party Committee.

Article 126 The Party Committee of the Company generally consists of five to nine members. There should be a party secretary, and either two or one deputy party secretary. Higher-level Party organizations may, based on work requirements and cadre management authority, transfer or appoint the secretary and deputy secretaries of the Party Committee of the Company, and may concurrently appoint or remove their committee member positions.

Article 127 The Party Committee of the Company shall play a leading role, supervising the Company's direction of development, monitoring the whole picture and ensuring implementation, discussing and making decisions on significant matters of the Company in accordance with the regulations. The main responsibilities are:

- (I) to enhance the building of politics 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’s Socialism Ideology 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 as well as the resolutions of the Party organisation at a higher level in the Company;
 - (III) to investigate and discuss the significant operation and management matters of the Company and support the general meeting, the Board and the management to exercise their rights and perform their duties 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 in improving Party conduct and upholding integrity, lead and support discipline inspection institutions to fulfil their supervisory and disciplining responsibilities as well as exercise strict political discipline and political rules and promote Party self-governance exercised fully and with rigor into the grassroots level;
 - (VI) to strengthen the building of grass-roots Party organisations and the Party member building, unite and lead officials and employees to devote themselves into the reform and development of the Company;
 - (VII) to lead the Company’s ideological and political work, the spirit and civilization progress, the United Front work and lead mass organisations such as the Labour Union, Communist Youth League and Women’s Organisation of the Company;
 - (VIII) to conduct inspection as needed, establish inspection body, and, in principle, carry out inspection and supervision over the subordinate Party organizations in accordance with the Party’s organizational hierarchy and the authority over cadre management;
 - (IX) to discuss and decide on other important matters within the scope of duties of the Party Committee.

Article 128 The list of major operational and management matters shall be formulated according to the relevant provisions. Major operational and management matters shall be subject to prior consideration by the Party Committee before the Board makes decisions in accordance with its authority and prescribed procedures.

Article 129 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 and the management through statutory procedures, while eligible members of the Board and the management who are also Party members may take seats in the Party Committee in accordance with relevant requirements and procedures.

Generally, the position of the secretary of the Party Committee and the chairman of the Board shall be assumed by the same person. The president who is a Party member shall serve as the deputy secretary of the Party Committee. The Party Committee is generally staffed with a full-time deputy secretary specifically responsible for Party building work.

CHAPTER 12 THE BOARD

Article 130 Directors who are non-employee representatives shall be elected or replaced by the general meeting, and may be dismissed by the general meeting before their term of office expires. Directors who are employee representatives shall be democratically elected through the employee representative meeting, the employee meeting or other forms, without requiring submission to the general meeting for consideration. The term of office of Directors is three years, and they may be re-elected after the expiry of the term of office.

Directors' term of service shall start from the date of their taking office and ends when the term of the current Board expires. If the term of old Directors expires but new Directors have not yet been elected, the old Directors shall continue to perform their duties according to laws, administrative regulations, department rules and these articles of association till the newly-elected Directors take office.

Directors can serve as the Company's President or other senior management member(s) at the same time, but Directors who are concurrently President or senior management member(s) and employees' representatives shall not be more than half of the Company's total Directors.

Article 131 The Company's Directors are natural persons and do not have to hold the Company's shares.

Article 132 If a Director fails to attend the Board meetings in person for two times running and fails to entrust other Directors to take his place at the same time, the Director will be deemed to be unable to perform his/her duty. Therefore, the Board shall recommend the general meeting to replace him/her. Attendance in person includes presence at the meeting in person or participation by means of communication such as video, telephone, fax and email.

Article 133 A Director can resign from office before his/her term expires. If a Director resigns, he/she shall submit a written resignation letter to the Company. The resignation shall take effect when the resignation report is delivered to the Company, and the Company shall timely disclose relevant information according to relevant laws, regulations and listing rules of the stock exchange at which the Company's shares are listed for trading.

If a Director's resignation causes the number of total Directors to be lower than the minimum quorum for the Board, the Director shall continue to perform his/her duty according to provisions of laws, administrative regulations, department rules and these articles of association till his replacement takes office.

Article 134 If a Director's resignation takes effect or Director's term expires, the Director shall complete the entire handover procedures before leaving; and the Director's duty of loyalty to the Company and the Company's shareholders shall not be relieved ipso jure upon termination of his/her term, and shall continue for such period on a fair basis depending on the time lapse between the termination of tenure and the occurrence of the event concerned

and the circumstances and conditions under which the relationships between them and the Company are terminated. The liability a Director bears for actions taken in the performance of his/her duties during his/her term of office shall not be exempted or terminated upon his/her departure from office.

Article 135 The general meeting may remove any Director through resolutions, effective as of the date when the resolutions take effect.

Where a Director is terminated before expiration of his/her term of office without justifiable reasons, the Director may demand indemnification from the Company.

Article 136 Without provision of these articles of association or legal authorization of the Board, no Director is permitted to act in his/ her own name on behalf of the Company or the Board. When a Director acts in his/her own name, while a third party reasonably takes it for granted that he/she is acting on behalf of the Company or the Board, the Director shall make a statement on his/her stance and identity in advance.

Article 137 The Company shall be liable for compensation, if any Director who causes losses to others in the performance of his/her duties. If any Director is intentional or gross negligent, he/she shall also be liable for compensation.

If a Director causes a loss to the Company due to his/her violation of laws, administrative regulations, department rules or these articles of association in performing his/her duty, the Director shall undertake compensatory liability to the Company.

Article 138 The Company's provisions on independent Directors shall be subject to provisions of relevant laws, administrative regulations, department rules and listing rules of the stock exchange at which the Company's shares are listed for trading.

Article 139 The Company shall form a Board consisting of 9 members, one of whom is an employee representative. The Board shall set 1 Chairman, and as occasion requires, 1-2 vice Chairman.

Article 140 The Chairman and vice Chairman of the Board shall be elected into or removed from office by a majority of the total Directors of the Board. The Chairman's term of office is 3 years and the Chairman can be re-elected when his/her term expires.

Article 141 On the precondition of complying with provisions of relevant laws or administrative regulations, the general meeting has the right to remove from office a Director who is a non-employee representative (only in the case that no impact will be exerted on claims for compensation made on the basis of any contract) whose term has not yet expired via an ordinary resolution, but the general meeting shall not remove the Director without cause.

Article 142 The Board is accountable to the general meeting, and shall exercise the following powers:

- (I) to convene general meetings and report to the general meeting;
- (II) to carry out the resolutions passed at the general meetings; (

- (III) to decide on the development plan of the Company;
- (IV) to decide on the operational plan and investment proposal of the Company;
- (V) to formulate the Company's annual financial budget and final accounts, plans for profit distribution and recovery of losses;
- (VI) to formulate plans for increases in or reductions of the Company's registered capital, the issuance of bonds or other securities and listing plans;
- (VII) to formulate proposals for major acquisition, and purchase of shares of the Company, or merger, division, dissolution and change of corporate form;
- (VIII) to determine the investments, acquisition and disposal of assets, pledge of assets, external guarantees, trust asset management, connected transactions, external donations and other matters of the Company within the authorisation of the general meeting;
- (IX) to decide on establishment of internal management organizations of the Company;
- (X) to appoint or dismiss the Company's President and Secretary to the Board, and pursuant to the Presidents' nominations to appoint or dismiss the senior vice presidents, financial officers, general counsel and other senior management members of the Company and fix their remuneration, bonus and punishment;
- (XI) to formulate the Company's basic management system;
- (XII) to formulate proposals for amendment to these articles of association and its annexes;
- (XIII) to manage the information disclosure of the Company;
- (XIV) to propose at general meetings for the appointment or change of accountants conducting auditing for the Company;
- (XV) to hear the work reports and inspect the work of the President of the Company;
- (XVI) to review matters concerning the Company's external guarantees and financial assistance in accordance with relevant laws, the articles of association and its annexes;
- (XVII) other functions and powers conferred by laws, administrative regulations, departmental rules, these articles of association or the general meeting (matters exceeding the scope of authorization by the general meeting shall be submitted to the general meeting for consideration).

Article 143 The Board shall lay down strict procedures to inspect and decide on the approval limit for external investments, acquisition and disposal of assets, pledge of assets, external guarantees, trust asset management, connected transactions and external donations. For major investment projects, the Board shall organize the relevant experts and professional to conduct assessment for approval at the general meeting.

Article 144 The Board shall make explanations to the general meeting for the non-standard audit opinions issued by certified accountants regarding the Company's financial reports.

Article 145 For those within the scope of major issues involving decision- making of the Party committee of the Company, the Board shall take advice and suggestions from the Party committee of the Company in advance.

Article 146 The Chairman shall exercise the following powers:

- (I) to chair the general meeting and convene and chair a Board meeting;
- (II) to urge and inspect implementation of the Board's resolutions;
- (III) to sign the securities issued by the Company;

- (IV) to nominate candidates for the Company's President;
- (V) to take charge of the Board's work when the Board's meeting is not in session;
and
- (VI) other powers vested by the Board.

Article 147 The vice Chairman shall assist the Chairman in work. If the Chairman is not able or refuses to perform his/her duty, the vice Chairman shall take the Chairman's place; if the vice Chairman is not able or refuses to do so, a Director elected by a majority of the total Directors shall take the Chairman's place.

Article 148 The Board can authorize the Chairman to exercise part of the Board's powers in accordance with relevant regulations, subject to any provisions otherwise stipulated in laws, administrative regulations, or normative documents.

Article 149 The Board shall hold at least four meetings every year. The meetings shall be convened by the Chairman, and shall be notified in writing to all directors 14 days prior to the meeting. Shareholders representing 1/10 or more of the Company's voting shares, 1/3 or more of the Directors or the audit and risk committee may propose to convene an extraordinary meeting of the Board.

The Chairman shall convene and chair the meeting of the Board within 10 days after receiving the proposals.

Article 150 The methods of notification and the notification time limit for the Board meeting are as follows:

- (I) If the Board has provided the time and place of the regular meeting of the Board in advance, it does not need to give Directors notices when the regular meeting of the Board is to be held.
- (II) If the Board does not provide the time and place of the meeting (excluding ad hoc meetings) of the Board in advance, it shall notify the entire Directors of the time and place of the meeting of the Board to be held by fax, telegraph, telex, EMS, registered mail or couriers at least 14 days before the meeting is held.

The Board shall give at least 3 days' notices for ad hoc meetings of Board. When the situation is urgent, the meeting may not be subject to the notification time limit. The notices of the meeting of the Board shall use the Chinese language, and may be enclosed with an English version when necessary. The notices shall include such information as the date and venue, agenda and topics for discussion and duration of the meeting and the date of service of the notices.

- (III) If a Director has attended the meeting of the Board and fails to raise objections for the fact that he/she has not yet served the meeting notice before or at the time of his/her sign-in for the meeting, the Director will be deemed to have received the notice.
- (IV) The regular or ad hoc meeting of the Board can be held in the form of teleconference or by other communications equipment of similar nature. When such meeting is held, so long as participating Directors can clearly hear other Directors speak and communicate with each other, they will be deemed to have attended the meeting in person.

Article 151 A notice of the Board meeting shall include the following particulars:

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;
- (III) the reasons for holding the meeting and the topics to be discussed thereat;
- (IV) the date of issuance of the notice.

Article 152 The meeting of the Board can be held only when a majority of the total Directors are present. A resolution can be adopted by the Board only with consent of a majority of the total Directors. Voting on resolutions of the Board is based on one person, one vote.

Article 153 In principle, the meeting of the Board shall be held at the Company's legal address, but may be held at other places at home or abroad with resolutions of the Board.

Article 154 The expenses incurred by Directors in participating in the meeting of the Board shall be borne by the Company. Such expenses include the traveling expenses from the Directors' place to the place of the meeting, the boarding and lodging expenses during the meeting, and the local traveling expenses, etc.

Article 155 The meeting of the Board shall use Chinese as the working language, and may use interpreters to provide consecutive interpretation services when necessary.

Article 156 Directors shall attend the meeting of the Board in person. If a Director is unable to attend the meeting in person, he/she can entrust other Directors in writing to take his/her place through a letter of authorization. The letter of authorization shall state the name of the agent, matters of agency, the scope of authorization and validity period, and shall be signed or stamped by the principal.

The entrusted Directors shall exercise the entrusting Director's rights within the scope of authorization.

If a Director fails to attend a meeting of the Board and fails to entrust other Directors to take his/her place at the same time, he/she will be deemed to have waived the right to vote in the meeting.

Where the matters considered by the Board involve legal and compliance issues, the General Counsel shall be present at the meeting and provide legal and compliance opinions.

Article 157 If a Director is related to an enterprise with which the matters to be resolved by the meeting of the Board are concerned, such Director shall promptly report in writing to the Board, and the Director with connected relationship shall not exercise his/her voting right in respect to the matters; nor shall he/she do so on behalf of other Directors. When such matters are involved, the meeting of the Board shall have presence of a majority of the non-related Directors, and the resolutions made by such meeting shall be adopted by a majority of the non-related Directors. If the number of non-related Directors present at the meeting is less than 3, the matters concerned shall be submitted to the general meeting for deliberation.

Article 158 The meeting of the Board shall adopt the case-by-case voting rules for proposals, namely, voting shall take place immediately after the deliberation of a proposal is completed, and if the voting on a given proposal has not yet closed, the meeting shall not proceed to deliberation of the next proposal.

Article 159 The Board shall make resolutions of the meeting of the Board into meeting minutes and have Directors attending the meeting and recorders sign the minutes respectively. The minutes of each meeting of the Board shall be made available to all Directors for review as soon as possible. The minutes of the meeting of the Board shall be kept as the Company's archives for a period of no less than 10 years.

Article 160 The resolutions adopted by the meeting of the Board and the written proposals of the Boards shall use the Chinese language.

Article 161 Minutes of meetings of the Board shall include the following information:

- (I) date, venue and name of the convener of the meeting;
- (II) names of Directors attending the meeting in person and Directors (proxy) who has been appointed by other Directors to attend the meeting;
- (III) agenda of the meeting;
- (IV) summary of opinions expressed by the Directors; and
- (V) the manner and result of voting of each resolution, (with the number of votes for, against and abstained recorded clearly).

Article 162 Directors shall be responsible for resolutions adopted by the Board. If a resolution of the Board violates laws, administrative regulations, the articles of association or resolutions of the general meeting and results in severe loss on the part of the Company, Directors participating in making the resolution shall undertake compensatory liability to the Company; however, a Director who is proven to disagree with the resolution in voting and whose disagreement is recorded in the meeting minute can be exempted from such liability.

Article 163 The Board shall make rules of procedures for the meeting of the Board to ensure that resolutions of the general meeting are put in place, its work efficiency is enhanced and its decision making is scientific. The rules shall provide for the convening and voting procedures for the meeting of the Board. They shall be incorporated into or attached to the Company's articles of association and approved by the general meeting.

Article 164 Independent Directors shall conscientiously perform their duties in accordance with the provisions of laws, administrative regulations, the CSRC and the stock exchange(s), as well as these articles of association, play a role in participating in decision-making, supervising and balancing, and providing professional advice in the Board, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

The members of the Board of the Company shall have onethird or more independent Directors,

including at least one accounting professional. Independent directors shall have the same term of office as other Directors of the Company. The term of office of an independent Director is renewable upon re-election when it expires, but no independent Director shall serve more than six years.

Article 165 An independent Director shall maintain his independence. None of the following persons may serve as an independent Director:

- (I) persons working in the Company or its subsidiary and their spouses, parents, children and near relatives;
- (II) persons who directly or indirectly hold 1% or more of the issued share capital of the Company or who are natural person shareholders amongst the top ten shareholders of the Company or their spouses, parents, children;
- (III) persons working in a shareholder's unit which holds 5% or more of the issued share capital of the Company or in the units of the top five shareholders of the company or their spouses, parents and children;
- (IV) persons working in the affiliates of the Company's controlling shareholders or de facto controllers and their spouses, parents and children;
- (V) persons having material business dealings with the Company and its controlling shareholders, de facto controllers or their respective affiliates, or persons working in entities that have material business dealings with the Company, and such entities' controlling shareholders or de facto controllers;
- (VI) persons providing financial, legal, consulting, sponsorship and other services for the Company, its controlling shareholders, de facto controllers, or their respective affiliates, including but not limited to all the members of the project teams, the reviewing officers at all levels, the signatory(ies) of the reports, the partners, directors, senior management and the persons in charge of the intermediary(ies) providing the services;
- (VII) persons falling under the conditions mentioned in items (I) to (VI) during the latest twelve (12) months;
- (VIII) persons who are deemed as not independent under laws, administrative regulations, the requirements of the CSRC, the rules of the stock exchanges and these articles of association of the Company.

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

The independent Directors shall conduct an annual self-examination of their independence and submit such examination results to the Board. The Board shall evaluate the independence of the existing independent Directors annually and issue a special opinion, and disclose the same in the annual report.

Article 166 An independent Director shall meet the following conditions:

- (I) to have the qualifications to hold office as a Director of the listed company according to the relevant requirements of laws and administrative regulations;
- (II) to meet the independence requirements stipulated under these articles of association;

- (III) to have basic knowledge of the Company's operation, to be familiar with the relevant laws, regulations, and rules;
- (IV) to have more than five years' work experience, in the fields of laws, accounting or economics, etc. required to perform the duties of an independent Director;
- (V) to possess good personal integrity and have no records of major breach of trust or other negative records;
- (VI) to have fulfilled other conditions required by laws, administrative regulations, the requirements of the CSRC, the rules of the stock exchanges and these articles of association.

Article 167 As a member of the Board, an independent Director has a duty of loyalty and diligence to the Company and all its shareholders, and shall prudently perform the following duties:

- (I) to participate in the decision-making of the Board and express clear opinions on matters discussed;
- (II) to oversee potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management, and to protect the legitimate interests of minority shareholders;
- (III) to provide professional and objective advice on the operation and development of the Company and promote the enhancement of the decision-making level of the Board;
- (IV) other duties as stipulated by laws, administrative regulations, the requirements of the CSRC and these articles of association.

Article 168 The independent Directors shall exercise the following duties and powers:

- (I) to independently engage intermediary agencies to audit, consult or verify specific matters of the Company;
- (II) to propose the Board to hold an extraordinary general meeting;
- (III) to propose to hold a Board meeting;
- (IV) to publicly solicit for the shareholders' rights according to law;
- (V) to express independent opinions on matters that may jeopardize the rights and interests of the Company or minority shareholders;
- (VI) other duties and powers as stipulated by laws, administrative regulations, the requirements of the CSRC and these articles of association.

The exercise of the above duties and powers as listed in items (I) to (III) by independent Directors shall be approved by a majority of the whole independent Directors.

Where the duties and powers as listed in item (I) are exercised by the independent Directors, the Company shall promptly disclose. Where the above duties and powers fail to be normally exercised, relevant conditions and reasons shall be disclosed by the Company.

Article 169 The following matters shall be submitted to the Board for consideration and subject to the consent of a majority of all independent Directors of the Company:

- (I) related party transactions that shall be disclosed;
- (II) the plans of the Company and the relevant parties for the modification or waiver of their undertakings;
- (III) the decisions made and measures taken by the Board of the acquired companies regarding the acquisition;
- (IV) other matters as stipulated by laws, administrative regulations, the requirements of the CSRC and these articles of association.

Article 170 The Company shall establish a special meeting comprising solely of independent Directors. For matters requiring the consideration by the Board such as related party transactions, prior endorsement by the independent Directors' special meeting must be obtained.

The Company shall convene independent directors' special meetings periodically or on an ad hoc basis. The matters set out in items (I) to (III) in the first paragraph of Article 168 and Article 169 shall be subject to consideration by the independent directors' special meeting.

The independent directors' special meeting may, as necessary, study and discuss other matters related to the Company.

The independent directors' special meetings shall be convened and presided over by one independent director elected by a majority of the independent Directors. If the convenor fails or is unable to act, two or more independent Directors may convene the meeting themselves and elect a representative among them to preside over the meeting.

Proper minutes of all independent directors' special meetings shall be prepared as required, clearly recording the opinions expressed by the independent directors. All participating independent Directors shall sign to confirm the accuracy of the minutes.

The Company shall provide convenience and support to enable the convening of the independent directors' special meetings.

Article 171 The Board sets up audit and risk committee, strategy and ESG committee, nomination committee, remuneration and appraisal committee and other special committees, which perform their duties in accordance with these articles of association and the authorization given by the Board. The proposals of the special committee shall be submitted to the Board for consideration and decision. All members of the special committees should be Directors. In particular, independent Directors should form the majority of the members of the audit committee, the nomination committee and remuneration and appraisal committee and should be convenors of the same. The convenor of the audit committee shall be accounting professional. The Board shall be responsible for formulating the working regulations of the special committees and governing the operation of the special committees.

Article 172 The audit and risk committee shall comprise at least three members, all of whom shall be Directors who do not hold senior management positions in the Company, and a

majority of whom shall be Independent Directors. The accounting professionals among such independent Directors shall serve as the convener. Employee representatives who are members of the Board may become members of the audit and risk committee.

The audit and risk committee shall be responsible for review of the financial information of the Company and the disclosure thereof, as well as supervision and evaluation of internal and external audit and internal control, conduct studies and make recommendations on the establishment and improvement of the Company's comprehensive risk management system, and exercise the powers and duties of the supervisory committee as stipulated in the Company Law, and other matters stipulated by laws, regulations and securities regulatory rules of the place where the Company's shares are listed as well as these articles of association. The audit and risk committee shall hold at least one meeting every quarter. An extraordinary meeting may be held upon the proposal of two or more members, or when the convener deems it necessary. The quorum of the meeting of the audit and risk committee shall be more than two-thirds of the members present at the meeting. Resolutions made by the audit and risk committee shall be approved by a majority of the members of the audit and risk committee. Voting on resolutions of the audit and risk committee shall be conducted on the basis of one vote per member. The resolutions of the audit and risk committee shall be recorded in minutes according to relevant regulations, and the members of the audit and risk committee present at the meeting shall sign the minutes.

Article 173 The strategy and ESG committee shall comprise three to six Directors. The strategy and ESG committee shall conduct studies and make recommendations on the Company's long-term development strategy and major investment decisions, and be responsible for the environmental, social, and governance (ESG) initiatives; and other matters stipulated by laws, regulations and securities regulatory rules of the place where the Company's shares are listed as well as these articles of association.

Article 174 The nomination committee shall comprise three to five Directors, and a majority of whom shall be independent Directors, and the independent Director shall serve as the convener. The nomination committee shall be responsible for developing the standards and procedures for the selection of Directors and senior management, selecting and reviewing the candidates for Directors and senior management and their qualifications, and other matters stipulated by laws, regulations and securities regulatory rules of the place where the Company's shares are listed as well as these articles of association.

If the Board fails to adopt or fails to fully adopt the recommendations of the nomination committee, it shall record the opinions of the nomination committee and the specific reasons for non-adoption in the resolutions of the Board, and make disclosures accordingly.

Article 175 The remuneration and appraisal committee shall comprise three to six Directors, and a majority of whom shall be independent Directors, and the independent Director shall serve as the convener. The remuneration and appraisal committee shall be responsible for developing the standards for the appraisal of Directors and senior management, formulating and reviewing the remuneration policies and plans for Directors and senior management, and other matters stipulated by laws, regulations and securities regulatory rules of the place where

the Company's shares are listed as well as these articles of association.

If the Board fails to adopt or fails to fully adopt the recommendations of the remuneration and appraisal committee, it shall record the opinions of the remuneration and appraisal committee and the specific reasons for non-adoption in the resolutions of the Board, and make disclosures accordingly.

CHAPTER 13 SECRETARY TO THE BOARD OF THE COMPANY

Article 176 The Company shall have a Secretary to the Board, who is a senior management member of the Company and shall be accountable to both the Company and the Board.

The Secretary to the Board shall be responsible for the preparation of the general meeting and the Board meeting of the Company, file keeping, the Company's shareholder information management, handling matters relating to information disclosure, etc.

The Secretary to the Board shall abide by the relevant provisions of laws, administrative regulations, departmental rules and these articles of association.

Article 177 The Secretary to the Board shall be a natural person with necessary professional knowledge and experience appointed and removed by the Board. The Secretary to the Board's key responsibilities are:

- (I) to be responsible for the Company's information disclosure affairs, coordinate the Company's information disclosure, organize and formulate the Company's information disclosure affairs management system, and urge the Company and the relevant information disclosure obligors to comply with the relevant information disclosure regulations;
- (II) to be responsible for investor relations management, coordinate the information communication between the Company and securities regulatory authorities, investors, de facto controllers, intermediary agencies, media, etc.;
- (III) to prepare and organize the Board meetings and general meetings, attend the general meetings, meetings of the Board and meetings of the senior management, and be responsible for making records for the meetings of the Board and sign such records;
- (IV) to be responsible for the confidentiality of the Company's information disclosure, and to report and disclose any leakage of major undisclosed information to the stock exchange where the Company's shares are listed in a timely manner;
- (V) to pay attention to media coverage and take the initiative to verify the truth, and urge the relevant parties in the Company to reply to the inquiries of the stock exchange in a timely manner;
- (VI) to arrange trainings on the relevant laws and regulations and the relevant rules of the stock exchange where the Company's shares are listed for the Company's directors and senior management, and to assist such persons to understand their responsibilities in

respect of information disclosure;

- (VII) to supervise the Directors and senior management to comply with the laws and regulations, relevant regulations of the stock exchange where the Company's shares are listed and these articles of association and to effectively fulfill the commitments made by them; if they become aware that the Company, its directors and senior management have made or may make resolutions that violate the relevant regulations, the Secretary to the Board shall remind them and immediately and truthfully report to the stock exchange where the Company's shares are listed;
- (VIII) to be responsible for the management of the changes in the Company's shares and the derivatives thereof;
- (IX) other duties as required under the laws and regulations and the stock exchange where the Company's shares are listed.

Article 178 The Company's Directors or senior management member(s) can concurrently serve as the Secretary to the Board, but the accountant appointed by the Company shall not concurrently serve as the Secretary to the Board. When the Secretary to the Board is concurrently a Director, if an act shall be committed by the Director and the Secretary to the Board respectively, the act shall not be committed by the person who serves as the Secretary to the Board and the Director at the same time.

The Company shall have a representative of securities affairs, who shall assist the Secretary to the Board to perform duties.

Article 179 The Company's Directors, President and various departments shall support the Secretary to the Board to perform his/her duties according to law. The Company shall provide necessary guarantee for the secretary's work in terms of organizational setup, staffing and funding, etc. All departments of the Company shall actively cooperate with the secretary in doing his/her job.

CHAPTER 14 PRESIDENT AND OTHER SENIOR MANAGEMENT MEMBERS

Article 180 The Company shall have 1 President and a couple of senior vice presidents. The President and senior vice presidents shall be appointed or dismissed by the Board. The senior vice presidents shall assist the President in work. The President, senior vice presidents, financial officer and Secretary to the Board and General Counsel are all the Company's senior management member(s).

Article 181 These articles of association in relation to the circumstances in which he/she shall not act as a Director and the resignation management system shall apply to the senior management.

These articles of association in relation to the provisions concerning the duty of loyalty and duty of diligence of Directors shall apply to the senior management.

Article 182 People who assume positions other than the Director at the Company's controlling shareholders, de facto controllers or other enterprises controlled by the Company shall not serve as the Company's senior management member(s). Senior management of the Company

only receive salaries from the Company and the controlling shareholder shall not pay salaries thereto on behalf of the Company.

Article 183 The President's term of office is 3 years; and the President can be re-elected.

Article 184 The President of the Company shall be responsible to the Board and shall have the following powers and duties:

- (I) to be responsible for the production and management of the Company and to organize the implementation of the resolutions of the Board;
- (II) organize the implementation of the annual business plans and investment proposals of the Company;
- (III) to prepare proposals for the internal management structure of the Company;
- (IV) to prepare the management systems of the Company;
- (V) to draft the regulations of the Company;
- (VI) to employ and dismiss senior vice presidents, persons in charge of financial matters and general counsel;
- (VII) to employ and dismiss management staff other than those who shall be employed and dismissed by the Board;
- (VIII) other powers conferred by these articles of association and the Board.

In exercising the above-mentioned powers, the President shall take advice from the Party committee in advance for those matters within the scope of major issues involving decision-making of the Party committee of the Company.

Article 185 The President shall formulate detailed working rules for President and submit them to the Board for approval.

Article 186 The working rules for the President include the following content:

- (I) conditions and procedures for the holding of the President's meeting and participants of such meeting;
- (II) responsibilities of, and division of work among, the President and other senior management member(s);
- (III) utilization of the Company's capital or assets, the power to sign major contracts, and the system of reporting to the Board; and
- (IV) other matters the Board deems necessary.

Article 187 The President shall be present at the meeting of the Board, but unless he/she is concurrently a Director, he/she has no voting right in the meeting.

Article 188 The senior management shall abide by laws, administrative regulations and these articles of association and observe the duty of good faith and the duty of care in performing his/her responsibilities.

Where the senior management causes damage to others in the course of performing their duties, the Company shall be liable for compensation; where the senior management acts with intention or gross negligence, they shall also be liable for compensation.

A senior management member shall be liable for compensation if he/she has violated laws, administrative regulations, departmental rules and these articles of association in the course of performing his/her duties and caused damages to the Company.

The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and the shareholders as a whole. Any senior management who fails to faithfully perform his/her duties or violate his/her fiduciary duties and as a result, causes damage to the interests of the Company and the public shareholders shall be liable for compensation according to law.

Article 189 The President, senior vice president and other senior management member(s) can resign from office before their term of office expires. If the President, senior vice president and other senior management member(s) resign, they shall give the Board an advanced written notice.

CHAPTER 15 QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, PRESIDENT AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Article 190 A person shall be disqualified from being a Director or senior management members of the Company in any one of the following circumstances:

- (I) the individual has no civil capacity or restricted civil capacity;
- (II) a person who has been subject to criminal penalties since the conviction of corruption, bribery, embezzlement of properties, misappropriation of properties or disrupting socialist market economic order; or a period of less than five (5) years has elapsed since being deprived of political rights for commission of offences; or has been declared to be subject to suspended sentence, where not more than two years have elapsed from the date of expiry of the probationary period for suspended sentence;
- (III) a period of less than three (3) years has elapsed since the completion of the liquidation of any company or enterprise which was insolvent and where the person acted as a director or factory manager, manager of such company or enterprise and was personally liable for such insolvency;
- (IV) a period of less than three (3) years has elapsed since revocation of the business license of a company or enterprise due to illegal business operations or which is ordered to close down where the person was the legal representative of such company or enterprise and for which he was personally liable;
- (V) the person is personally liable for a substantial loan which was due for payment but remains unpaid and has been listed as a dishonest person subject to enforcement by the people's court;
- (VI) a person has been publicly determined by a stock exchange to be unsuitable to serve as a Director or senior management member of a listed company, where the prescribed period of such determination has not yet expired;
- (VII) the person being prohibited from participating in the securities market and such prohibition has not been discharged;
- (VIII) other circumstances prescribed by laws, regulations or the securities regulatory authority and stock exchange in the listing place.

Should the election and appointment of Directors and senior management members contravene the stipulations set out in this article, such election, appointment or engagement shall be invalid. Where Directors, the President and other senior management members fall into the circumstances set out in this article during their performance of duties, the Company shall remove them from office and suspend their duties.

Article 191 The validity of an act of a Director, President or other senior management members acting on behalf of the Company against any bona fide third party shall not be affected by any irregularity in his appointment, election or any defects in his qualification.

Article 192 Directors shall observe the provisions of laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed and these articles of association with the duty of loyalty to the Company, take measures to avoid conflicts between their own interests and the Company's interests, and must not abuse their authority to seek improper benefits.

The Director, President or other senior management member shall fulfill the following obligations of loyalty to the Company:

- (I) not to embezzle the Company's properties or misappropriate the funds of the Company;
- (II) not to deposit any funds of the Company in an account opened in their names or in the names of others;
- (III) not to abuse their authority in bribes or accepting other unlawful income;
- (IV) not to enter into any contract or conduct any transaction, directly and indirectly, with the Company without reporting to the Board or the general meeting and obtaining approval through resolutions by the Board or the general meeting as stipulated in these articles of association;
- (V) not to take advantage of their positions to seek any business opportunities that are belonging to the Company for themselves or others, unless such business opportunities are not available to the Company upon reporting to the Board or the general meeting and obtaining approval through resolutions by the general meeting or as required in laws, administrative regulations and these articles of association;
- (VI) not to conduct any businesses similar to those of the Company for themselves or others without reporting to the Board or the general meeting and obtaining approval through resolutions by the general meeting;
- (VII) not to take any commission for any transaction between other parties and the Company as their own;
- (VIII) not to disclose any secret of the Company;
- (IX) not to use his or her connected relationships to harm the interests of the Company;
- (X) not to expropriate in any guise the Company's property, including, without limitation to usurpation of opportunities advantageous to the Company;
- (XI) not to expropriate the individual rights of shareholders including, without limitation to rights of distribution and voting rights save and except pursuant to a restructuring of the Company submitted for approval of the shareholders in general meeting in accordance with these articles of association; and
- (XII) to fulfill other obligations of loyalty stipulated by laws, administrative regulations, departmental rules and these articles of association.

Directors' income derived from violation of this article shall belong to the Company; and

Directors shall be liable to compensate any loss incurred to the Company.

The provisions of the item (IV) of the second paragraph of this article shall apply to the conclusion of contracts or engagement in transactions with the Company by close relatives of the Directors and senior management or enterprises directly or indirectly controlled by the Directors and senior management or their close relatives, as well as persons who are otherwise related to the directors and senior management.

Article 193 The Company's Directors shall observe laws, administrative regulations and these articles of association to perform their obligations of diligence to the Company. They shall fulfill their obligations with reasonable care generally due to managers in the best interests of the Company.

The Directors shall perform the following duties of care:

- (I) to exercise the rights vested by the Company with prudence, care and diligence to ensure that the Company's business conduct complies with requirements of laws, regulations and economic policies of the government and that the Company's business activities do not exceed the scope of business permitted by its business license;
- (II) to treat all shareholders impartially;
- (III) to keep track of the Company's operation and management;
- (IV) to ensure that the Company's information disclosure is true, accurate and complete within the scope of their responsibilities;
- (V) to provide information to the audit and risk committee accurately and not to interfere with the audit and risk committee in their performance of duties; and
- (VI) other duties of care provided by laws , administrative regulations, departmental rules and these articles of association.

Article 194 The Company shall enter into a written contract with its Directors regarding their remuneration plans, which shall be subject to approval by the general meeting. The remuneration plans for senior management personnel shall be approved by the Board and reported to the general meeting for information.

The Board shall determine the performance appraisal results of senior management members based on the recommendations made by the remuneration and appraisal committee concerning the evaluation of remuneration and performance. The performance appraisal results of Directors shall be subject to approval by the general meeting.

CHAPTER 16 FINANCIAL AND ACCOUNTING SYSTEM

Article 195 The Company shall formulate the financial and accounting system of the Company in accordance with the PRC laws, administrative regulations and the provisions of the relevant departments of the State Council of the PRC.

Article 196 The Company shall submit its annual reports to CSRC and the stock exchange within 4 months after the closing date of each accounting year; it shall also submit its interim reports to the representative office of China Securities Regulatory Commission and the stock exchange within 2 months after the closing date of the first 6 months in each accounting year; it shall submit and disclose its quarterly reports to the representative office

of CSRC and the stock exchange within 1 month after the closing date of the first 3 months and the first 9 months in each accounting year.

The foregoing annual reports, interim reports and quarterly reports shall be prepared according to provisions of relevant laws, administrative regulations, department rules and listing rules of the stock exchange at which the Company's shares are listed for trading.

Article 197 The financial year of the Company shall adopt the Gregorian calendar year system, which commences from 1st January and ends on 31st December of the Gregorian calendar.

Article 198 The Company shall adopt Renminbi as its accounts keeping unit. All accounts shall be written in Chinese.

Article 199 At each annual general meeting, the Board of the Company shall submit to shareholders the financial reports prepared by the Company as required by the relevant laws, administrative regulations and mandatory documents promulgated by the local government and other governing authorities.

Article 200 The Company's annual reports shall be provided to the shareholders at least 21 days prior to the annual general meeting.

Article 201 The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations.

Article 202 The interim results and financial information to be published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations.

Article 203 The Company shall publish its financial reports twice in each financial year. The interim report shall be within sixty (60) days after the end of the first six (6) months of the financial year and the annual report shall be published within one hundred and twenty (120) days after the end of the financial year.

Article 204 The Company's interim and annual financial statements shall be filed and publicly announced according to provisions of relevant securities laws and regulations of China and the stock exchange at which the Company's shares are listed for trading.

Article 205 The Company shall not make other account books than the legally required ones. The Company's assets shall not be deposited into any account opened in the name of any individual.

CHAPTER 17 PROFIT DISTRIBUTION

Article 206 The Company's profit after all taxes are paid shall be distributed in the following order:

- (I) to cover losses;
- (II) to draw statutory surplus reserve;

- (III) to draw any reserve resolved by the general meeting; and
- (IV) to pay dividend for ordinary shares.

The amount of profit used for purposes stated in 3 and 4 of this article shall be determined by the Board according to the Company's operation performance and development needs and approved by the general meeting.

Unless otherwise provided by the general meeting, the Board can make distribution of interim dividend according to resolutions of the general meeting.

Article 207 When the Company distributes after-tax profits for the year, it shall withdraw 10% of the after-tax profits and include them in the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund is 50% or more of the Company's registered capital, no further withdrawals may be made.

In the event that there is insufficient statutory reserve fund to cover the loss of the Company of the previous year, the profit of the year shall be used to offset the loss before any transfer is made to the statutory reserve fund pursuant to the preceding paragraph.

Allocation to the discretionary reserve fund can be made after making allocation to the statutory reserve fund and subject to a resolution passed at the general meeting.

The Company shall not distribute any profits to the shareholders before offsetting the losses and allocating to the statutory reserve fund.

The remaining profit after tax subsequent to offsetting losses of the Company and allocations to the reserve funds shall be distributed to shareholders in accordance with their shareholdings, except for any non-pro rata distributions as required by these articles.

In the event that the general meeting violates the Company Law or the rules set out in the preceding paragraph, any profits distributed to the shareholders shall be returned to the Company; if losses are caused to the Company, the shareholders and the responsible Directors and senior management shall be liable for compensation.

Shares held by the Company shall not be included for profit distribution.

Article 208 The Company shall draw 10% of the after-tax profit as the statutory surplus reserve. Such drawing may stop when the Company's statutory surplus reserve reaches 50% of its registered capital.

Article 209 Other surplus reserve shall be drawn from the Company's profit according to resolutions of the general meeting.

Article 210 The capital reserve fund shall include the following sums:

- (I) the amount of share premium arising from the issue of shares in excess of their par value;
- (II) other income to be credited to capital reserve fund in accordance with the provisions of the authority governing the financial matters under the State Council.

Article 211 The Company's statutory reserve fund is used to make up for the Company's losses, expand the Company's production and operations, or increase the Company's registered capital.

When the reserve fund is used to make up for the Company's losses, the discretionary reserve fund and the statutory reserve fund should be utilized first; if it still fails to be made up, the capital reserve fund may be used in accordance with regulations.

The Company may convert the statutory reserve fund into registered capital according to resolutions of the general meeting and then issue new shares to shareholders according to their original shareholding proportions. In doing so, however, when the statutory surplus reserve is converted to increase the registered capital, the remaining reserve fund shall not be less than 25% of the Company's registered capital prior to the conversion.

Article 212 The distribution of dividends (or shares) shall be completed within two months after a resolution is made at the general meeting on the profit distribution plan, or after the Board of the Company has formulated a specific plan based on the conditions and maximum amount of interim dividends for the following year as considered and approved at the annual general meeting.

Article 213 The profit distribution policy of the Company is as follows:

(I) The basic principles of profit distribution

The profit distribution policy shall be continuous and stable. Profit distribution shall be in full consideration of reasonable return to investors, the interests of the Company in the long term, the sustainable development and the interests of all shareholders as a whole. The profit distribution of the Company shall be based on the distributable profit of the Parent Company realized for that year and dividend shall be distributed to shareholders in a sequence in compliance with legal requirements and in proportion to their shareholding. The same shares shall be entitled to the same rights and dividend.

(II) Forms of distribution

The Company may distribute dividends in the forms of cash, shares or a combination of both cash and shares or distribute profits through other methods permitted by laws and regulations. The Company shall give priority to profit distribution in form of cash.

(III) Time intervals between profit distributions

Provided that the Company makes a profit for the year, and its operating cash flow and total undistributed profit are positive, the Company shall implement the profit distribution at least once a year.

The Company may distribute interim profit. The Board of the Company may propose to the Board to distribute interim dividend based on the scale of profit, cash flows situation, stage of development and capital requirements of the Company.

(IV) Conditions of profit distribution

1. Specific circumstances and proportions of cash dividend

The profit distribution in cash of the Company shall at least meet the following conditions:

- (1) where the distributable profit of the Company realized for that year (the profit after tax of the Company, after covering the losses and making allocation to the statutory revenue reserve) is positive with sufficient cash flows, and the cash dividend distribution will not affect the subsequent continuing operation of the Company;
- (2) where the auditors have issued an audit report with standardised unqualified opinions on the annual financial report of the Company;
- (3) where the Company has major investment plan or significant cash expenditure (excluding projects of raising proceeds). The above mentioned major investment plan or significant cash expenditure refers to external investment, asset acquisition or purchase of assets by the Company in the following twelve months with accumulated expenditure amounting to or exceeding 30% of the latest audited net assets of the Company.

Upon the fulfillment of the aforesaid conditions, the Company may distribute dividend in cash. The profit to be distributed in cash per annum will not be less than 10% of the distributable profit realized for that year, or that the total profit to be distributed in cash in any consecutive three years will not be less than 30% of the average annual distributable profit realized in the three years. The actual proposal in relation to the proportions of cash dividend per annum is made by the Board based on the annual profitability and the future plan of capital utilization.

2. Specific circumstances for share dividend distribution

In accordance with the actual conditions such as the accumulated distributable profit and cash flows of the Company, and given adequate cash dividend and a reasonable share capital structure of the Company, the Company may distribute the profit by share dividend. The actual proposal in relation to the proportions of share dividend is made by the Board. In determining the specific amount for the share dividend distribution, the Board shall fully take into account whether the total share capital after share dividend distribution is suitable for the current operational scale and the profit growth rate of the Company, so as to ensure the profit distribution plan is in the interests of all the shareholders as a whole and in the long term.

- (V) The consideration and deliberation procedures and decision-making mechanism in respect of the profit distribution plan

Prior to the publication of a periodical report, the Board of the Company shall fully consider and deliberate the profit distribution plan, pursuant to the

requirements of the Articles of Association, having fully taken into account the Company's ability to operate continuously, and guaranteed the capital required for routine production, operation and business development as well as a reasonable return to investors. In considering and deliberating the profit distribution plan, the Board of the Company can communicate and interact with independent Directors and medium and minority shareholders by means of telephone, facsimile, correspondence, e-mail and the interactive platform for investor relations on the website of the Company, to fully hear the opinions and the requests expressed by independent Directors and medium and minority shareholders.

In considering the profit distribution proposal, the Board shall obtain approval from the majority of all the Directors.

Where the profit distribution proposal is being considered at a general meeting, it requires the consent of majority shareholders (including shareholders who appoint proxies to attend the general meeting) carrying voting rights present at the general meeting to be approved. Where the plan of the share dividend distribution or the transfer from the general reserve to share capital is being considered at the general meeting, it requires the consent of more than two thirds of the shareholders (including shareholders who appoint proxies to attend the general meeting) carrying voting rights present at the general meeting to be approved.

- (VI) Where the Company makes a profit for that year but does not propose a cash dividend distribution plan, the Board shall give explanations for the reasons of not proposing a cash dividend distribution plan and the purpose for the retained capital, and independent Directors shall express their opinions thereon and disclose the same to the public. Where the Company makes a profit during the reporting period but does not propose a cash dividend distribution plan, the Company shall, other than holding the on-site general meeting for shareholders' voting, provide the online – voting platform to shareholders.
- (VII) Adjustments to the profit distribution policy

In the event of any material changes to the external business environment or the Company's own operating conditions, the Company may adjust the profit distribution policy accordingly.

In considering and deliberating the adjustment to the profit distribution policy, the Board of the Company shall fully take into account the opinions of independent Directors and medium and minority shareholders. In considering the adjustment to the profit distribution policy, the Board shall obtain the consents from a majority of all the Directors.

Any adjustment to the profit distribution policy should only be submitted to the general meeting for consideration after being approved by the Board, and the Company shall provide access to online voting for shareholders to facilitate their participation in the general meeting. The Company shall, for the sake of protecting interests of shareholders, make deliberations and explanations in the proposal to be submitted to the general meeting. Where the adjustment to the profit distribution policy is being considered at

the general meeting, it requires the consent of more than two thirds of the shareholders (including proxies of shareholders) carrying voting rights eligible for attending the general meeting.

- (VIII) In the event of any illegal appropriation of the Company's capital by shareholders, the Company shall deduct the cash bonus to be paid to such shareholders to make up for the capital appropriated by such shareholders.
- (IX) The dividend and other distributions shall be declared and denominated in Renminbi. The dividend and other payable distributions for domestic shares shall be paid in Renminbi, while those dividend and other payable distributions for foreign shares listed in Hong Kong shall be paid in Hong Kong dollars. The cash dividend declared in Renminbi for foreign shares listed in Hong Kong shall be paid in Hong Kong dollars, and the exchange rate of the Hong Kong dollars to Renminbi shall be the average closing prices announced by the People's Bank of China on daily basis for the week prior to the date of the Company's declaration of dividend distribution or be other exchange rate provided or permitted by other laws or regulations and chosen by the Board.

Article 214 Where the Company makes any distribution of dividends to the shareholders, the Company shall make payments on behalf of the shareholders of such tax taxable on the dividends payable to shareholders in accordance with the provisions of the PRC taxation law.

Article 215 The Company shall appoint a receiving agent for shareholders of overseas listed foreign shares. The receiving agent shall receive on behalf of such shareholder the dividends distributed to and other amounts payable by the Company in respect of the overseas listed foreign shares.

The receiving agent appointed by the Company shall satisfy requirements provided under the laws or the relevant provisions of the stock exchange at the place where the shares of the Company are listed.

Article 216 The receiving agent appointed by the Company for the shareholders of overseas listed foreign shares listed in Hong Kong shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Article 217 The Company shall have the right to terminate delivery of dividend vouchers by mail to certain holders of overseas listed foreign shares, but the Company may exercise such right only after two vouchers have not been cashed consecutively. However, if the first voucher failed to reach the recipient and was returned, the Company may also exercise the said right.

CHAPTER 18 AUDIT AND LEGAL CONSULTANT SYSTEM

Article 218 The Company shall establish an audit system and a legal consultant system in

accordance with the provisions of laws, administrative regulations and the relevant departments of the State Council.

The Company shall implement its internal audit system, which clarifies the leadership structure, responsibilities and authority, staffing, funding guarantee, application of audit results and accountability of internal audit work.

The Company's internal audit system shall be implemented after being approved by the Board and disclosed to the public.

The Company shall implement a general counsel system, give play to the general counsel's role in legal review and oversight during business operations and management, and promote the Company's law-based operation and compliant governance.

Article 219 The Company's internal audit institution shall appoint its own audit personnel to supervise and inspect the Company's business activities, risk management, internal control, financial information, and other related matters.

Article 220 The internal audit institution shall be accountable to the Board. During the supervision and inspection of 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 and risk committee. If the internal audit institution discovers relevant major issues or clues, it shall immediately report directly to the audit and risk committee.

Article 221 The internal audit institution shall be responsible for the specific organization and implementation of the Company's internal control evaluation. The Company shall issue an annual internal control evaluation report based on the evaluation report and relevant materials issued by the internal audit institution and reviewed by the audit and risk committee.

Article 222 When the audit and risk committee communicates with external audit entities such as accounting firms and national audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

Article 223 The audit and risk committee shall participate in the evaluation of the person in charge of internal audit.

CHAPTER 19 APPOINTMENT OF ACCOUNTING FIRM

Article 224 The Company shall engage the accounting firms which satisfy the relevant stipulations of the PRC to audit its financial statements, verify its net assets, and provide other relevant consulting services. The term of engagement of the accounting firms shall be one (1) year and may be renewable.

Article 225 The decisions of the Company regarding the engagement, dismissal or non-renewal of an accounting firm shall be made by the general meeting after being approved by a majority of all members of the audit and risk committee and submitted to the Board for

consideration. The Board shall not engage any accounting firm unless a decision regarding such is made by the general meeting.

Article 226 The Company guarantees that the accounting certificates, accounting books, financial report and other accounting information provided to the accounting firm engaged are true and complete without refusal, withholding or false information.

Article 227 The audit fee of the accounting firm shall be decided by the general meeting.

Article 228 In the event of any proposed dismissal or non-renewal of an accounting firm by the Company, a notice shall be served to inform the accounting firm ten (10) days in advance and the accounting firm is allowed to express its opinion when voting is made on the dismissal of the accounting firm at the general meeting.

If an accounting firm tenders its resignation, it shall make statement to the general meeting whether there are any improper circumstances of the Company.

CHAPTER 20 EMPLOYEE DEMOCRATIC MANAGEMENT AND LABOUR AND PERSONNEL SYSTEM

Article 229 According to the Constitution and other relevant laws, the Company establishes and improves a system with the employee representative meeting as the basic form democratic management system, exercises democratic management through employees' representatives meeting or other means, supports employees' participation in enterprise management activities, safeguard their lawful rights and interests, foster harmonious labor relations, and promote the mutual development of employees and the enterprise. The Company advances the disclosure of factory affairs and business operations, ensuring employees' rights to know, participate, express opinions, and supervise.

To make a decision or any important issue related to restructuring, dissolution, filing for bankruptcy and business operation, or to formulate any important regulation, the Company shall solicit the opinions of the Company's labour union, and shall solicit the opinions and proposals of the employees through the meeting of the representatives of the employees or in any other way. The company upholds and improves the employee director system to ensure that employee representatives have the right to participate in corporate governance in an orderly manner.

Article 230 The employees of the Company may, according to the "Labour Union Law of the PRC", organize a labour union, which shall carry out union activities and safeguard the legitimate rights and interests of the employees. The Company shall allocate funds to the labour union and provide the necessary facilities, venues, and other material conditions for the union's operations and activities. The labour union shall, on behalf of the employees, conclude the collective contract with the Company with respect to the remuneration, working hours, rest and holidays, labour safety and health, welfare, insurance and other matters in accordance with the law.

Article 231 The Company shall comply with national laws and administrative regulations on labour protection and production safety, implement relevant national policies, and protect the legitimate rights and interests of workers. In accordance with national laws, administrative regulations and policies on labour and personnel affairs, and based on the needs of production and operation, the Company shall formulate its systems regarding labour management, personnel affairs and wages. The Company shall, based on its actual situation, establish selection and employment mechanisms that meet market-oriented requirements such as open recruitment of employees, election and competitive recruitment of management personnel, adjustment of underperforming staff and dismissal of the incompetent. In addition, the Company shall establish a market-competitive remuneration system for key core employees and actively and orderly carry out medium-and long-term incentive plans.

CHAPTER 21 AMALGAMATION, DEMERGER, INCREASE AND REDUCTION OF SHARE CAPITAL

Article 232 The amalgamation of the Company may take the form of either amalgamation by acquiring another company or amalgamation by establishing a new company. Amalgamation through acquisition of one company by another will result in dissolution of the company being acquired, whereas amalgamation through establishing a new company by two companies or more will result in dissolution of all the companies involved.

Where the consideration for the merger payable by the Company does not exceed 10% of the net assets of the Company, the merger does not require a resolution from the general meeting, unless otherwise provided for in these articles of association.

Any merger of the Company not requiring a resolution from the general meeting under the preceding paragraph shall be subject to a resolution by the Board.

In case of an amalgamation of the Company, various parties involved shall sign the consolidation agreement and prepare the balance sheet and the property list. The Company shall, within ten (10) days upon passing the resolution for the consolidation, notify the creditors and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within thirty (30) days. Creditors may, within thirty (30) days after receipt of such notice from the Company, or within forty-five (45) days of the date of the announcement for those who do not receive such notice, demand that the Company repay their debts to that creditor or provide a corresponding guarantee for such debts.

Upon amalgamation, all claims and liabilities of the parties to the amalgamation shall be taken over by the company which exists after the amalgamation or by the newly established company.

Article 233 In case of a demerger of the Company, its assets shall be divided correspondingly.

In case of a demerger by the Company, it shall prepare the balance sheet and the property list. The Company shall, within 10 days upon passing the resolution for the demerger, notify the creditors and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days.

Saved as the specific written arrangements made with the creditors regarding debt settlements

before a demerger, the debts of the Company before the demerger shall be borne by the Company after the demerger jointly and severally.

Article 234 The Company will prepare the balance sheet and a list of property when it reduces its registered capital. The Company shall notify its creditors within 10 days, and make an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days, from the date when the resolution on the reduction of registered capital is made by the general meeting. Creditors may, within 30 days upon receipt of the notification, or for creditors who have not received such notification, within 45 days after the date of the announcement, request the Company to make repayments or provide corresponding guarantees. Where the Company reduces its registered capital, the amount of capital contribution or shares shall be reduced correspondingly in proportion to the shares held by its shareholders, unless otherwise provided by law or these articles of association.

Article 235 If the Company still has losses after making up for its losses in accordance with the provisions 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 distribute to shareholders, nor shall exempt shareholders from their obligation to pay capital contributions or share payments. If the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of Article 234 of these articles of association shall not apply, but announcements shall be made in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date when the general meeting makes a resolution to reduce the registered capital. After the Company reduces its registered capital in accordance with the provisions of this Article, it shall not distribute profits until the cumulative amount of the statutory reserve fund and discretionary reserve fund reaches 50% of the Company's registered capital.

Article 236 Where the registered capital is reduced in violation of the Company Law or other relevant provisions, shareholders shall return funds received and the original state shall be restored if capital contributions from shareholders are reduced or exempted; if losses are caused to the Company, the shareholders and the responsible Directors and senior management shall be liable for compensation.

Article 237 When the Company issues new shares for increasing its registered capital, shareholders shall have no pre-emptive rights, unless otherwise provided in the listing rules of the place where the Company's shares are listed.

Article 238 Changes in registration items arising from amalgamation or demerger shall be registered with the Company's registration department in accordance with the laws; in the case of dissolution, the dissolution shall be registered according to the laws; where new companies are established, the establishment shall be registered according to the laws.

Where the Company increases or reduces its registered capital, an application for modification of registration shall be made to the Company's registration authority pursuant to the laws.

CHAPTER 22 DISSOLUTION AND LIQUIDATION

Article 239 In any of the following circumstances, the Company shall be dissolved:

(I) the term of business operation set out in these articles of association has expired or other

- events of dissolution specified in these articles of association have occurred;
- (II) where the general meeting resolves to dissolve the Company by way of special resolution;
 - (III) where dissolution of the Company is necessary for the amalgamation or demerger;
 - (IV) where the Company is adjudged insolvent in accordance with the applicable laws as a result of its inability to pay its debts when due;
 - (V) The business license is legally revoked, it is ordered to close down or be cancelled;
 - (VI) In the event that there are serious difficulties with the operation and management of the Company and continuing the operation may seriously damage the interests of shareholders, whereas no further solution is available, the shareholders holding 10% or more of the total voting rights of the Company may file a dissolution request with the People's Court.

The Company shall, within ten days of the occurrence of the reasons for dissolution as stipulated in the preceding paragraph, disclose the reasons for dissolution on the National Enterprise Credit Information Publicity System.

Article 240 In the event of the circumstance described in provisions I or II of Article 239 of these articles of association, and the Company has not distributed any property to its shareholders, the Company may carry on its existence by amending these articles of association or by resolution of the general meeting.

Amendments to these articles of association or resolutions of the general meeting in accordance with the preceding paragraph or by resolution of the general meeting shall be passed by two-thirds or more of the shareholders with voting rights who attend the general meeting.

Article 241 If the Company is to be dissolved according to provisions of I, II, IV, V or VI of Article 239 of these articles of association, it shall be liquidated. The Directors shall be the liquidation obligors of the Company and shall set up a liquidation group and liquidation shall conduct within 15 days from the date on which the cause for dissolution arose.

The liquidation group shall be composed of the Directors, unless otherwise provided for in these articles of association or unless the general meeting resolves to elect another person.

If a liquidation obligor fails to fulfill its liquidation obligations in a timely manner and causes losses to the Company or its creditors, it shall be liable for compensation.

Article 242 Where the Board decides to liquidate the Company (except for the liquidation as a result of the insolvency of the Company), it shall specify in the notice convening the general meeting for such purpose that the Board has made a full inquiry into the affairs of the Company and is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

Upon the passing of the resolution for liquidation by shareholders in general meeting, the duties and powers of the Board shall cease forthwith.

The liquidation committee shall comply with the instructions of the general

meeting and shall report to it at least once every year the receipts and payments of the liquidation committee, the business and the progress of liquidation of the Company. Upon the completion of liquidation it shall also give a final report to the shareholders' general meeting.

Article 243 The liquidation group shall advise the Company's creditors about the Company's liquidation within 10 days after the liquidation group is established and make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 60 days after the liquidation group is established. The Company's creditors shall declare their creditors' rights to the liquidation group within 30 days from the date of their receiving the notice of liquidation if they are served such notice or within 45 days from the date of the announcement if they are not served the notice of liquidation.

Creditors shall declare their creditors' rights and provide evidential materials in the declaration of creditors' rights. The liquidation group shall register creditors' rights so declared.

During the period of registering the Company's creditors, the liquidation committee shall not make repayment to the creditors.

Article 244 The liquidation committee shall during the liquidation period perform the following duties:

- (I) to dispose of the Company's assets, to prepare balance sheets and an inventory of assets;
- (II) to give notices or make public announcements to the creditors;
- (III) to deal with the unfinished business of the Company in relation to the liquidation;
- (IV) to settle all tax in arrear as well as taxes arising in the course of liquidation;
- (V) to liquidate all the claims and debts;
- (VI) to distribute the remaining assets of the Company after the repayment of debts;
- (VII) to represent the Company in civil proceedings.

Article 245 The liquidation group shall make a liquidation plan after straightening out the Company's property and compiling the balance sheet and property inventory, and then submit the plan to the general meeting or the People's Court for confirmation.

The remaining assets of the Company after repayment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the debts of the Company shall be distributed by the Company to the shareholders in proportion to their respective shareholdings.

During the liquidation period, the Company shall continue to exist but not commence any business activities unrelated to the liquidation. The assets of the Company shall not be distributed to the shareholders before repayment of its debts in full in accordance with the preceding paragraph.

Article 246 In the case of the liquidation group finds that the Company's property is insufficient to repay its debts after liquidating the Company's property and compiling the balance sheet and property inventory, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law.

After the Company's bankruptcy application is accepted by the People's Court, the liquidation group shall hand the liquidation affairs over to the bankruptcy administrator designated by the People's Court.

Article 247 Following the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, which shall be submitted to the general meeting or the People's Court for their approval, and delivered to the Company's registration authority to apply for cancellation of the Company's registration.

Article 248 The liquidation group's members shall perform their liquidation obligation and bear duties of loyalty and diligence.

Members of the liquidation committee shall bear the liability for damages suffered by the Company due to their negligence in performing the obligations of liquidation; a member of the liquidation group who causes its creditors to sustain losses intentionally or out of gross negligence, the member shall undertake compensatory liability for the losses.

Article 249 If the Company is declared bankrupt according to law, it shall undertake bankruptcy liquidation according to enterprises' bankruptcy laws.

CHAPTER 23 AMENDMENTS TO THESE ARTICLES OF ASSOCIATION

Article 250 The Company will make amendments to these articles on the occurrence of any of the following events:

- (I) The Company Law or the relevant laws or administrative regulations are amended and these articles are contradictory to the provisions under the amended laws or administrative regulations;
- (II) Any change of the Company's conditions creating inconsistency with what is stated in these articles;
- (III) The general meeting has decided to make amendments to these articles.

Article 251 Where the amendments to these articles of association approved by the general meetings are subject to examination and approval by the competent authorities, such amendments shall be submitted to the competent authorities for approval; if they involve corporate registration matters, they shall undergo the registration procedures according to law.

Article 252 The Board shall amend these articles of association in accordance with the resolution of the general meetings on the amendment to these articles of association and the approval opinions from relevant competent authorities. Amendments to these articles of association are information required to be disclosed by relevant laws and regulations and shall be publicly announced according to relevant provisions.

CHAPTER 24 NOTIFICATION

Article 253 Unless otherwise provided in these articles of association, the notices,

materials or written statements the Company sends to the holders of its foreign shares listed in Hong Kong shall be served to each of the foreign shares holders at the registered address of such shareholders by courier or mail. Notices sent to shareholders of the foreign shares listed in Hong Kong shall be served in Hong Kong to the maximum extent possible. On condition of violating no laws, regulations and listing rules of the place where the Company is listed, the Company may also send or provide notices, data or written statements to its shareholders by the Company's website or email, rather than in the foregoing manners.

Article 254 The Company's notices shall be sent in the following ways:

- (I) by couriers;
- (II) by mail;
- (III) by announcement;
- (IV) by fax or email;
- (V) by announcement on the website of the Company or other websites designated by the stock exchange both on condition of complying with laws, regulations and listing rules of the place where the Company's shares are listed;
- (VI) by other means agreed to by the Company and receivers of the notices or otherwise recognized by the receivers after receiving the notices; or
- (VII) by other means recognized by relevant regulatory authority in the place where the Company's shares are listed or otherwise provided by these articles of association.

The "announcement" referred to in these articles of association, unless the context otherwise requires, means to post announcement in Chinese newspapers designated by Chinese laws or regulations or the State Council's securities regulatory body in respect to the announcement made to holders of the Company's domestic shares and to the announcement required to be made within the territory of China according to relevant provisions and these articles of association, or to disclose in accordance with relevant listing rules of the Company's shares in respect to the announcement made to holders of the Company's foreign shares and the announcement required to be made in Hong Kong according to relevant provisions and these articles of association. Where a notice is served by way of announcement, after the publication of such announcement, all related persons shall be deemed to have received the relevant notice.

Article 255 A notice sent by the Company for the holding of a general meeting shall be made by announcement.

Article 256 If the Company fails to serve a meeting notice to a person who is entitled to receive the notice out of negligence or a person fails to receive a meeting notice which has been duly sent to him/her, the meeting concerned and its resolutions will not be rendered invalid therefor.

Article 257 The Company designates one or more newspapers within the scope of media that meet the conditions specified by securities regulatory rules as the media where the Company posts its announcement or discloses other information required.

Any notices, documents, materials or written statements served to the Company by shareholders or Directors can be sent to the Company's legal address by courier or registered

mail.

Article 258 If shareholders or Directors are to prove that they have served notices, documents, materials or written statements to the Company, they shall provide evidence that the notices, documents, materials or written statements have been served to the correct address by general means, with the postage prepaid and within the prescribed term of service.

CHAPTER 25 INTERPRETATIONS AND DEFINITIONS IN THESE ARTICLES OF ASSOCIATION

Article 259 These articles of association are in both the Chinese and English languages; in the case of a conflict between the two versions, the Chinese version shall prevail.

Article 260 Unless the context otherwise requires, the following terms shall have the following meaning in these articles of association:

“these articles of association” means the articles of association of the Company.

“controlling shareholder” means a person who satisfies one of the following conditions: (I) who can elect a majority of the Directors separately or jointly with others; (II) who can exercise, or control the exercise of, 30% or more of the Company’s voting rights separately or jointly with others; (III) who holds 30% or more of the Company’s shares outstanding separately or jointly with others; or (IV) who actually controls the Company by other means separately or jointly with others.

“de facto controller” means a natural person, legal person or other organization who can actually control the Company through investment, agreement or other arrangement.

“related party relationship” means the relationship between the Company’s shareholders, de facto controller, Directors, supervisors or senior management member(s) and the enterprises directly or indirectly controlled by the Company as well as other relationships which may result in transfer of the Company’s interest; however, state-holding enterprises do not have the related party relationship just because they are under common control of the state.

“Board” means the Company’s Board of Directors.

“Chairman” means the chairman of the Company’s Board.

“Director” means the Company’s directors.

“President” means the manager provided in the Company Law of the People’s Republic of China.

“legal address” means No. 2 Jiangnan Avenue, Jiangnan Street, Changshou District, Chongqing City, the People’s Republic of China.

“Renminbi” means the legal currency of China.

“Secretary to the Board” means the Board’s secretary appointed by the Board.

“Hong Kong Stock Exchange” means The Stock Exchange of Hong Kong Ltd.

“State” or “China” means the People’s Republic of China.

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC.

“Macau” means Macau Special Administrative Region of the PRC.

“Taiwan” means Taiwan region of the PRC.

Article 261 The “accountant’s office” referred to in these articles of association shall have the same meaning as “auditor”.

Article 262 The Board can formulate detailed rules according to provisions of these articles of association. The detailed rules so formulated shall not be in conflict with these articles of association.

Article 263 These articles of association are written in the Chinese language. In the case of a discrepancy between articles of association in other languages or versions and these articles of association, the Chinese version articles of association filed most recently at the corporate registration authority shall prevail.

Article 264 The wordings “more than”, “within” and “less than” in these articles of association shall all include the numbers themselves that follow such wording, while the wordings “not up to”, “other than”, “less than”, “over” and “more than” shall not include the numbers themselves.

Article 265 On condition of not violating and limiting provisions of Chapter 24 and the power of general meeting, these articles of association shall be interpreted by the Company’s Board.

Article 266 Appendices to these articles of association shall include the Rules of Procedures for General Meetings and the Rules of Procedures for the Board.

Article 267 In the case of a conflict between these articles of association and the laws, administrative regulations, other regulatory documents or regulatory rules of the place where the Company is listed issued from time to time, the provisions of the then-in-effect laws, administrative regulations, other regulatory documents or regulatory rules of the place where the Company is listed shall prevail.