

中海石油化学股份有限公司
China BlueChemical Ltd.

ARTICLES OF ASSOCIATION

Passed by resolutions of the First Extraordinary General Meeting of 2006 on 25 April 2006

Amended by resolutions of the Second Extraordinary General Meeting of 2006 on 25 May 2006

Further amended by resolutions of the Annual General Meeting of 2007 on 13 June 2008

Further amended by resolutions of the First Extraordinary General Meeting of 2010 on 7 February 2010

Further amended by resolutions of the Annual General Meeting of 2012 on 31 May 2013

Further amended by resolutions of the First Extraordinary General Meeting of 2017 on 24 October 2017

Further amended by resolutions of the Annual General Meeting of 2017 on 31 May 2018

Further amended by resolutions of the First Extraordinary General Meeting of 2020 on 26 August 2020

Further amended by resolutions of the Annual General Meeting and Class Meetings of 2021 on 27 May 2022

Further amended by resolutions of the Annual General Meeting and Class Meetings of 2022 on 25 May 2023

Further amended by resolutions of the First Extraordinary General Meeting of 2025 on 18 August 2025

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ARTICLES OF ASSOCIATION OF CHINA BLUECHEMICAL LTD.

CHAPTER 1 GENERAL PRINCIPLES

Article 1

To safeguard the legitimate rights and interests of the Company, its shareholders, employees and creditors, and regulate the organization and activities of the Company, the Articles are formulated in accordance with the Company Law of the People's Republic of China (hereinafter the “**Company Law**”) and other relevant requirements.

Article 2

The Company is a joint stock limited company established in accordance with the Company Law and other relevant regulations (hereinafter “**Company**” or “**this Company**”).

The Company was approved by the Ministry of Commerce of the People's Republic of China (hereinafter “**China**”) in accordance with the Reply of the Ministry of Commerce on Agreeing to Establish China BlueChemical Ltd. (Shangzi [2006] No. 1134) and the State-owned Assets Supervision and Administration Commission of the State Council in accordance with the Reply on Establishing China BlueChemical Ltd. (Guozigaige [2006] No. 462), and was restructured from China BlueChemical Co., Ltd., which was established on 3 July 2000; it was registered with the Hainan Province Administration of Industry and Commerce (now the Hainan Province Market Supervision Administration, hereinafter “**Company Registration Authority**”) on 25 April 2006, obtaining a business license with a Unified Social Credit Code of 91460000721234704E.

Article 3

The Company was approved by the China Securities Regulatory Commission (hereinafter the “**CSRC**”) on 13 July 2006 by the Approval of the Issuance of Overseas-listed Foreign Shares by China BlueChemical Ltd. (Zhengjianguohezi [2006] No. 10) to issue a total of 1.61 billion ordinary shares of overseas-listed foreign shares to the public (hereinafter “**Overseas-listed Shares**” or “**H Shares**”), among which: (1) The Company publicly issued and internationally offered 1.4 billion H shares in Hong Kong in September 2006. At the same time, the Company's promoter, China National Offshore Oil Corporation (now known as China National Offshore Oil Group Limited, hereinafter “**CNOOC**”), transferred 140 million domestic shares it held in the Company to the National Social Security Fund Council and converted them into H shares by the Notice of the State Council on Issuing the Interim Measures for Managing the Reduction of State-owned Shares to Raise Social Security Funds (Guofa [2001] No. 22) and relevant regulations, which were listed on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter “**Hong Kong Stock Exchange**” or “**Stock Exchange**”) on 29 September 2006; (2) The Company issued 210 million H shares in October 2006 under the exercise of the over-allotment option. Meanwhile, CNOOC transferred 21 million domestic shares it held in the Company to the National Social Security Fund Council and converted them into H shares by the Notice of the State Council on Issuing the Interim Measures for Managing the Reduction of State-owned Shares to Raise Social Security Funds (Guofa [2001] No. 22) and relevant regulations, which were listed on the Main Board of the Hong Kong Stock Exchange on 16 October 2006.

Article 4

Registered name of the Company: 中海石油化学股份有限公司

English name of the Company: China BlueChemical Ltd.

Article 5

Residence of the Company: No. 3, Park Third Road, Basuo Town, Dongfang City, Hainan Province, Postal code: 572600.

Article 6

The registered capital of the Company is RMB4.61 billion.

Article 7

The Company is a perpetual joint stock limited company.

Article 8

The director or president representing the Company in conducting its affairs shall be the legal representative of the Company.

The legal representative of the Company shall be elected by the board of directors with the approval of more than half of all the directors. The Company may change its legal representative upon approval by more than half of all the directors of the board.

Where the director or president 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 9

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

The limitation on the functions and powers of the authorized representative in the Articles or by the general meeting shall not be asserted against a bona fide counterpart.

Where the authorized 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 authorized representative at fault in accordance with laws or the Articles.

Article 10

The respective liability of the shareholders shall be limited to the shares held by them. The Company shall be held liable for its debts with all its assets.

Article 11

The Articles shall be legally binding that regulates the organisation and activities of the Company as well as the rights and obligations between the Company and each shareholder and among the shareholders from the date when it becomes effective. The Articles shall be legally binding upon the Company, its shareholders, directors and senior management. According to the Articles, the shareholders shall have the right to initiate legal proceedings against other shareholders; the shareholders shall have the right to initiate legal proceedings against directors and senior management personnel of the Company; the shareholders shall have the right to initiate legal

proceedings against the Company, and the Company shall have the right to initiate legal proceedings against the shareholders, directors and senior management.

Article 12

“Senior management” as referred to in the Articles shall include the president, vice presidents, chief financial officer, secretary to the board of directors, general legal counsel, and other personnel specified in the Articles.

Article 13

Pursuant to the requirements of the Constitution of the Communist Party of China, the Company shall establish an organisation of the Communist Party of China and carry out Party activities. The Company provides the necessary conditions for the activities of the Party organization. The Party organization of the Company acts as the core of leadership and politics for the control of direction, overall situation and implementation. The Company shall establish an operating organ of the Party equipped with sufficient personnel, ensuring the working funds of the Party Organisation.

CHAPTER 2 OBJECTS AND SCOPE OF BUSINESS

Article 14

The objects of the Company shall be: to promote and contribute values to the economic development of the PRC, engaged in the development, production and sales of fertilisers and chemical products, improving carbon-rich natural gas utilization, by undertaking scientific development, utilising advanced and effective business concepts and management methods, seeking win-win situation for shareholders, customers and employees, and assuming social responsibility and environmental protection obligations.

Article 15

According to the legal registration, the scope of business of the Company shall include: production and sale of urea, liquid ammonia, methanol, and formaldehyde; import and export trading and domestic trading of sulphur; export and domestic trading of urea, ammonium sulphate, ammonium phosphate (monoammonium phosphate, diammonium phosphate), calcium superphosphate, ammonium chloride and ammonium bicarbonate; sale of chemical raw materials and spare parts; inspection and maintenance of mechanical and electrical equipment; agrichemical service (pursuant to administrative permits if required).

Projects within the Company’s scope of business that are subject to approval as stipulated by laws and administrative regulations shall be approved in accordance with the law.

CHAPTER 3 SHARES

Section 1 Share Issuance

Article 16

The shares of the Company are represented with registered stocks.

Where the share capital of the Company includes shares that do not carry voting rights, the words “non-voting” must appear on the name of such shares. Where the share capital includes shares with different voting rights, the name of each class of shares (other than those with the most favorable voting rights) shall include the words “restricted voting” or “limited voting”.

Article 17

The issuing of shares by the Company shall be conducted on the principle of openness, fairness and justness,

with each share of the same class bearing equal rights. The issuing conditions and price for each share of the same class issued at the same time shall be the same. Each share subscribed by any subscriber shall be subscribed at the same price.

Article 18

Shares issued by the Company shall have a nominal value denominated in Renminbi.

Article 19

Subject to the completion of the statutory procedures with the China Securities Regulatory Commission, the Company may issue shares to domestic investors and/or overseas investors.

“Overseas investors” as referred to in the preceding paragraph and in the Articles shall include investors from overseas, the Hong Kong Special Administrative Region of China, the Macao Special Administrative Region of China and Taiwan region of China who subscribe for shares issued by the Company. “Domestic investors” shall include those investors within China other than foreign countries and the Hong Kong Special Administrative Region of China, the Macao Special Administrative Region of China, and Taiwan region of China, who subscribe for shares issued by the Company.

The targets of the Company’s overseas issuance and listing shall be overseas investors, unless they meet the requirements of applicable laws and regulations or unless otherwise provided by State. Additionally, if the Company implements equity incentives or issues securities to purchase assets, it may issue securities to specific domestic entities that comply with the regulations of the China Securities Regulatory Commission.

The Company may raise funds in foreign currencies or Renminbi in an overseas issuance and listing.

Article 20

Shares issued by the Company to domestic investors for subscription in Renminbi are referred to as “Domestic Shares”. Shares issued by the Company to foreign investors for subscription in foreign currency are referred to as “Foreign Shares”. Foreign Shares which are listed overseas are referred to as “Overseas-listed Foreign Shares”. “Foreign currency” as referred in the preceding paragraph shall include the legal tenders of other countries and territories, other than Renminbi, which are recognised by the foreign exchange competent authority of the State for payment of share monies to companies. Both holders of Domestic Shares and holders of Foreign Shares are holders of ordinary shares and shall have the same rights and obligations.

Subject to approvals of the securities regulatory authority of the State Council, holders of Domestic Shares of the Company may transfer all or part of the shares held by them to overseas investors for listing and dealing on overseas stock exchanges. All or part of the Domestic Shares may be converted into Overseas-listed Foreign Shares, and be listed and dealt on overseas stock exchange. The shares transferred or converted for listing and dealing on overseas stock exchanges shall comply with the regulatory procedures, provisions and requirements of the overseas stock markets. The aforesaid shares so transferred for listing and dealing on overseas stock exchanges or the conversion of Domestic Shares into Overseas-listed Foreign Shares for listing and dealing on overseas stock exchange do not require the voting of a general meeting and/or class meeting held for such purposes. The Domestic Shares that are approved by the securities regulatory authority of the State Council to be converted into Overseas-listed Foreign Shares for listing and dealing on the Hong Kong Stock Exchange shall be of the same class as the Overseas-listed Foreign Shares that are listed on the Hong Kong Stock Exchange, and all of them are collectively referred to as the Overseas-listed Foreign Shares.

Article 21

The Domestic Unlisted Shares issued by the Company are centrally registered and deposited with China Securities Depository and Clearing Corporation Limited. The registration and settlement arrangements for the Overseas-listed shares issued by the Company shall be subject to the regulations applicable to the place where the shares of the Company are listed.

Article 22

The total number of shares issued at the time of the Company's establishment was 3,000,000,000 shares, with a nominal value of RMB1 per share. The promoters of the Company and the number of shares they subscribed for, along with the method and time of capital contribution, are as follows:

No.	Name of Promoters	Number of Shares Subscribed ('0000 shares)	Method of Capital Contribution	Time of Capital Contribution
1	CNOOC	289,999.9512 (Note 1)	Net assets converted into shares	25 April 2006
2	Zhejiang AMP Incorporation	2,500.0122	Net assets converted into shares	25 April 2006
3	Guangdong Agricultural Means Of Production Corporation	2,500.0122	Net assets converted into shares	25 April 2006
4	Shanghai Municipal Agricultural Means of Production Company Limited	2,500.0122 (Note 2)	Net assets converted into shares	25 April 2006
5	Transammonia, Inc.	2,500.0122 (Note 3)	Net assets converted into shares	25 April 2006

Note 1: When the Company issued 1.61 billion H Shares in 2006, CNOOC transferred 161 million shares from its holdings of 2,899,999,512 state-owned shares to the National Social Security Fund Council in accordance with the Notice of the State Council on Issuing the Interim Measures for Managing the Reduction of State-owned Shares to Raise Social Security Funds (Guofa [2001] No. 22) and relevant regulations, converting them into H Shares. CNOOC currently holds 2,738,999,512 Domestic Unlisted Shares in the Company.

Note 2: Shanghai Municipal Agricultural Means of Production Company Limited transferred 25,000,122 Domestic Unlisted Shares of the Company to 上海昊元（集團）有限公司 (now known as Shanghai Supply and Marketing Group Co., Ltd.) on 12 November 2015.

Note 3: Transammonia, Inc. was renamed Trammo, Inc. With the approval of the CSRC and the consent of Hong Kong Stock Exchange, Trammo, Inc. converted its 25,000,122 Domestic Unlisted Shares into H Shares for listing and trading on the Main Board of Hong Kong Stock Exchange on 30 December 2022.

Article 23

The number of shares issued by the Company is 4,610,000,000, all of which are ordinary shares.

Article 24

The Company or any subsidiary of the Company (including an affiliate of the Company) shall not give any financial assistance in the form of a grant, advance, guarantee or loan to others for the acquisition of the shares of the Company or its parent company, unless it carries out an employee share ownership plan.

For the benefit of the Company, the Company may, upon a resolution by the general meeting or by the board of directors under the Articles or the authorization of the general meeting, provide financial assistance for others to obtain the shares of the Company or its parent company, provided that the total accumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. A resolution by the board of directors shall be passed by two thirds or more of all the directors.

Section 2 Increase, Reduction and Repurchase of Shares

Article 25

The Company may, according to its requirements for operation and development, and in accordance with applicable laws, regulations, and the provisions of the Articles, increase its capital in the following ways, subject to the resolutions adopted at the general meeting:

- (1) issuing shares to unspecified targets;
- (2) issuing shares to specified targets;
- (3) bonus issue of new shares to existing shareholders;
- (4) convert statutory reserve fund to increase shares capital;
- (5) any other means required by laws and administrative regulations, the China Securities Regulatory Commission, and the securities regulatory rules of the place where the shares of the Company are listed (including but not limited to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter the “**Listing Rules**”), the same applies).

Article 26

The Company may reduce its registered capital. The Company must proceed in accordance with the procedure(s) under the Company Law and other relevant rules and the requirements of the Articles when it reduces its registered capital.

Article 27

The Company may not repurchase its own shares, save as under the following circumstances:

- (1) reduction of the registered capital of the Company;
- (2) merging with another company holding shares in the Company;
- (3) granting shares for staff shareholding plans or share option incentives;
- (4) demanding the Company to purchase their shares where shareholders object to the resolution of merger or demerger passed at a general meeting;
- (5) to use the shares for conversion into convertible corporate bonds issued by the Company;
- (6) being deemed necessary by the Company for the protection of the Company’s value and shareholders’ interests.

Article 28

The Company may purchase its shares through public centralized trading or other methods recognized by laws, administrative regulations, the CSRC and the securities regulatory rules of the place where the shares of the Company are listed.

The purchase of its shares by the Company under the circumstances set out in items (3), (5) and (6) of Article 27 shall be conducted through public centralized trading.

Article 29

Where the Company repurchases its shares under the circumstances set out in (1) and (2) of Article 27, a resolution shall be passed at the general meeting of the Company. Where the Company purchases its shares under the circumstances set out in items (3), (5) and (6) of Article 27, provided that it complies with the securities regulatory rules of the place where the shares of the Company are listed, a resolution shall be passed at a board meeting attended by more than two-thirds of the directors, according with the provisions of the Articles or with the authorization of the general meeting.

Subject to compliance with the securities regulatory rules of the place where the shares of the Company are listed, where the Company purchases its shares under the circumstances set out in Article 27(1), such shares shall be cancelled within 10 days from the date of purchase; where the Company purchases its shares under the circumstances set out in items (2) and (4), such shares shall be transferred or cancelled within 6 months; Where the Company purchases its shares under the circumstances set out in items (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company and such shares shall be transferred or cancelled within 3 years.

Section 3 Transfer of Shares

Article 30

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

All transfers of H Shares shall be effected by way of written instrument of transfer in general or ordinary format or any such other format as acceptable to the board of directors (including the standard format of transfer or form of transfer as prescribed by the Hong Kong Stock Exchange from time to time). Such instrument of transfer shall only be signed by hand or, if the transferor or the transferee is a company, affixed with a valid seal of such company. If the transferor or transferee is a recognized clearing house (hereinafter the “**recognized clearing house**”) as defined under the relevant ordinances of the Hong Kong laws in force from time to time or an agent thereof, the written instrument of transfer may be signed by hand or in machine-printed form. All instruments of transfer shall be kept at the legal address of the Company or other places as may be designated by the board of directors from time to time.

Article 31

The Company shall not accept any of its own shares as the subject of pledge.

Article 32

Shares issued by the Company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange.

Directors and senior management of the Company shall declare to the Company their shareholdings in the Company and any changes thereof, and shall not transfer more than 25% of the total number of shares of the Company held by them each year during their terms of office as determined when they assume the posts; the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The above personnel shall not transfer the shares of the Company held by them within half a year after they leave the Company.

If there are any other provisions regarding the transfer of the Company's shares held by shareholders as stipulated by laws, administrative regulations, the CSRC or the securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

Article 33

Shareholders, directors, or senior management officers holding more than five percent of the Company's shares, if selling the shares of the Company held or other equity securities held by them within six months after acquisition or buying back the shares within six months after selling, the profits from these transactions shall belong to the Company, and the board of directors shall reclaim the profits. However, this does not apply to securities companies holding over five percent of the shares due to the purchaser of remaining stocks after underwriting and as well as other circumstances specified by the CSRC.

Shares or other securities of an equity nature held by directors, senior management officers and natural person shareholders as mentioned in the preceding paragraph, including shares or other securities of an equity nature held by their spouses, parents, children, as well as shares held through others' accounts.

If the Company's board of directors fails to comply with the provisions of the first paragraph of this Article, shareholders are entitled to request the board of directors to comply within thirty days. If the Company's board of directors fails to comply within the aforementioned period, shareholders are entitled to file a lawsuit directly in their own name for the Company's interests in the People's Court.

If the Company's board of directors fails to implement the provisions of the first paragraph of this Article, the responsible directors shall bear joint and several liability according to the law.

CHAPTER 4 SHAREHOLDERS AND GENERAL MEETINGS

Section 1 General Provisions for Shareholders

Article 34

The Company shall prepare a register of members based on the evidence provided by the securities registration and clearing institution, and the register of members shall be sufficient evidence for the shares ownership of the shareholders in the Company. The register of H share shareholders shall be kept in Hong Kong and available to shareholders for inspection; however, the Company may suspend the handling of shareholder registration procedures in accordance with applicable laws and regulations and the provisions of the securities regulatory rules of the place where the shares of the Company are listed. A shareholder shall enjoy rights and bear obligations according to the class of shares held. Shareholders holding the same class of shares shall enjoy the same rights and bear the same obligations.

Article 35

When the Company convenes a general meeting, distributes dividend, conducts liquidation and engages in other activities that require the confirmation of the identity of shareholders, the board of directors or the convener of the general meeting shall determine the record date. Shareholders whose names appear on the register of shareholders after the close of trading on the record date shall be the shareholders entitled to relevant interests.

Article 36

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

- (1) To receive dividends and other distributions in proportion to the number of shares held;
- (2) To request to convene, summon, preside, attend or appoint proxies to attend general meetings, to speak at the

general meetings and vote thereat in accordance with the law;

- (3) To supervise and present proposals or raise enquiries about the Company's operations;
- (4) To transfer, gift or pledge shares held by them in accordance with laws, administrative regulations and the Articles;
- (5) To review and copy the Company's Articles of Association, register of shareholders, minutes of the general meetings of shareholders, resolutions of the board of directors' meeting, and financial and accounting reports; shareholders alone or in aggregate holding 3% or more of the Company's shares for one hundred and eighty consecutive days or more may also review the Company's accounting books and vouchers in accordance with applicable laws and regulations and the provisions of the Articles;
- (6) Participate in the distribution of surplus assets of the Company in proportion to the number of shares held in the event of the cessation or liquidation of the Company;
- (7) Requesting the Company to purchase their shares where shareholders object to the resolution of merger or demerger passed at a general meeting;
- (8) Other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles.

Article 37

Shareholders requesting to inspect or copy the Company-related materials referred to in item (5) of the preceding Article shall comply with the applicable laws and regulations such as the Company Law and the provisions of the Articles.

If a shareholder who meets the conditions set forth in the applicable laws and regulations and the Articles requests to inspect the accounting books and accounting certificates of the Company referred to in item (5) of the preceding Article, he/she shall submit a written request to the Company stating the purpose thereof and providing written documents certifying the type of shares held by him/her, as well as the number of shares and the period of time for which he/she has held the shares; If the Company has reasonable grounds to believe that the shareholder's inspection of the accounting books and certificates for an improper purpose that may harm the lawful interests of the Company, it may refuse to provide access for inspection, and shall reply to the shareholder in writing within 15 days from the date of the shareholder's written request, stating the reasons therefor; If the Company refuses to provide access for inspection, the shareholder may file a lawsuit with the People's Court. Shareholders, who requests to inspect and copy the other relevant materials of the Company referred to in item (5) of the preceding Article, shall submit a written requests to the Company, stating the purpose and providing written documents to prove the class and number of shares he/she has held. Having verified the identity of the shareholders, the Company shall provide the information within a reasonable period.

Article 38

Where the content of a resolution of the general meeting or the board meeting of the Company violates laws or administrative regulations, the shareholders shall be entitled to request the people's court to hold it invalid.

In the event the procedures for convening the shareholders' meeting and the board of directors meeting and voting thereat violate the law, administrative regulations or the provisions of the Articles, or the content resolved being in contrary to the Articles, the shareholder shall have the right to submit to the people's court to rescind the resolution within 60 days after the resolution is made. However, this does not apply if such procedures for convening the shareholders' meeting and the board meeting, or the voting thereat, have only minor flaws that have no substantial impact on the resolution.

Where the board of directors, 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, such as a cancellation of a resolution, the stakeholders shall execute the resolution of the shareholders' meeting. The Company, its 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 the relevant matter, the Company shall fulfil its obligations to disclose the information in accordance with laws, administrative regulations, the regulations of the CSRC and stock exchanges, fully explain the impact of the judgement or ruling on the Company, and actively cooperate with the authorities in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the correction in a timely manner and fulfil its obligations to disclose the information accordingly.

Article 39

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

- (1) the resolution was not made by a general meeting or a board meeting;
- (2) the resolution was not voted on at a general meeting or a board meeting;
- (3) the number of attendees of the meeting or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law and the Articles;
- (4) the number of attendees voting in favor of the resolution or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law and the Articles.

Article 40

In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or the Articles by directors and senior management, other than a member of the audit committee, when performing their duties, the shareholders holding 1% or more shares of the Company individually or jointly for over 180 consecutive days may submit a written request to the supervisory committee of the Company to file an action with the people's court. Where a member of the audit committee violates laws, administrative regulations or the Articles when performing their duties and causes loss to the Company, the above shareholders may submit a written request to the board of directors to file an action with the people's court.

In the event that the audit committee or the board of directors refuses to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fails to file an action within 30 days upon receipt of such request, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the shareholders specified in the preceding paragraph may, in their own name, directly file an action with the people's court for the interests of the Company.

In the event of any loss caused to the Company as a result of infringement upon the legitimate rights and interests of the Company by others, the shareholder as defined in the first paragraph of this Article may file an action with the people's court in accordance with the provisions of the foregoing two paragraphs.

In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or the Articles by directors, supervisors and senior management of the wholly-owned subsidiaries of the Company when performing their duties, the shareholders holding 1% or more shares of the Company individually or jointly for over 180 consecutive days may submit a written request to the supervisory committee and board of directors of such wholly-owned subsidiaries of the Company to file an action with the people's court or directly file an action with the people's court in their own name in accordance with the three preceding paragraphs of Article 189 of the Company Law. If the wholly-owned subsidiaries of the Company does not establish a supervisory committee or supervisors, and has an audit committee, it shall implement the provisions of the first and second paragraphs of this Article.

Article 41

If directors or senior management violate laws, administrative regulations, or the provisions of the Articles and harm the interests of shareholders, shareholders may file a lawsuit with the people's court.

Article 42

Shareholders of the Company shall assume the following obligations:

- (1) To abide by laws, administrative regulations and the Articles;
- (2) To pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) Not to withdraw its share capital unless under the circumstances stipulated by laws and regulations;
- (4) Not to abuse the rights of shareholders to damage the interests of the Company or that of other shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of shareholders to damage the interests of the creditors of the Company;
- (5) Other obligations that shall be assumed under laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the provisions of the Articles.

Article 43

If shareholders of the Company abuse their shareholder rights and cause losses to the Company or other shareholders, they shall bear compensation liability in accordance with the law. If a Company's shareholders abuse the independent status of the Company's legal person and the limited liability of shareholders, evade debts, and seriously harm the interests of the Company's creditors, they shall bear joint and several liability for the Company's debts.

Section 2 Controlling Shareholders and De Facto Controllers

Article 44

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

Article 45

Controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

- (1) to exercise their rights as shareholders in accordance with the law and not to abuse their control or use their connected relationship to prejudice the legitimate interests of the Company or other shareholders;
- (2) to strictly fulfil their public statements and various undertakings and not to change or waive such statements and undertakings;
- (3) to fulfil their information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are intended to occur;
- (4) not to appropriate the Company's funds in any way;
- (5) not to order, instruct, or request the Company and its relevant personnel to provide guarantees in violation of

laws and regulations;

- (6) not to make use of the Company's undisclosed material information to gain benefits, or disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-term trading, market manipulation or other illegal and unlawful acts;
- (7) not to prejudice the legitimate interests of the Company and other shareholders through unfair connected transactions, profit distribution, asset restructuring, external investment or any other means;
- (8) to ensure the integrity of the Company's assets, and the independence of its personnel, finance, organization and business, and not to affect the independence of the Company in any way;
- (9) laws, administrative regulations, provisions of the CSRC, provisions of the securities regulatory rules of the place where the shares of the Company are listed and other requirements of the Articles.

The controlling shareholder and de facto controller of the Company who does not serve as a director but actually executes the affairs of the Company shall be subject to the provisions of the Articles regarding the duties of loyalty and diligence of directors.

Where a controlling shareholder or de facto controller of the Company instructs a director or senior management to engage in an act that is detrimental to the interests of the Company or its shareholders, he/she shall bear joint and several liability with the director or senior management.

Article 46

Where a controlling shareholder pledges the shares of the Company that he/ she holds or effectively controls, he/she shall maintain the stability of the Company's control and that of its production and management.

Article 47

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

Article 48

A "controlling shareholder" as referred to in the Articles, shall mean a shareholder who fulfils any one of the following conditions:

- (1) Shareholders holding more than fifty percent of the total share capital of the Company;
- (2) Shareholders whose shares, although not exceeding fifty percent of the total share capital of the Company, possess voting rights sufficient to significantly influence the resolutions of the general meetings; or
- (3) Controlling shareholder as defined by the securities regulatory rules of the place where the shares of the Company are listed.

Section 3 General Provisions for General Meetings

Article 49

The general meeting of the Company is composed of all shareholders. A general meeting is the organ of authority of the Company and shall exercise its the following functions and powers in accordance with the laws:

- (1) To elect and replace directors (excluding directors who are employee representatives, hereinafter "**employee**

- directors**”) and to fix the remuneration of relevant directors;
- (2) To consider and approve the report of the board of directors;
 - (3) To consider and approve the Company’s plans for profit allocations and making-up losses;
 - (4) To pass resolutions in respect of the increase or reduction of the Company’s registered capital;
 - (5) To pass resolutions in respect of the merger, demerger, dissolution, liquidation or change of corporate form of the Company;
 - (6) To pass resolutions in respect of issues of corporate bonds;
 - (7) To pass resolutions in respect of the appointment, removal of the accounting firm responsible for the audit services of the Company;
 - (8) To consider and approve the acquisition or disposition of significant assets in excess of 30% of the latest audited total assets of the Company within one year;
 - (9) To consider and approve the following guarantees stipulated in Article 50 of the Articles;
 - (10) To amend the Articles;
 - (11) To consider and approve the change in the use of raised funds;
 - (12) To consider share incentive scheme and employee stock ownership plan;
 - (13) To consider other matters that shall be resolved by the general meeting under the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles.

A general meeting may authorize the board of directors to pass resolutions in respect of the issuance of corporate bond.

The Company may issue shares and convertible bonds authorized by a resolution of the general meeting or by a resolution of the board of directors authorized by the Articles or the general meeting, and the specific execution shall comply with the provisions of laws, administrative regulations, the CSRC, and the securities regulatory rules of the place where the shares of the Company are listed.

Except as otherwise provided by laws, administrative regulations, the provisions of the CSRC or the securities regulatory rules of the place where the shares of the Company are listed, the aforesaid powers and functions of the general meeting shall not be exercised by the board of directors or other institutions and individuals on behalf of the board of directors by way of authorization.

Article 50

The following external guarantees provided by the Company shall be approved at the general meeting:

- (1) The provision of any guarantee where the amount of the external guarantee by the Company and its controlled subsidiaries (the sum of the total amount of external guarantees of the Company, including the Company’s guarantee of the Company’s controlled subsidiaries, and the total amount of external guarantees of the Company’s controlled subsidiaries) exceeding 50% of the latest audited net assets;
- (2) Any guarantee to be provided after the total amount of external guarantees provided by the Company exceeding 30% of its latest audited total assets;
- (3) The amount of the guarantee provided to others by the Company for a year exceeding 30% of the Company’s latest audited total assets;
- (4) Provision of guarantee to any guaranteed party with an assets to liabilities ratio exceeding 70%;
- (5) Guarantees in which the amount of a single guarantee exceeds 10% of the latest audited net assets;
- (6) Provision of guarantees to shareholders, de facto controllers, and their associates;
- (7) Other external guarantee actions that must be submitted to general meetings for review and approval as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, or the Articles.

The term “external guarantee” referred to in the Articles means a guarantee provided by the Company for others, including guarantees made by the Company for its controlled subsidiaries.

Article 51

General meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings shall be held annually within 6 months after the end of the preceding accounting year.

Article 52

The Company shall hold an extraordinary general meeting within two months from the date of occurrence of any of the following circumstances:

- (1) The number of directors falls below the number of directors provided by the Company Law or two-thirds of the number of directors specified by the Articles;
- (2) The amount of unrecovered losses to be made up by the Company amounted to one-third of the total amount of its share capital;
- (3) When shareholders individually or collectively holding 10% or more of the Company’s shares (excluding shares held by the Company itself) request;
- (4) When deemed necessary by the board of directors;
- (5) When proposed by the audit committee;
- (6) Other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles.

Article 53

The venue of a general meeting shall be the domicile of the Company or other specific venue explicitly stated in the notice of the general meeting issued by the board. The general meeting will be held onsite at a designated venue. If permitted by applicable laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed and the conditions are available, the general meeting may be convened by means of electronic communication in addition to the on-site meeting venue, and the Company will provide the shareholders with the convenience of network voting; in the case of a general meeting convened by means of electronic communication, all shareholders shall have the right to express their views and cast their votes.

Section 4 Convening of General Meetings

Article 54

The board of directors shall timely convene the general meeting within the prescribed period.

With the approval of more than half of all independent directors, the independent directors are entitled to propose to the board of directors to convene an extraordinary general meeting of shareholders. Pursuant to the stipulation under the laws, administrative rules, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles, the board of directors shall give a written feedback on whether to approve or disapprove of the convening of the extraordinary general meeting within 10 days after the receipt of the independent directors’ proposal. If the board of directors agrees to convene the extraordinary general meeting, a notice for convening the general meeting shall be issued within 5 days after the resolution of convening the extraordinary general meeting has been made by the board of directors; If the board of directors does not agree to convene the extraordinary general meeting, it shall state the reasons and make an announcement in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed (if any).

Article 55

The audit committee's proposal to the board of directors to convene an extraordinary general meeting shall be made in writing to the board of directors. The board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the resolution of the board of directors is passed. Any change to the original proposal in the notice is subject to the consent of the audit committee.

If the board of directors does not agree to convene the extraordinary general meeting, or fails to give a reply within 10 days of receipt of the proposal, it is deemed that the board of directors is unable to perform or fails to perform its duty to convene a general meeting, and the audit committee may convene and preside over the meeting on its own.

Article 56

Shareholders individually or collectively holding 10% or more of the shares of the Company (excluding shares held by the Company itself) shall request the board of directors to convene an extraordinary general meeting by submitting a written request to the board of directors. The board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the written proposal.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the board of directors is passed. Any change to the original request made in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors does not agree to convene an extraordinary general meeting or does not reply within 10 days upon receipt of the proposal, the shareholders individually or jointly holding 10% or more of the shares of the Company (excluding shares held by the Company itself) may propose to the audit committee to convene an extraordinary general meeting, and such request shall be made in writing to the audit committee.

If the audit committee agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

If the audit committee fails to issue the notice of the general meeting within the prescribed period, it shall be deemed that the audit committee will not convene and preside over the general meeting, and shareholders individually or jointly holding 10% or more of the shares of the Company (excluding shares held by the Company itself) for 90 days or more consecutively may summon and preside over the meeting by themselves.

Article 57

If the audit committee or shareholders decide to convene a general meeting by themselves, a written notice shall be given to the board of directors and in the meantime report shall be made to the stock exchange for record in accordance with the securities regulatory rules of the place where the shares of the Company are listed (if any).

The audit committee or the shareholders that convene the general meeting shall, when issuing the notice for convening the general meeting and the announcement on resolution proposed to the general meeting, submit relevant supporting materials to the stock exchange in accordance with the securities regulatory rules of the place where the shares of the Company are listed (if any).

The shareholders that convene the general meeting shall hold at least 10% of the shares of the Company (excluding shares held by the Company itself) prior to the announcement of resolutions.

Article 58

For the general meetings convened by the audit committee or the shareholders, the board of directors and the secretary of board of directors shall coordinate accordingly. The board of directors shall provide the register of members on the record date.

Article 59

All necessary expenses incurred by the audit committee or the shareholders to convene the general meeting shall be borne by the Company.

Section 5 Proposals and Notices of General Meetings

Article 60

The matters contained in a proposal shall be fall within the terms of reference of the general meeting and shall have explicit topics and specific matters for resolution, and shall be in compliance with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles.

Article 61

When the Company convenes a shareholders meeting, the board of directors, the audit committee, and shareholders individually or jointly holding 1% or more of the shares of the Company shall have the right to submit proposals to the Company.

Shareholders individually or collectively holding one per cent or more of the shares of the Company may put forward a provisional proposal and submit it in writing to the convenor ten days before the date of the general meeting. The convenor shall, within two days after receiving the proposal, issue a supplementary notice of general meeting, announcing the contents of the provisional proposal and submitting the provisional proposal to the general meeting for consideration. However, temporary proposals that violate laws, administrative regulations or the provisions of the Articles, or that do not fall within the scope of authority of the general meeting, are excluded. If the general meeting must be postponed due to the issuance of a supplementary notice to shareholders as required by the securities regulatory rules of the place where the shares of the Company are listed, the holding of the general meeting shall be postponed in accordance with the provisions of those securities regulatory rules; if there are other special provisions regarding shareholders' proposals or the board of directors issuing supplementary notices to shareholders under those securities regulatory rules, such provisions must also be complied with.

Except as provided in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the general meeting or add any new proposals after issuing the notice of the general meeting.

Any proposal that is not stated in the notice of the general meeting or do not comply with the Articles shall not be voted and approved at the general meeting.

Article 62

The convenor shall notify all shareholders by announcement twenty days before the annual general meeting (or a longer period as stipulated by the securities regulatory rules of the place where the shares of the Company are listed, if any). The extraordinary general meeting shall be notified to all shareholders by announcement fifteen days before the meeting (or a longer period as stipulated by the securities regulatory rules of the place where the shares of the Company are listed, if any). In calculating the commencement period, the day of the meeting should not be included.

Article 63

The notice of general meetings shall include the following details:

- (1) the date, venue and duration of the meeting;
- (2) matters and proposals to be considered at the meeting;
- (3) a clear statement that all shareholders of ordinary shares are entitled to attend the general meeting, and to appoint proxy(ies) in writing to attend and vote at the meeting on his/ her behalf, and that a proxy need not be a shareholder of the Company;
- (4) state the record date for shareholders who are entitled to attend general meetings;
- (5) state the name and telephone number of the liaison person of the meeting;
- (6) the time and procedures for casting vote via the Internet or through other means (if any);
- (7) other requirements stipulated by the securities regulatory rules of the place where the shares of the Company are listed.

Article 64

If the proposal for the election of directors are submitted to the general meeting, the notice of such general meeting shall fully disclose the details of the candidates for directors, and shall at least include the following particulars:

- (1) personal information, such as educational background, working experience and part-time jobs;
- (2) whether the candidates are related with the Company or its controlling shareholders or actual controllers;
- (3) their shareholdings in the Company;
- (4) whether the candidates have been subject to penalties by the CSRC or other relevant authorities or sanctions by any stock exchanges;
- (5) other matters required to be disclosed by the securities regulatory rules of the place where the shares of the Company are listed.

Article 65

The venue for the on-site general meeting shall not be changed without proper reasons after the notice of general meeting has been despatched. If a change is necessary, the convenor shall make an announcement and explain the reasons in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed.

A general meeting shall not be postponed or cancelled without proper reasons after a notice of general meeting has been despatched. Motions set out in a notice of general meeting shall not be cancelled. Once the meeting is postponed or cancelled, the convenor shall make an announcement and explain the reasons in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed.

Where the securities regulatory rules of the place where the shares of the Company are listed contain special provisions on the procedures for adjournment or cancellation of a general meeting, such provisions shall apply to the extent that they do not contravene the applicable laws and regulations and securities regulatory requirements within the PRC.

Section 6 Holding of General Meetings

Article 66

The board of directors and other conveners shall take necessary measures to ensure the general meeting is in order and shall take measures to prevent any interference with the general meeting, disturbance and violation of the legitimate rights and interests of shareholders and promptly report the same to the relevant departments for investigation.

Article 67

All shareholders or their proxies registered on the share register as of the record date shall have the right to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations, and the Articles (unless individual shareholders are required to waive their voting rights on specific matters as stipulated by the securities regulatory rules of the place where the shares of the Company are listed).

Shareholders may attend the general meeting in person or appoint a proxy (who need not be a shareholder) to attend and vote on their behalf.

Should a recognized clearing house or its nominees, such shareholder may authorise its corporate representatives or such person or persons as it thinks fit to act as its representative at any general meeting or meeting of creditors; provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised, and the authorisation shall be signed by the authorised personnel of the recognized clearing house. A person so authorised may exercise rights on behalf of the recognized clearing house or its nominees (without having to present shareholding certificates, notarised authorisation and/or further evidence of formal authorisation), shall be entitled to the same statutory rights as other shareholders, and including the right to speak and to vote, as if such person were an individual member of the Company.

Article 68

Individual shareholders who attend the meeting in person shall present their identity cards or other valid documents or certificates that can indicate their identity; if he/she attends the meeting on behalf of another person, he/she shall present his/her valid identity card and the shareholder's power of attorney (unless such power of attorney has been deposited with the Company in advance in accordance with the requirements of the Listing Rules or the notice of the general meeting).

Shareholder that is a legal person shall be represented at the meeting by its legal representative or a proxy appointed by the legal representative. If a legal representative attends the meeting, he/she should produce his/her identity card, valid proof that he/she is a legal representative; A shareholder who is a corporation may also appoint a proxy to attend and vote at the meeting and, where such shareholder has appointed a proxy to attend any meeting, he/she shall be deemed to be present in person at the meeting. A shareholder who is a corporation may have a written power of attorney (form of proxy) executed by a duly authorised officer of the shareholder, and the proxy attending the meeting shall present his/her own identity card, and a written authorisation of power of attorney issued in accordance with the law by the legal representative of the entity of the shareholder who is a corporation (unless the power of attorney has been deposited in advance in accordance with the requirements of the Listing Rules or the notice of general meeting to be placed with the Company or unless the shareholder is a recognized clearing house or its nominees). The presence of a legal representative at the meeting shall be deemed to be the presence in person of such corporate shareholder.

If it involves H Shareholders, it shall be executed in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed.

Article 69

A proxy form issued by a shareholder to appoint another person as his/her proxy to attend the general meeting

shall contain the following information:

- (1) name or title of the appointer, category and quantity of shares held in the Company;
- (2) name or title of the nominees;
- (3) specific instructions from shareholders, including instructions to vote in favor, against, or to abstain on each item included in the agenda of the general meeting;
- (4) the signing date and validity period of the proxy form;
- (5) signature (or seal) of the appointer. If the appointer is a corporate shareholder, the corporate seal shall be affixed, or if there is no corporate seal, it shall be signed by a legally authorized person of the corporate shareholder.

If the securities regulatory rules of the place where the shares of the Company are listed provide otherwise on the contents of the authorization letter, such provisions shall prevail.

Article 70

The power of attorney for voting by proxy and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarised power of attorney or other authority, shall be deposited at the residence of the Company or such other place as specified for that purpose in the notice of the meeting, not less than twenty-four hours before the time for holding the meeting or twenty-four hours before the time appointed for the voting. The notarised power of attorney or other authorization documents and the power of attorney for voting by proxy shall be deposited at the Company's address or at such other place as specified for that purpose in the notice of meeting.

Article 71

The register of attendees shall be prepared by the Company, which shall set out the attendees' names (or the names of the entities they represent), ID numbers, numbers of shares with voting rights held or represented and names of the appointors (or the names of the entities they represent).

Article 72

The convener and the lawyers hired by the Company shall jointly verify the legitimacy of shareholder qualifications based on the register of members provided by the securities registration and clearing institution, and register the names of the shareholders and the numbers of shares with voting rights he/she holds. The meeting registered shall be closed by the time the chairman of the meeting announces the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights they hold.

If the Listing Rules provide otherwise, such provisions shall prevail.

Article 73

Where any directors and senior management are required to attend the general meeting, such directors and senior management shall be present at the meeting and reply the enquiries of shareholders.

Article 74

General meetings shall be presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to or fails to perform his/her duties, the meeting shall be presided over by the director elected jointly by more than half of directors.

A general meeting convened by the audit committee shall be presided over by the convenor of the audit committee (also referred to as the chairman of the audit committee, hereinafter the same). Where the chairman of the audit committee is unable or fails to perform his/her duties, a member of the audit committee shall be jointly elected by more than half of the members to preside over the meeting.

A general meeting convened by shareholder(s) itself/themselves shall be presided over by the conveners or a representative elected by them.

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

Article 75

The Company may formulate rules of procedure for the general meeting, stipulating in detail the summon, convening and voting procedures of the general meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and their signatures, and announcements, etc., as well as the principle of authorisation by the general meeting to the board of directors, and the content of the authorisation shall be clear and specific.

The rules of procedures for the general meeting shall be formulated as an annex to the Articles by the board of directors and subject to the approval of the general meeting

Article 76

At the annual general meeting, the board of directors shall report on their work to the shareholders for the past year. Each independent director shall also report on his/her duties in accordance with the provisions of the securities regulatory rules where the shares of the Company are listed (if any).

Article 77

The directors and senior management shall make explanation and interpretation on the inquiry and suggestions raised by shareholders at the general meeting.

Article 78

The chairman of the meeting shall announce the number of shareholders and proxies present at the meeting and the total number of shares with voting rights they hold before voting. The number of shareholders and proxies present at the meeting and the total number of shares with voting rights they hold shall be based on the meeting register.

Article 79

Minutes of the general meeting shall be kept by the secretary of board of Directors.

The minutes of the general meeting shall specify the following:

- (1) time, venue, agenda of the meeting, and the name of the convener;
- (2) the names of the chairman of the meeting, and the directors and senior management attending or present as non-voting participants at the meeting;
- (3) the number of shareholders and proxies of the Company holding Unlisted Domestic Shares and Overseas-listed Shares attending the meeting, the total number of voting shares they hold and the proportion of these shares to the total number of the shares of the Company;
- (4) the consideration process, summaries of speeches and voting result for each proposal;
- (5) the inquiries or suggestions of the shareholders, and the corresponding replies or explanations;
- (6) the name of lawyer (if any), teller and scrutineer;
- (7) other matters which shall be recorded in the minutes of the meeting pursuant to the Articles.

Article 80

The convener shall ensure that the minutes of a meeting shall be true, accurate and complete. The minutes shall be signed by the attending directors, the secretary of board of directors, convener or his representative, and the chairman of the meeting. Minutes shall, together with the register relating to the shareholders present at the meeting in person and the proxy form if present by proxy, or (if any) via Internet or other permitted means be kept by the Company for a period of not less than 10 years.

Article 81

A convener shall ensure the continuity of the general meeting until a final resolution is formed. In the event that a general meeting is adjourned or no resolution can be made thereat due to force majeure and other special circumstances, the convener shall take necessary measures to restore the meeting as soon as possible, or directly terminate the meeting and make an announcement promptly in accordance with the securities regulatory rules of the place where the shares of the Company are listed. At the same time, the convener shall report to the local office of the CSRC and the stock exchange in accordance with applicable laws and regulations and the provisions of the securities regulatory rules of the place where the shares of the Company are listed (if any).

Section 7 Voting and Resolutions of General Meetings

Article 82

Resolutions of general meetings shall be passed either as ordinary resolutions or as special resolutions.

The passing of an ordinary resolution shall require votes representing more than half of the voting rights represented by shareholders (including shareholder proxies) present at the meeting casting in favour of the resolution.

The passing of a special resolution shall require votes representing more than two-thirds of the voting rights

represented by shareholders (including shareholder proxies) present at the meeting casting in favour of the resolution.

Article 83

The following matters shall be passed by ordinary resolutions at a general meeting:

- (1) work reports of the board of directors;
- (2) profit distribution plans and loss recovery plans formulated by the board of directors;
- (3) appointment and removal of members of the board of directors (excluding employee directors, if any) and their remuneration and method of payment;
- (4) matters other than those required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles to be adopted by special resolution.

Article 84

The following matters shall be passed by special resolutions at a general meeting:

- (1) increase or reduction of the registered capital of the Company;
- (2) division, split, merger, dissolution, and liquidation (including voluntary winding-up) of the Company;
- (3) amendments to the Articles;
- (4) purchase or disposal of material assets or provision of external guarantee by the Company within 1 year with an amount exceeding 30% of the latest audited total assets of the Company;
- (5) share incentive scheme;
- (6) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles, and other matters considered by the general meeting, by way of ordinary resolution, to have a material impact on the Company and need to be approved by special resolution.

Article 85

A shareholder (including shareholder proxy) shall exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote. If the securities regulatory rules of the place where the shares of the Company are listed otherwise provide, such provisions shall prevail.

Shares in the Company held by the Company do not have any voting right and shall not be counted in the total number of shares carrying voting rights attending a general meeting.

Article 86

When related-party transactions are considered at the general meeting, related-party shareholders shall abstain from voting, and the number of voting shares they hold shall not be counted towards the total number of valid votes; the announcement of the resolutions of the general meeting shall fully disclose the voting situation of non-related-party shareholders in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed.

According to the applicable laws and regulations and the requirements of the securities regulatory rules of the place where the shares of the Company are listed, if any shareholder is required to abstain from voting on a particular resolution, or is restricted to only vote in favor for (or against) a particular resolution, any votes cast by such shareholders or their proxies in violation of such requirements or restrictions shall not be counted.

Article 87

Unless the Company is in a crisis or under any other exceptional circumstance, the Company shall not enter into any contract with any person other than a director and senior management of the Company, according to which the Company entrusts the management of its business, wholly or essentially, to such person, unless it is approved at the general meeting by way of special resolution.

Article 88

List of candidates for directors (excluding employee directors) shall be submitted to the general meeting by way of proposal.

Article 89

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

Article 90

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

Article 91

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

Article 92

The voting at any general meeting shall be taken by way of registered poll. However, subject to the provisions of the listing rules, the chairman of the meeting may, in good faith, decide to allow a resolution which relates purely to a procedural or administrative matters to be voted on by show of hands.

Article 93

In case of a poll, a shareholder (including proxy) entitled to two or more votes need not cast all his or her votes in favor, against or abstain from voting.

Article 94

Before voting on a proposal at a general meeting, two representatives of shareholders shall be elected to participate in the counting and monitoring of votes. If shareholders are related to the matters considered, such shareholders and their proxies may not participate in the counting or monitoring.

When the general meeting votes on the proposal, the counting and monitoring of votes shall be jointly conducted by the lawyer and the representatives of the shareholders, and the voting results shall be announced on the spot, and the voting results of the resolution shall be recorded in the minutes of meeting.

Where the securities regulatory rules of the place where the shares of the Company are listed provide otherwise for the counting and supervision of votes as described above, such provisions shall prevail.

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

Article 95

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

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

Article 96

Shareholders attending the general meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative, or abstention. This requirement does not apply where the securities registration and clearing institution, acting as a nominee holder of shares under the mutual access mechanism of the mainland and Hong Kong stock markets, or a recognized clearing house or its nominee, acting as a nominee holder, submits a declaration by the instructions of the beneficial holders.

Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his/her voting rights and the voting result for his/her shares shall be deemed as an “abstention”.

Article 97

If the chairman of the meeting shall have any doubt as to the outcome of any resolution that has been put to vote, he shall organize a recount of the votes cast. Any shareholder present in person or by proxy who disputes the announcement of the chairman of the meeting of the poll results may immediately following such announcement of the voting results demand the votes be counted if the chairman of the meeting has not already done so, and the chairman of the meeting shall thereupon organize a recount of the votes cast.

Article 98

The resolution of the general meeting shall be promptly announced and state the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of these shares to the total number of voting shares of the Company, the form of voting, the poll results of each proposal, and the details of each resolution passed and other information shall be announced required by the securities regulatory rules of the place where the shares of the Company are listed.

Article 99

In the event that a proposal is not passed, or a resolution passed at a previous general meeting is modified at the general meeting, a special note shall be made in the announcement on resolutions of the general meeting in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed (if any).

Article 100

Where a proposal on the election of directors is passed at a general meeting, the term of office of the newly appointed directors shall commence at the end of the general meeting.

Article 101

Where a proposal on the distribution of cash dividends or bonus shares or on share capital increase with transfers from the capital reserves has been passed at a general meeting, the Company shall implement a specific plan in accordance with applicable laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed upon the conclusion of the general meeting.

CHAPTER 5 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 102

Shareholders holding different classes of shares shall be regarded as class shareholders.

Class shareholders shall be entitled to such rights and undertake such obligations as provided by laws, administrative regulations and the Articles.

Article 103

The variation or abrogation of class rights by the Company shall be passed at a general meeting by way of a special resolution as well as passed by the affected class shareholders at class meetings held in accordance with Articles 105 to 109 hereof.

Any variation or abrogation of class rights resulting from changes in laws, administrative regulations and listing rules and from decisions made by domestic and foreign regulatory authorities in accordance with the laws is not subject to approval at a general meeting and/ or class meeting, unless otherwise stipulated in the applicable laws, regulations, listing rules or decisions made by domestic and foreign regulatory authorities.

Any transfer by holders of Domestic Shares of the Company of all or part of the shares held by them to overseas investors for listing and dealing on overseas stock exchanges or the conversion of all or part of the Domestic Shares into Overseas-listed Foreign Shares for listing and dealing on overseas stock exchanges shall not be deemed as a proposed variation or abrogation of class rights by the Company.

Article 104

Unless otherwise stipulated in the applicable laws, regulations, listing rules and the Articles, the following circumstances shall be deemed to be variation or abrogation of the rights of a certain class of shareholders:

- (1) The increase or decrease of the number of shares of such class, or the increase or decrease of the number of shares of another class having rights to voting, distribution or other privileges equivalent or superior to the class of shares in question;
- (2) The conversion of all or part of the shares of such class into shares of another class or vice versa or the grant of such conversion rights;
- (3) The cancellation or reduction of the right to receive accrued or accumulated dividends attached to or acquired by such class of shares;
- (4) The reduction or cancellation of preferential rights to dividends or asset distribution in the event of the Company's liquidation attached to the shares of such class;
- (5) The increase, cancellation or reduction of share conversion rights, options, voting rights, rights of transfer, pre-emptive subscription rights and rights to acquire the Company's securities attached to the shares of such class;
- (6) The cancellation or reduction of the right attached to the shares of such class to receive amounts payable by the Company in designated currencies;
- (7) The creation of a new class of shares having rights to voting, distribution or other privileges equivalent or superior to those of the class of shares in question;
- (8) The imposition or escalation of restrictions on the rights to transfer or own shares in such class;
- (9) The issuance of subscription or conversion rights for the class of shares in question or another class of shares;
- (10) The increase of rights and privileges of shares of another class;
- (11) The restructuring of the Company that would result in different classes of shareholders undertaking liability in the restructuring in a disproportionate manner;
- (12) The variation or abrogation of the terms provided herein.

Article 105

Shareholders of the affected class, whether or not otherwise having the right to vote at general meetings, shall have the right to vote at class meetings in respect of businesses described in paragraphs (2) to (8), (11) to (12) of Article 104, provided that interested shareholders shall not vote at class meetings.

The aforesaid “interested shareholder” shall mean the following:

- (1) In the event of a share repurchase by the Company pursuant to the provisions of Article 32 of the Articles by way of a repurchase offer on a pro-rata basis or by open trading through the stock exchange, an “interested shareholder” shall mean the “controlling shareholder” as defined in Article 48;
- (2) In the event of a share repurchase by an off-market agreement outside the stock exchange pursuant to the provisions of Article 28 of the Articles, an “interested shareholder” shall mean a holder of the shares to which the proposed contract relates;
- (3) In the event of the Company’s restructuring, an “interested shareholder” shall mean a shareholder within a class who undertakes liability to a lesser extent by proportion compared to other shareholders in the same class or who has an interest different from the interests of other shareholders in that class.

Article 106

Resolutions of a class meeting shall be passed, in accordance with Article 105, by votes representing more than two-thirds of the voting rights of shareholders of that class present at the meeting.

Article 107

The Company shall give notice of a class meeting in writing forty-five days before the date of the class meeting to notify all registered class members of the businesses to be considered, and the date and venue of the class meeting. A shareholder who intends to attend the class meeting shall deliver his or her reply slip of attendance twenty days before the date of the class meeting. The quorum of any class meeting (but excluding any adjourned meeting) held for the purpose of considering the variation or abrogation of the rights of any class of shares shall be more than one-third of the holders of that class of shares.

The Company may hold the class meeting if the number of shares carrying voting rights at the meeting represented by shareholders who intend to attend the meeting reaches more than one-half of the voting shares at the class meeting, otherwise the Company shall notify the shareholders again of the businesses to be considered and the date and venue for the meeting by way of an announcement within five days. The Company may hold the class meeting after notification by way of such announcement.

Article 108

Notices of class meetings shall be required to be served only on shareholders who are entitled to vote thereat.

Procedures of class meetings shall be identical with procedures of general meetings insofar as practicable. The provisions herein relating to the manner in which general meetings shall be conducted shall apply to class meetings.

Article 109

Save for holders of other classes of shares, holders of Domestic Shares and holders of Overseas-listed Foreign Shares shall be deemed to be holders of different classes of shares.

The special procedures for voting at a class meeting shall not apply in the following circumstances:

- (1) The issue of either Domestic Shares or Overseas-listed Foreign Shares or both by the Company at an interval of twelve months with the approval of a general meeting by way of a special resolution, with the number of Domestic Shares and Overseas-listed Foreign Shares proposed to be issued not more than twenty percent. of the number of issued shares outstanding in each class;
- (2) The completion of plans to issue Domestic Shares and Overseas-listed Foreign Shares upon the Company's establishment within 15 months from the date of approval of such plans by the securities regulatory authority of the State Council;
- (3) The transfer by holders of Domestic Shares of the Company of all or part of the shares held by them to overseas investors for listing and dealing on overseas stock exchanges or conversion of all or part of the Domestic Shares into Overseas-listed Foreign Shares for listing and dealing on overseas stock exchanges as approved by the securities regulatory authority of the State Council.

CHAPTER 6 DIRECTORS AND BOARD OF DIRECTORS

Section 1 General Provisions on Directors

Article 110

A director of the Company is a natural person, he shall not serve as a director of the Company if he has any of the following circumstances:

- (1) He has no civil capacity or has limited civil capacity;
- (2) He has been sentenced to a criminal penalty for corruption, bribery, embezzlement, misappropriation of property or disruption of the socialist market economic order, or has been deprived of political rights for a crime, and the execution period has not expired for more than five years, and if he has been given a suspended sentence, the period has not expired for two years since the expiration of the suspended sentence;
- (3) He serves as a director or factory director or manager of a bankrupt liquidation company or enterprise and bears personal responsibility for the bankruptcy of the company or enterprise, and the period has not expired for three years since the completion of the bankruptcy liquidation of the company or enterprise;
- (4) He serves as the legal representative of a company or enterprise whose business license has been revoked or ordered to close due to illegal activities, and bears personal responsibility, and the period has not expired for three years since the company or enterprise's business license was revoked or ordered to close;
- (5) Those who have a relatively large amount of debts that are due but have not been repaid and have been listed as dishonest persons subject to enforcement by the people's court;
- (6) Those who have been banned from the securities market by the China Securities Regulatory Commission and the ban has not expired;
- (7) Those who have been publicly identified by the stock exchange as unsuitable to serve as directors, senior managers, etc. of listed companies and the ban has not expired;

- (8) Other contents stipulated by laws, administrative regulations, departmental regulations or securities regulatory rules of the place where the shares of the Company are listed.

If the election or appointment of a director violates the provisions of this article, the election, appointment or engagement shall be invalid. If a director encounters the circumstances specified in this article during his term of office, the Company will remove him from his position and stop him from performing his duties.

Article 111

Directors (excluding employee directors, if any) are elected or replaced by the general meeting and may be removed from office by the general meeting before the expiration of their term of office, but such removal does not affect the director's claim for damages under any contract. Employee directors (if any) are democratically elected by the Company's employees through employee representative conferences, employee conferences or other forms, and do not need to be submitted to the general meeting for deliberation.

The term of office of directors is three years per term, and they can be re-elected after the expiration of their term of office. If the securities regulatory rules of the place where the shares of the Company are listed have other provisions on the re-election of directors, such provisions shall prevail.

The term of office of directors shall be calculated from the date of taking office until the expiration of the term of office of the current board of directors. If the director's term of office expires and is not re-elected in time, before the re-elected director takes office, the original director shall still perform the duties of a director in accordance with the provisions of laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles.

Directors may be concurrently appointed as senior management personnel, but the total number of directors concurrently appointed as senior management personnel and employee directors (if any) shall not exceed one-half of the total number of directors of the Company.

Article 112

Directors shall abide by laws, administrative regulations, securities regulatory rules for the place where the shares of the Company are listed and the provisions of the Articles, have a duty of loyalty to the Company, take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their power to seek improper benefits.

Directors owe the following duties of loyalty to the Company:

- (i) They shall not embezzle the Company's property or misappropriate the Company's funds;
- (ii) They shall not deposit the Company's funds in an account opened in their own name or in the name of any other individual;
- (iii) They shall not use their power to bribe or accept other illegal income;
- (iv) They shall not directly or indirectly enter into a contract or conduct transactions with the Company without reporting to the board of directors or the general meeting and obtaining a resolution of the board of directors or the general meeting in accordance with the provisions of the Articles;

- (v) They shall not use their position to seek business opportunities belonging to the Company for themselves or others, except where they have reported to the board of directors or the general meeting and obtained a resolution of the general meeting, or the Company cannot use the business opportunity in accordance with the provisions of laws, administrative regulations or the Articles;
- (vi) They shall not operate the same business as the Company for themselves or for others without reporting to the board of directors or the general meeting and obtaining a resolution of the general meeting;
- (vii) They shall not take the commission from others' transactions with the Company for themselves;
- (viii) They shall not disclose Company secrets without authorization;
- (ix) Not to use their affiliated relationship to harm the interests of the Company;
- (x) Other loyalty obligations stipulated by laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles.

The income obtained by the directors in violation of this article shall belong to the Company; if the Company suffers losses, the directors shall bear the liability for compensation.

The provisions of paragraph 2, item (4) of this article shall apply to the contracts or transactions between the close relatives of directors and senior management personnel, or the enterprises directly or indirectly controlled by directors, senior management personnel or their close relatives, and associates with other related relationships with directors and senior management personnel and the Company.

Article 113

Directors shall abide by the laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the provisions of the Articles, have a duty of diligence to the Company, and shall perform their duties with the reasonable care that managers usually take for the best interests of the Company.

Directors have the following duty of diligence to the Company:

- (i) They shall exercise the rights granted by the Company prudently, seriously and diligently to ensure that the Company's business behaviour complies with the requirements of national laws, administrative regulations and various national economic policies, and that business activities do not exceed the business scope specified in the business license;
- (ii) They shall treat all shareholders fairly;
- (iii) They shall promptly understand the Company's business operations and management status;
- (iv) They shall sign written confirmation opinions on the Company's periodic reports in accordance with the provisions of the securities regulatory rules (if any) of the place where the shares of the Company are listed, and ensure that the information disclosed by the Company is true, accurate and complete;

- (v) They shall truthfully provide relevant information and materials to the audit committee and shall not hinder the audit committee from exercising its powers;
- (vi) Other duty of diligence stipulated by laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the shares of the Company is listed and the Articles.

Article 114

If a director fails to attend the board meetings in person for two consecutive times and does not authorize other directors to attend, he shall be deemed to be unable to perform his duties, and the board of directors shall recommend to the general meeting to remove him (if the director is an employee director, the employees should be advised to remove him through an employee representative conference, an employee conference or other democratic forms).

Article 115

A director may resign before the expiration of his term of office. A director shall submit a written resignation report to the Company upon resignation, and the resignation shall take effect on the day the Company receives the resignation report. The Company shall disclose relevant information in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed. If the resignation of a director causes the number of members of the Company's board of directors to fall below the statutory minimum number, before the newly elected director takes office, the original director shall still perform the duties of a director in accordance with the provisions of the laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles.

Article 116

The Company shall establish a director resignation management system in accordance with the provisions of the securities regulatory rules (if any) of the place where the shares of the Company are listed, and clarify the safeguards for accountability and compensation for unfulfilled public commitments and other unfulfilled matters. When a director's resignation takes effect or his term of office expires, he shall complete all handover procedures with the board of directors. His fiduciary obligations to the Company and shareholders are not automatically terminated after the end of his term of office, and remain valid within a reasonable period specified in the Articles. The responsibilities that a director should bear for performing his duties during his term of office shall not be exempted or terminated due to his resignation.

Article 117

The general meeting may resolve to dismiss a director (excluding employee directors, if any), and the dismissal shall take effect on the date the resolution is made. The Company's employees may dismiss employee directors (if any) through employee representative conferences, employee conferences or other democratic forms, and the dismissal shall take effect on the date the resolution is made.

If a director is dismissed before the expiration of his term without justifiable reasons, the director may request compensation from the Company.

Article 118

No director may act on behalf of the Company or the board of directors in his personal name without the provisions of the Articles or the legal authorization of the board of directors. When a director acts in his personal

name, if a third party would reasonably believe that the director is acting on behalf of the Company or the board of directors, the director shall declare his position and identity in advance.

Article 119

If a director causes damage to others while performing his duties of the Company, the Company shall bear the liability for compensation; if the director is intentional or grossly negligent, he shall also bear the liability for compensation.

If a director violates the provisions of laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the shares of the Company are listed, or the Articles while performing his duties and causes losses to the Company, he shall bear the liability for compensation.

Section 2 Board of Directors

Article 120

The Company shall have a board of directors consisting of five to eleven directors, including one chairman , who shall be elected by the board of directors with a majority of all directors.

The board of directors shall have at least three independent directors, and the number of independent directors shall account for at least one-third of the total number of board members. If the Company has more than 300 employees, the board of directors shall have one employee director.

Article 121

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

- (1) To hold general meeting and to present its work report thereat;
- (2) To implement the resolutions of general meetings;
- (3) To determine the Company's business plans and investment plans;
- (4) To formulate the Company's proposals for profit allocation and making up losses;
- (5) To formulate plans for the Company to increase or reduce its registered capital, issue bonds or other securities and listing;
- (6) To formulate plans for major acquisitions of the Company, acquisitions of the Company's own shares, or mergers, divisions, dissolutions and changes in corporate form;
- (7) To decide on matters such as the Company's external investment, acquisition and sale of assets, asset mortgage, external guarantee, entrusted financial management, related-party transactions, external donations, etc. within the scope of authorization of the general meeting;
- (8) To decide on the establishment of the Company's internal management structure;

- (9) To decide on the appointment or dismissal of the Company's president, secretary of the board of directors and other senior management personnel, and decide on their remuneration, rewards and penalties; pursuant to the president's nomination, decide on the appointment or dismissal of the Company's vice president, CFO (Chief Financial Officer) and other senior management personnel, and decide on their remuneration, rewards and penalties;
- (10) To formulate the Company's basic management system;
- (11) To formulate amendment plans for the Articles;
- (12) To manage the information disclosure matters of the Company;
- (13) To propose to the general meeting to hire or replace the accounting firm for the audit service of the Company;
- (14) To listen to the work report of the Company's president and inspect the president's work;
- (15) Other powers granted by laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the shares of the Company listed, the Articles or the general meetings.

Article 122

When the board of directors intends to appoint senior management of the Company, the organisation of the Party of the Company shall deliberate the candidates of senior management personnel nominated and make suggestions, or recommend candidates for senior management to the board of directors.

The board of directors shall consult the organisation of the Party of the Company before making decisions on significant matters such as the reform and development direction, primary objectives and missions as well as key tasks and arrangements of the Company.

Article 123

The Company's board of directors shall explain to the general meeting the non-standard audit opinion issued by the certified public accountant on the Company's financial statements in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed (if any).

Article 124

The board of directors shall formulate the rules of procedure for board meetings to ensure that the board of directors implements the resolutions of the general meeting, improves work efficiency, and ensures scientific decision-making.

The rules of procedure of the board of directors provide for the convening and voting procedures of the board of directors, which are annexed to the Articles of Association and are prepared by the board of directors and approved by the general meeting.

Article 125

The board of directors shall determine the authority for external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, related transactions, external donations,

etc., and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and submitted to the general meeting for approval.

If the transactions of the Company may constitute related transactions and/or transactions that must be announced under the securities regulatory rules of the place where the shares of the Company are listed, the Company shall implement them in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed.

Article 126

The chairman shall exercise the following functions and powers:

- (1) To preside over general meetings and to hold and preside over board meetings;
- (2) To supervise and examine the execution of resolutions of the board of directors;
- (3) To exercise other powers conferred by the board of directors.

Article 127

More than one-half of the directors shall jointly nominate a director to perform the duties of the chairman if the chairman is unable to or does not perform his duties.

Article 128

The board of directors shall hold at least four regular meetings every year, and called by the chairman. Notice of a board meeting shall be served on all directors at least fourteen days before the date of the meeting. The aforementioned four regular meetings of the board of directors do not include obtaining approval from the board of directors by circulating written resolutions.

Article 129

An extraordinary board meeting may be held upon the request of more than one-tenth of shareholders with voting rights, more than one-third of the directors or the audit committee. The chairman shall hold and preside over an extraordinary board meeting within ten days of receipt of the request.

Article 130

Where a decision has to be made pursuant to the exercise of the preferential trading right, option or first right of refusal in relation the Agreement to Avoid Competition executed between the Company and the controlling shareholder, CNOOC on 7 September 2006:

- (1) If all the independent Directors of the Company do not agree that the Company should exercise such right, then the Company shall make a decision of the same;
- (2) If all or more than one-half of the independent Directors of the Company agree that the Company should exercise such right, then the Company shall make a decision of the same;

- (3) Save for (1) and (2) above, if under other circumstances, a board meeting should be held by the Company, and in accordance with the resolution of the Board, the Board should call a general meeting to resolve the exercise of such right by voting on the aforesaid business by a general meeting pursuant to Article 86 of the Articles.

Article 131

The notification method for the board of directors to convene an extraordinary meeting of the board of directors is: personal delivery, mail, email, fax, etc. The notification deadline is: three days before the meeting. If the listing rules have other provisions on the notification deadline for the convening of an extraordinary meeting of the board of directors, such provisions shall prevail.

Article 132

The notice of the board meeting shall include the following:

- (i) the date and location of the meeting;
- (ii) the duration of the meeting;
- (iii) the reasons and agenda;
- (iv) the date of issuance of the notice.

Article 133

The Company shall be deemed to have issued a meeting notice to a director in accordance with the applicable laws and regulations and the relevant provisions of the Articles if he is present at the meeting of the board of directors, despite his disputes of not having received the notice of such meeting prior to or at the meeting.

Article 134

Board meetings may not be held unless attended by more than one-half of the directors. Resolutions of the board of directors must be passed by a majority of all directors; if applicable laws and regulations, securities regulatory rules for the place where the shares of the Company are listed and the Articles provide otherwise, such provisions shall prevail.

The voting on board resolutions is based on one person, one vote.

Article 135

If a director is connected with or related to an enterprise or an individual, the director shall report to the board of directors in a timely manner in writing. Directors with related relationships shall not exercise voting rights on the resolution, nor may they exercise voting rights on behalf of other directors. If a director or any of his close associates has a material interest in any contract, arrangement or any other proposal, the relevant director shall not exercise voting rights on the board resolution approving the contract, arrangement or proposal, nor shall he be counted in the quorum present at the meeting. The board meeting may be held by more than one-half of the unconnected or unrelated directors present. The resolution of the board meeting shall be passed by more than

one-half of the unconnected or unrelated directors present. Where there are not more than three unconnected or unrelated directors present at the board meeting, the business shall be referred to a general meeting for consideration and approval. If applicable laws and regulations or securities regulatory rules for the place where the Company's shares are listed have additional provisions or restrictions on directors' participation in board meetings and voting, such provisions shall prevail.

Article 136

The board of directors shall hold meetings in person, by communication (such as video conferencing, telephone conference or with the aid of similar communication equipment, as long as all directors attending the meeting can hear the speeches of other directors and talk or communicate with each other through the above equipment), or in person and by communication, and voting shall be conducted by raising hands or by written voting.

Article 137

A director shall attend board meetings in person, if a director is unable to attend for any reasons, he may appoint in writing other directors to represent him to attend the board meeting on his or her behalf. The letter of appointment, which is signed or sealed by the appointer, shall state the name of representative, details of the appointment, the scope of authorisation and the period of validity.

The director so appointed shall exercise his or her power within the scope of authorisation. A director who fails to attend and appoint a representative to attend a meeting shall be deemed to have waived his or her rights to vote at that meeting.

Article 138

Minutes of board meetings should record the businesses considered and decisions reached by the board of directors. Directors present at the board meeting shall sign the minutes of the meeting.

The directors shall be responsible for the resolutions passed by the board of directors. Directors participating in a resolution of the board of directors shall be liable to indemnify the Company against any substantial losses caused to the Company as a result of such resolution contravening laws, administrative regulations or the Articles and resolutions of general meetings, save for directors who have expressed dissents in voting as recorded in the minutes shall be absolved from any liability.

Minutes of board meetings should be kept as company records for a period of not less than ten years.

Article 139

The minutes of the board of directors meeting shall include the following contents:

- (i) the date, place and name of the convener of the meeting;
- (ii) the names of the directors present and the names of the directors (agents) present at the board of directors on behalf of others;
- (iii) the agenda of the meeting;

- (iv) the main points of the directors' speeches;
- (v) the voting method and results of each resolution item (the voting results shall state the number of votes in favor, against or abstention);
- (vi) other contents specified in the securities regulatory rules of the place where the shares of the Company are listed.

Article 140

Unless otherwise provided in the Listing Rules and the Articles, the board may adopt written resolutions in lieu of a board meeting. However, the draft resolution must be served on each director personally by means of one of the following ways of personal delivery, E-mail, facsimile, express delivery or registered mail; if the above written resolution has been delivered to all directors, and the number of directors who have signed one or more written draft resolutions of the same format and content has reached the statutory number required to make the relevant decision, and it has been delivered to the secretary of the board of directors in the above manner, then the written resolution shall become a legal and valid resolution of the board of directors and shall be deemed to be as valid as a resolution passed at a legally convened board meeting, without the need of calling a board meeting.

Section 3 Independent Directors

Article 141

The independent directors shall conscientiously perform their duties in accordance with the requirements of laws, administrative regulations, the CSRC, the provisions of the securities regulatory rules of the place where the shares of the Company are listed and the Articles, and serve the roles of participation in decision-making, supervising and balancing, and professional consulting in the board of directors, so as to safeguard the interests of the Company as a whole and to protect the legal rights and interests of minority shareholders.

Article 142

An independent director shall maintain his/her independence. None of the following persons may serve as an independent director:

- (1) persons working in the Company or its subsidiary and their spouses, parents, children and near relatives;
- (2) persons who directly or indirectly hold 1% or above 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;
- (3) persons working in a shareholder's unit which holds 5% or above 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;
- (4) persons working in the affiliates of the Company's controlling shareholders or actual controllers and their spouses, parents and children;
- (5) persons having material business dealings with the Company and its controlling shareholders, actual controllers or their respective affiliates, or persons working in entities that have material business dealings with the Company, and their controlling shareholders or actual controllers;

- (6) persons providing financial, legal, consulting, sponsorship and other services for the Company, its controlling shareholders, actual 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;
- (7) persons falling under the conditions mentioned in clauses (1) to (6) during in the latest twelve months;
- (8) persons who are deemed as not independent under laws, administrative regulations, the requirements of the CSRC, the provisions of the security regulatory rules of the place where the shares of the Company are listed and the Articles.

Affiliates of the Company's controlling shareholders and actual controllers as set out in clauses (4) to (6) 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 of directors. The board of directors shall evaluate the independence of the existing independent directors annually in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed (if any) and issue a special opinion, and disclose the same in the annual report.

In assessing whether a director can act as an independent director, the Company will take into account the factors set out in Rules 3.13(1) to (8) of the Listing Rules. If a director has such circumstances, the director's independence may be questioned.

Article 143

An independent director of the Company shall meet the following conditions:

- (1) to have the qualifications to hold office as a director of a listed company according to the relevant requirements of laws and administrative regulations;
- (2) to meet the independence requirements stipulated under the Articles;
- (3) to have basic knowledge of the operation of a listed company, to be familiar with the relevant regulations, and rules;
- (4) 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;
- (5) to possess good personal integrity and have no records of major breach of trust or other negative records;
- (6) to have fulfilled other conditions required by laws, administrative regulations, the requirements of the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles.

Article 144

As members of the board of directors, the independent directors shall owe fiduciary duties and due diligence duties to the Company and its shareholders as a whole, and shall be prudent in fulfilling the following duties:

- (1) to participate in the decision making of the board of directors and express clear opinions on matters discussed;
- (2) to supervise potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, directors, and the senior management to protect the legitimate rights and interests of minority shareholders;
- (3) 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 of directors;
- (4) to review connected transactions and other material transactions in accordance with the requirements of the Listing Rules;
- (5) other duties as stipulated by laws, administrative regulations, CSRC regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles.

Article 145

An independent director shall exercise the following special powers:

- (1) to independently engage intermediaries to audit, consult, or verify specific matters of the Company;
- (2) to propose for the convening of extraordinary general meetings to the board of directors;
- (3) to propose for the convening of board meetings;
- (4) to publicly solicit shareholders' rights from shareholders in accordance with the law;
- (5) to express independent opinions on matters that may jeopardize the rights and interests of the Company or minority shareholders;
- (6) other powers as stipulated by laws, administrative regulations, CSRC regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles.

In the event that an independent director exercises any of the powers listed in clauses (1) to (3) of the preceding paragraph, the exercise of such powers shall be subject to the approval of a majority of all independent directors.

The Company shall disclose in a timely manner if an independent director exercises the powers listed in clause (1) in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed (if any). If the aforementioned powers cannot be exercised properly, the Company shall disclose the specific circumstances and reasons thereof in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed (if any).

Article 146

The following matters shall be submitted to the board of directors for consideration after being approved by the majority of all independent directors of the Company:

- (1) related party transactions that are discloseable;
- (2) changes in or waivers of commitments by the Company and related parties;
- (3) decisions made and measures taken by the board of directors of the acquired listed company in relation to the acquisition;
- (4) other matter as prescribed by laws, administrative regulations, CSRC regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles.

Article 147

The Company shall establish a mechanism for special meeting attended solely by independent directors. Matters such as related party transactions to be considered by the board of directors shall be approved in advance by a special meeting of the independent directors.

The Company shall hold the special meetings of independent directors on a regular or irregular basis. Clauses (1) to (3) of Article 145 and the matters set out in Article 146 of the Articles shall be considered by the special meetings of independent directors.

The special meetings of independent directors may study and discuss other matters of the Company as needed.

Special meetings of independent directors shall be convened and presided over by an independent director jointly elected by the majority of the independent directors; if the convenor fails or is unable to perform his/her duties, two or more independent directors may convene and elect a representative to preside over the meeting on their own.

Minutes of the special meeting of independent directors shall be made in accordance with regulations, and the opinions of independent directors shall be stated in the minutes. Independent directors shall sign and confirm the minutes.

The Company shall provide convenience and support for the convening of the special meetings of independent directors.

The chairman shall hold meetings with the independent directors without the presence of other directors at least once a year.

If the Listing Rules provide otherwise in respect of the above matters in this Article, such provisions shall prevail.

Section 4 Specialised Committees of the Board of Directors

Article 148

The board of directors shall establish an audit committee to exercise the duties of the supervisory committee as required by the Company Law and the duties of the audit committee as required by the securities regulatory rules of the place where the shares of the Company are listed.

Article 149

The audit committee shall consist of three or more members, who are directors not serving as senior management of the Company, of whom a majority shall be independent directors, with an accounting professional among the independent directors serving as the convenor (also referred to as the chairman of the audit committee).

Article 150

The audit committee is responsible for auditing and disclosing the financial information of the Company, supervising and evaluating the internal and external auditing work and internal control. The following matters shall be submitted to the board of directors for consideration after being approved by more than half of the members of the audit committee:

- (1) disclosure of the financial information in the financial accounting reports and regular reports, as well as the internal control evaluation reports;
- (2) appointment or removal of the accountants firm undertaking the audit work of the listed Company;
- (3) appointment or removal of the CFO of the Company;
- (4) change of accounting policies and accounting estimates or correction of significant accounting errors resulting from reasons other than changes in accounting standards;
- (5) other matters specified by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles.

Article 151

The audit committee shall hold at least one meeting each quarter. An extraordinary meeting may be held when it is proposed by two or more members, or when it is deemed necessary by the convener. Meetings of the audit committee shall be held only if more than two-thirds of the members are present.

The audit committee shall pass a resolution upon the approval of more than half of its members.

The voting on the resolutions of the audit committee shall be one person, one vote.

Minutes shall be prepared for the resolutions of the audit committee as required and shall be signed by the members of the audit committee present at the meetings.

The board of directors shall be responsible for establishing the rules of procedure for the audit committee.

If the Listing Rules provide otherwise in respect of the above matters in this Article, such provisions shall prevail.

Article 152

The board of directors of the Company established other special committees, as needed, for strategy and investment, nomination and remuneration, and shall perform their duties in accordance with the Articles and the authorization of the board of directors. The proposals of the specialized committees shall be submitted to the

board of directors for deliberation and decision. The nomination committee and the remuneration committee shall comprise a majority of independent directors. The nomination committee shall be convened by chairman of the board or an independent director (also referred to as the chairman of the committee). The remuneration committee shall be convened by an independent director (also referred to as the chairman of the committee). The rules of procedure of the specialized committees shall be formulated by the board of directors.

Article 153

The nomination committee of the board of directors is responsible for formulating the criteria and procedures for selection of directors and senior managers, selecting and reviewing the candidates for directors and senior managers and their qualifications, and making recommendations to the board of directors on the following matters:

- (1) Nomination or appointment and removal of directors;
- (2) Appointment or dismissal of senior managers;
- (3) Other matters as stipulated by laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles.

If the board of directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and the specific reasons for its non-adoption in the resolution of the board of directors and disclose the same in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed (if any).

If the Listing Rules provide otherwise in respect of the above matters in this Article, such provisions shall prevail.

Article 154

The remuneration committee shall be responsible for formulating assessment standards for and conducting appraisals of directors and senior management, formulating and reviewing remuneration policies and packages such as decision-making mechanism, decision-making process, payment and stop payment recourse arrangement for directors and senior management, and making recommendations to the board of directors in respect of the following matters:

- (1) The remuneration of directors and senior management;
- (2) The formulation or change of the share incentive scheme and employee share ownership plan, the granting of benefits to incentive targets and the achievement of conditions for the exercise of such benefits;
- (3) Arrangement of shareholding plans by directors and senior management in the subsidiaries to be spun off;
- (4) Other matters as stipulated by laws, administrative regulations, the CSRC, the securities regulatory rules of the places where the shares of the Company are listed and the Articles.

If the board does not adopt or does not fully adopt the recommendations of the remuneration committee, it shall record the remuneration committee's opinion and the specific reasons for not adopting the same in the resolution of the board and disclose the same in accordance with the requirements of the provisions of the securities regulatory rules in the place where the shares of the Company are listed (if any).

If the Listing Rules provide otherwise in respect of the above matters in this Article, such provisions shall prevail

CHAPTER 7 SENIOR MANAGEMENT

Article 155

The Company shall have one president, the appointment or dismissal of which shall be determined by the board of directors.

The Company shall have a number of vice presidents, the appointment or dismissal of which shall be determined by the board of directors.

Article 156

The provisions in relation to the circumstances under which one may not serve as a director, and the resignation management system in the Articles, shall be applicable to the senior management.

The provisions in relation to duties of loyalty and diligence of directors in the Articles shall be applicable to the senior management.

Article 157

A person who serves positions other than directors and supervisors in the entities of controlling shareholders shall not serve as a senior management of the Company concurrently. The senior management of the Company shall only be entitled to remuneration from the Company but not from the controlling shareholders on behalf of the Company.

Article 158

The term of office of the president is for three years and may be renewed for another term.

Article 159

The president shall be accountable to the board of directors and shall exercise the following functions and powers:

- (1) To be in charge of the Company's production, operation and management and to organise the implementation of resolutions of the board of directors and report to the board of directors;
- (2) To organise the implementation of the Company's annual operation plans and investment plans;
- (3) To draw up plans for the establishment of the Company's internal management structure;
- (4) To draw up the Company's basic management system;
- (5) To formulate the specific basic rules and regulations of the Company;

- (6) To propose to the board of directors to appoint or dismiss the Company's vice presidents and CFO;
- (7) To appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (8) Other functions and powers conferred by the Articles or the board of directors.

The president shall be in attendance at board meetings.

Article 160

The president shall formulate detailed working rules and submit the same to the board of directors for approval before implementation.

Article 161

The working rules for the president shall contain the following details:

- (1) Conditions for the convening of and the procedures for the president's meetings, and the attendees thereof;
- (2) Specific duties and division of work of the president and other senior management;
- (3) The authority to use the funds and assets and execute material contracts, and the system of reporting to the board of directors;
- (4) Other matters as the board of directors considers necessary.

Article 162

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

Article 163

The appointment or dismissal of the Company's vice presidents and the determination of their remuneration and disciplinary matters shall be made by the board of directors pursuant to the president's nomination. The vice president is responsible for assisting the president in his/her work within the scope of his/her duties.

Article 164

The Company shall have a secretary of board of directors, who is responsible for the organization of general meetings and board meetings, document keeping and management of information regarding the shareholders of the Company, dealing with information disclosure and other matters.

The secretary of board of directors shall comply with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles.

Article 165

If a senior management causes losses to others in performing his/her duties, the Company shall be liable for compensation; the senior management shall also be liable for compensation if there is intentionality or gross negligence on his/her part.

If a senior management violates the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles while performing his/her duties for the Company, causing losses to the Company, he/she shall be liable for compensation.

Article 166

Senior management of the Company shall perform their duties with due diligence and safeguard the best interests of the Company and all shareholders.

If any senior management fails to perform their duties with due diligence or violates his/her fiduciary duties and harm the interests of the Company and the public shareholders, he/she shall be liable for compensation in accordance with the laws.

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT ALLOCATION AND AUDIT

Section 1 Financial and Accounting System

Article 167

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and the requirements of the relevant state authorities.

Article 168

The Company's annual financial accounting reports shall be made available for shareholders' inspection at the Company twenty days prior to the date of annual general meeting; If the Listing Rules provide otherwise, such provisions shall prevail

Article 169

The Company shall disclose its annual report within four months from the end of each accounting year, and disclose its interim report within two months from the end of the first half of each accounting year; If the Listing Rules provide otherwise, such provisions shall prevail.

The aforesaid annual report, interim report shall be prepared in accordance with relevant laws, administrative regulations, the CSRC and securities regulatory rules of the places where the shares of the Company are listed.

Article 170

The Company shall not set up separate accounting books other than its statutory books of accounts. The assets of the Company shall not be deposited in any account opened in the name of any individual.

Article 171

Upon allocation of the profit after tax of the Company for the current year, ten percent. of the profit after tax shall be allocated and transferred to the Company's statutory reserve. The Company may cease to allocate funds to the statutory reserve when the accumulated amount of such reserve reaches fifty percent. or above of the registered capital of the Company.

Profit of the current year shall be applied to make up the losses of the previous years prior to any transfers to the statutory reserve in accordance with the provisions of the preceding paragraph if the Company's statutory reserve is insufficient for making up such losses.

The Company may make transfers from its profit after tax to the discretionary reserve with the approval of a general meeting after making transfers from the same to the statutory reserve.

The remaining after-tax profit of the Company after making up losses and transfers to the reserves shall be distributed to the shareholders on a pro-rata basis in accordance with their shareholdings.

Any distribution of profit to shareholders by a general meeting in contravention to the Company Law, the profits so distributed shall be returned by the shareholders to the Company; Shareholders and the liable directors and senior management shall be liable for compensation for any losses caused to the Company.

Shares in the Company held by the Company will not participate in the distribution of profit.

Article 172

The Company's profit distribution policy is as follows:

(1) Basic principles for the profit distribution policy of the Company

1. The Company shall take into full account the returns for investors and, without violating the provisions on dividends as stipulated by the Company Law and the securities regulatory rules of the place where the shares of the Company are listed, distribute dividends to shareholders each year based on a specified proportion of the net profit attributable to the shareholders of the parent company as reflected in the consolidated financial statements for that year. Subject to applicable laws and regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the provisions of the Articles, the Company may choose to carry out interim profit distribution.
2. The profit distribution policy of the Company shall be consistent and stable, while taking into account the long-term interests of the Company, the entire interests of shareholders as a whole, and the sustainable development of the Company.
3. The Company shall give priority to the method of profit distribution in cash dividends.

(2) Specific policies on profit distribution of the Company

1. Forms of profit distribution

The Company distributes profits in cash, shares, a combination of cash and shares, or by other means permitted by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the shares of the Company are listed.

2. Specific conditions and proportion of cash dividends

The objective of the Company's cash dividend policy is a stable dividend distribution ratio. Except for special circumstances, under the premise that the Company's cash can meet the Company's sustainable operation and long-term development, the Company in the current year's profit and cumulative undistributed profits (calculated based on the consolidated statement of net profit attributable to shareholders of the parent company) is positive, the Company's annual distribution of profits in cash is not less than 20% of the net profit attributable to shareholders of the parent company in the consolidated statement of net profit realized in the that year.

The above "special circumstances" refer to: (1) the Company expects to incur significant cash expenditures such as major foreign investments, mergers, and acquisitions, repayment of debts, or purchase of equipment within the next twelve months; (2) the Company's most recent audit report is an unqualified opinion or an unqualified opinion with a paragraph on material uncertainties related to the continuing operation, the gearing ratio is higher than a certain specific percentage, the operating cash flow is lower than a certain specific level, the Company has a loss for the year or the accumulated undistributed profit is negative, the profit distribution may not be made; (3) other significant special circumstances approved by the general meeting at a rate of less than 20% of the consolidated statement of net profit attributable to the shareholders of the parent company realized in the year.

3. Specific conditions for the distribution of share dividends

When the Company is in good operating condition and the board of directors believes that the price of the Company's shares does not match the size of the Company's share capital and that the issuance of share dividends is beneficial to the interests of all shareholders of the Company as a whole, the Company may make a proposal for the distribution of share dividends provided that the abovementioned conditions for the distribution of cash dividends are met.

(3) Procedures for consideration of the Company's profit distribution plan

1. The profit distribution plan of the Company shall be prepared by the management of the Company and submitted to the audit committee and the board of directors for consideration in turn. The board of directors of the Company shall fully discuss the reasonableness of the profit distribution plan in conjunction with the review opinions of the audit committee and form a resolution before submitting it to the general meeting for consideration. The profit distribution plan shall be adopted by an ordinary resolution of the general meeting.
2. Where the Company is unable to distribute cash dividends due to the special circumstances stipulated in the preceding item (2), the board of directors shall explain the specific reasons for not distributing cash dividends and other matters, and submit them to the general meeting for deliberation and disclosure after the independent directors have expressed their opinions in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed (if any).
3. Decision-making procedures for adjustment or change of profit distribution policy of the Company

In the event of force majeure such as war or natural disasters, or changes in the external operating environment of the Company which have a significant impact on the production and operation of the Company, or major changes in the Company's own operating conditions, the Company may adjust or change the profit distribution policy as provided for in the Articles. The board of directors shall fully discuss the reasonableness of the adjustment or change of the profit distribution policy, and submit the resolution to the general meeting for consideration after the independent directors have expressed their opinions in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed (if any). When the general meeting deliberates, any amendment to the Articles shall be passed by the general meeting by way of a special resolution.

Article 173

After the Company's general meeting has resolved on the profit distribution plan, or after the board of directors of the Company has formulated a specific plan in accordance with the conditions and upper limit of the next year's interim dividend distribution as considered and approved by the annual general meeting, the dividend (or share) distribution shall be completed in accordance with applicable laws and regulations and the provisions of the securities regulatory rules of the place where the shares of the Company are listed.

Article 174

The Company's reserve may only be applied for making up the Company's losses, expanding the production and business of the Company or to increase the registered capital of the Company.

The capital reserve shall be used for making up losses of the Company, first utilizing discretionary reserve and statutory reserve; if the losses cannot be fully offset, the capital reserve may be utilized by the regulations.

In the event of a transfer of statutory reserve to registered capital, the balance of such reserve shall not be less than twenty-five percent. of the registered capital of the Company prior to the transfer.

Article 175

The general meeting may authorise the board of directors to distribute interim dividends by ordinary resolution. That is, when the Company convenes the annual general meeting to review the annual profit distribution plan, it may consider and approve the conditions, upper limits on the ratio, and upper limits on the amount for the interim cash dividend for the following year. The upper limit for interim dividends shall not exceed the net profit attributable to the shareholders of the Company for the corresponding period; The board of directors shall formulate a specific interim dividend plan based on the resolution of the general meeting, provided that it meets the conditions for profit distribution; The interim dividend shall be based on the most recent audited undistributed profits, taking into account the current profit situation reasonably.

Article 176

Dividends and other payments by the Company to holders of Domestic Unlisted Shares shall be calculated and declared and payable in Renminbi. Dividends or other payments by the Company to holders of Overseas-listed Shares shall be calculated and declared in Renminbi and payable in the currency of the place where such shares are listed or in Renminbi.

Article 177

Distribution of dividends and other payments payable by the Company to holders of Overseas-listed Shares in foreign currency shall be in accordance with the relevant foreign exchange administration regulations of the State.

Article 178

The Company shall withhold tax payable in respect of dividend to be received by shareholders and pay such tax on behalf of such shareholders in accordance with the provisions of the tax laws of the PRC.

Article 179

The Company shall appoint receiving agents to receive on behalf of the holders of Overseas-listed Shares in respect of the distribution of dividend and other payments by the Company on Overseas-listed Shares.

The receiving agent appointed by the Company shall meet the requirements of the relevant provisions of the law or the securities regulatory rules of the place where the shares of the Company are listed.

The receiving agent appointed by the Company for holders of Overseas-listed Foreign Shares shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Subject to compliance with applicable laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed, all dividends unclaimed by shareholders for one year from the date of declaration of the dividends by the Company may be invested or otherwise made use of by the Company until claimed. The Company may exercise the power of forfeiture for unclaimed dividends; however, this power shall not be exercised before the expiration of the applicable relevant time limit.

Section 2 Internal Audit

Article 180

The Company implements an internal audit system, clarifying the leadership structure, responsibilities and authorities, personnel allocation, funding guarantees, application of audit results, and accountability for the internal audit work.

The internal audit system of the Company shall be implemented upon approval by the board of directors and disclosed externally in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed (if any).

Article 181

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

Article 182

The internal audit organization shall be accountable to the board of directors.

The internal audit organization shall accept the supervision and guidance of the audit committee during the

process of supervising and inspecting the Company's business activities, risk management, internal controls, and financial information. If the internal audit organization discovers any significant issues or clues, it shall report directly to the audit committee immediately.

Article 183

The specific organization and implementation of the Company's internal control evaluation is the responsibility of the internal audit organization. The Company issues an annual internal control evaluation report based on the evaluation report issued by the internal audit organization and considered by the audit committee, as well as relevant information, by the provisions of the securities regulatory rules of the place where the shares of the Company are listed (if any).

Article 184

When the audit committee communicates with external audit units such as certified public accounting firm and national audit institutions, the internal audit organization should actively cooperate and provide the necessary support and collaboration.

Article 185

The audit committee participates in the assessment of the head of internal audit.

Section 3 Appointment of Certified Public Accounting Firm

Article 186

The Company appoint a certified public accounting firm qualified under the applicable laws and regulations to conduct the audit of the financial statements, verification of net assets, and other related consulting services, with a term of one year, which may be renewed.

Article 187

The appointment and dismissal of the certified public accounting firm shall be decided by the general meeting. The board of directors shall not appoint the certified public accounting firm before the decision of the general meeting.

Article 188

The Company shall guarantee to provide the certified public accounting firm with authentic and complete accounting vouchers, books and financial reports and other financial materials, and shall not refuse, hide from or make any false statement to the certified public accounting firm.

Article 189

The remuneration of a certified public accounting firm shall be subject to the approval of the general meeting.

Article 190

The Company shall notify the certified public accounting firm 30 days in advance when dismissing or no longer renewing the accounting firm. The certified public accounting firm shall have the right to state its opinion when the general meeting votes on dismissing the accounting firm.

Where the resignation is proposed by the certified public accounting firm, it shall make clear to the general meeting whether or not there are any irregularities on the part of the Company.

CHAPTER 9 NOTICES AND ANNOUNCEMENTS

Article 191

Notices of the Company shall be served in the following forms:

- (1) Delivery by person;
- (2) Delivery by pre-paid mail;
- (3) Delivery by electronic mail;
- (4) Delivery by facsimile;
- (5) By way of announcement;
- (6) Subject to the requirements of the securities regulatory rules of the place where the shares of the Company are listed, by means of an announcement publish on the website of the Company and/or the websites designated by the listing rules from time to time;
- (7) Other forms as agreed beforehand between the Company and the one being notified, or endorsement by the one being notified of having received the notice;
- (8) Other forms required by applicable laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles.

Article 192

Any notice of the Company given by way of announcement shall be deemed to be received by all relevant persons once the announcement is made.

Article 193

The notices of general meetings convened by the Company shall be issued by way of announcement.

Article 194

The notices of meetings of the board of directors convened by the Company shall be delivered by person,

electronic mail, facsimile, pre-paid mail.

Article 195

Where the notice is sent by person, the recipient shall sign (or seal) the receipt acknowledgement and the date of the signature of such recipient shall be the date of service; Where the notice is sent by mail, it shall be deemed served on the third business day after the date of delivery to the post office; Where the notice is served by announcement, the date of the first publication shall be the date of service; Where the notice is sent by electronic mail or facsimile, the date of sending shall be the date of service.

If holders of H Shares are involved, it shall be subject to the provisions of the securities regulatory rules of the place where the shares of the Company are listed.

Article 196

Under the premise of the Company's observation of the securities regulatory rules of the place where the shares of the Company are listed and the Articles, regarding the providing or sending by the Company of corporate communications (as defined in the Listing Rules) to shareholders of the overseas listed shares in accordance with requirements of Listing Rules, the Company may also electronically or at the Company's website or such website of the Hong Kong Stock Exchange, post such information so as to send or provide such information to shareholders of the overseas listed shares, in lieu of such delivery by person or pre-paid mail to the shareholders of the overseas listed shares.

Article 197

The meeting and the resolution of the meeting shall not be null and void purely because the notice of the meeting fails to be delivered to or received by any person entitled to the notice due to accidental omission.

CHAPTER 10 MERGER, DEMERGER, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Demerger, Capital Increase and Capital Reduction

Article 198

Merger shall be effected by absorption or by creation of a new entity.

When one company absorbs another company, it is an absorption merger, and the absorbed company is dissolved. When two or more companies merge to establish a new company, it is a creation of a new entity, and the merging parties are dissolved.

Article 199

If the price paid for a merger does not exceed 10% of the net assets of the Company, it may not be subject to a resolution of the general meeting, except as otherwise provided in the Articles.

If the Company merges in accordance with the provisions of the preceding paragraph without the resolution of

the general meeting, it shall be subject to the resolution of the board of directors.

Article 200

In a merger of the Company, all parties to a merger shall sign the merger agreement and shall prepare their respective balance sheets and inventory lists of assets. The Company shall notify its creditors within ten days from the date of passing the merger resolution and make an announcement in the newspapers such as China Securities Journal or on the National Enterprise Credit Information Publicity System within thirty days.

Creditors shall, within a period of thirty days from the date of receipt of the written notification or within forty-five days from the date of the announcement for those who do not receive written notification, have the right to claim full repayment or provision of a corresponding guarantee from the Company.

Article 201

Upon the merger of the Company, the debts and indebtedness due to and by the parties to the merger shall be assumed by the surviving or new company.

Article 202

In a demerger of the Company, the assets of the Company shall be divided accordingly.

In a demerger of the Company, balance sheets and inventory lists of assets shall be prepared. The Company shall notify its creditors within ten days from the date of passing the demerger resolution and make an announcement in the newspapers such as China Securities Journal or on the National Enterprise Credit Information Publicity System within thirty days.

Article 203

Debts due by the Company prior to the demerger shall be assumed by the demerged companies, unless otherwise agreed between the Company and the creditors prior to the demerger in respect of the settlement of debts.

Article 204

When the Company reduces its registered capital, it will prepare a balance sheet and property list.

The Company shall notify creditors within ten days from the date when the general meeting makes a resolution to reduce the registered capital, and shall announce it in newspapers such as China Securities Journal or the National Enterprise Credit Information Publicity System within thirty days. Creditors have the right to require the Company to repay debts or provide corresponding guarantees within thirty days from the date of receipt of the notice, or within forty-five days from the date of the announcement if they have not received the notice.

When the Company reduces its registered capital, it shall reduce its capital contribution or shares in proportion to the shares held by shareholders, except as otherwise provided by law or the Articles

Article 205

If the Company still suffers losses after making up for losses in accordance with the provisions of the second paragraph of Article 174 of the Articles, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the losses, the Company shall not distribute to shareholders, nor shall it exempt shareholders from the obligation to pay capital contributions or share payment.

If the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of the second paragraph of Article 204 of the Articles shall not apply, but it shall be announced in newspapers such as China Securities Journal or in the National Enterprise Credit Information Publicity System within 30 days from the date on which the general meeting makes a resolution to reduce the registered capital.

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

Article 206

If the registered capital is reduced in violation of the Company Law and other relevant regulations, shareholders shall return the funds they have received, and if shareholders' contributions are reduced or exempted, the original state shall be restored; if losses are caused to the Company, shareholders and responsible directors and senior management personnel shall bear liability for compensation.

Article 207

When the Company issues new shares to increase its registered capital, shareholders do not enjoy priority subscription rights, except where otherwise provided in the Articles or the general meeting resolves that shareholders enjoy priority subscription rights.

Article 208

Where registration particulars are changed as a result of the Company's merger or demerger, applications shall be made in accordance with the law to register any changes in registration particulars with the company registration authority. The Company shall proceed with the cancellation of its registration according to the law if the Company is dissolved. The Company shall proceed with the registration of the new company in accordance with the law if a new company is established.

If the Company increases or decreases its registered capital, it shall apply for change of registration to the company registration authority in accordance with the law.

Section 2 Dissolution and Liquidation

Article 209

The Company shall be dissolved due to the following reasons:

- (1) The business term stipulated in the Articles expires or other reasons for dissolution stipulated in the Articles occur;
- (2) A resolution of the general meeting to dissolve the Company;

- (3) Dissolution required by the merger or demerger of the Company;
- (4) The business licence of the Company being revoked or cancelled or the Company being ordered to be closed down in accordance with the law;
- (5) If the Company's operation and management encounters serious difficulties and its continued existence will cause significant losses to the interests of shareholders, and this problem cannot be resolved through other means, shareholders holding more than 10% of the Company's voting rights may request the people's court to dissolve the Company.

If the Company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

Article 210

If the Company is in the situation described in Article 209, Paragraph 1, Item (1) or (2) of the Articles and has not yet distributed property to shareholders, it may continue to exist by amending the Articles or by resolution of the general meeting.

If the Articles is amended or a resolution of the general meeting is made in accordance with the provisions of the preceding paragraph, it must be approved by more than two-thirds of the voting rights held by shareholders attending the general meeting.

Article 211

Where the Company is dissolved pursuant to paragraphs (1), (2), (4) and (5) of item 1 of Article 209 of the Articles, it shall be liquidated. The directors shall be the persons responsible for the liquidation of the Company and shall form a liquidation committee within fifteen days from the date when the cause of dissolution occurs to carry out liquidation.

The liquidation committee is composed of directors, except where otherwise provided in the Articles or the shareholders resolve to elect other persons.

If the person with liquidation obligations fails to perform his liquidation obligations in a timely manner, causing losses to the Company or creditors, he shall bear liability for compensation.

Article 212

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (1) To sort out the assets of the Company, prepare balance sheet and inventory lists of assets respectively;
- (2) To notify, announce to creditors;
- (3) To handle and liquidate the unfinished business of the Company;
- (4) To settle all outstanding taxes due and taxes incurred during the process of liquidation;

- (5) To sort out all debts and indebtedness due to and by the Company;
- (6) To distribute the surplus assets of the Company after repayment of all debts;
- (7) To represent the Company in civil litigation.

Article 213

The liquidation committee shall notify creditors within ten days from the date of its establishment and publish an announcement in newspapers such as China Securities Journal or the National Enterprise Credit Information Publicity System within sixty days. Creditors shall declare their claims to the liquidation committee within thirty days from the date of receipt of the notice, or within forty-five days from the date of the announcement if they have not received the notice.

When creditors declare their claims, they shall explain the relevant matters of the claims and provide supporting materials. The liquidation committee shall register the claims.

During the period of declaring claims, the liquidation committee shall not pay off creditors.

Article 214

The liquidation committee shall formulate a liquidation plan and submit it to the general meeting or people's court for confirmation after sorting out the assets of the Company and preparing the balance sheet and inventory lists of assets.

After the Company's assets are used to pay liquidation expenses, employees' wages, social insurance expenses and statutory compensation, taxes owed, and the Company's debts, the remaining assets shall be distributed by the Company in accordance with the proportions of shares held by the shareholders.

The Company shall continue to exist, but shall not commence any business operations unrelated with the liquidation during the liquidation period.

The Company's assets will not be distributed to shareholders until it has been liquidated in accordance with the provisions of the preceding paragraph.

Article 215

The liquidation committee shall apply to the people's court for the Company's insolvent bankruptcy liquidation in accordance with the law if the liquidation committee discovers, after sorting out the assets of the Company and preparing the balance sheet and inventory lists of the Company's assets, that the Company's assets are insufficient to repay all the debts of the Company.

After the people's court accepts the bankruptcy application, the liquidation committee shall hand over its liquidation duties to the bankruptcy administrator designated by the people's court.

Article 216

After completion of the liquidation of the company, the liquidation committee shall prepare a liquidation report. The said report shall be confirmed by a general meeting or the people's court, and submit the said reports to the company registration authority and apply for a cancellation of the registration of the Company.

Article 217

The members of the liquidation committee shall be liable for the performance of their liquidation duties and shall bear the obligation of loyalty and diligence.

If a member of the liquidation committee fails to perform his liquidation duties and causes losses to the Company, he shall bear the liability for compensation; if he causes losses to creditors intentionally or due to gross negligence, he shall bear the liability for compensation.

Article 218

If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the relevant laws on corporate bankruptcy.

CHAPTER 11 AMENDMENTS TO THE ARTICLES

Article 219

The Company will amend the Articles under any of the following circumstances:

(1) After the Company Law or the relevant laws, administrative regulations and the provisions of the securities regulatory rules of the place where the shares of the Company are listed have been amended, the matters provided for in the Articles are inconsistent with the amended laws, administrative regulations and the provisions of the securities regulatory rules of the place where the shares of the Company are listed;

(2) There are changes in the circumstances of the Company which are inconsistent with the matters recorded in the Articles;

(3) The amendment of the Articles is decided on the general meetings.

Article 220

Amendments to the Articles resolved on general meetings should be subject to the approval of the head authorities and must be reported to the head authorities for approval. Amendments involving any change to such registration particulars shall be registered in accordance with law.

Article 221

The board of directors shall amend the Articles in accordance with the resolution on the general meetings and the approval of the relevant head authorities.

Article 222

Matters related to the amendment of the Articles are information that must be disclosed according to laws, regulations and the provisions of the securities regulatory rules of the place where the shares of the Company are listed and shall be announced in accordance with regulations.

CHAPTER 12 BY-LAWS

Article 223

Definitions:

- (1) The term “related relationship” as used in the Articles refers to the relationship between the controlling shareholders, de facto controllers, directors and senior management of the Company and the enterprises directly or indirectly controlled by them, as well as other relationships that may lead to the transfer of interests of the Company. However, enterprises controlled by the State are not related to each other only because they are controlled by the State.
- (2) The “audit committee” as referred to in the Articles shall have the same meaning as the “audit committee” under the Listing Rules.
- (3) The “accounting firm” in the Articles shall have the meaning as the “auditors” under the Listing Rules.
- (4) The “de facto controller” in the Articles refers to a natural person, legal person or other organisation that, through an investment relationship, agreement or other arrangement, is in a position to effectively control the action of the Company.
- (5) References in the Articles to “annual general meeting” and “annual meeting” shall have the same meaning as “annual general meeting” under the Listing Rules; references to “extraordinary general meeting” shall have the same meaning as “extraordinary general meeting” under the Listing Rules.
- (6) The “independent director” in the Articles shall have the same meaning as “independent non-executive director” under the Listing Rules.
- (7) The “president” in the Articles may also be referred to as the “general manager”, and the “vice president” may also be referred to as the “deputy general manager”.

Where an executive director of the Company is also the president of the Company, the president may also be referred to as the “chief executive officer (CEO)”. The financial controller may also be referred to as the “chief financial officer (CFO)” or “head of finance”.

Article 224

In the event of any conflict or inconsistency between the provisions of the Articles and the applicable laws and provisions of the securities regulatory rules of the place where the shares of the Company are listed, the provisions of the applicable laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed shall prevail.

Article 225

The board of directors may formulate the articles of association in accordance with the provisions of the Articles. The articles of association shall not contradict with the provisions of the Articles.

Article 226

The Articles are written in Chinese. In the event of any discrepancy between any other languages or different versions of the Articles and the Articles, the Chinese version of the Articles which have obtained the latest registration approval from the Company's registration authority shall prevail.

Article 227

The term "above" and "within" a number in the Articles include the number; "over", 'beyond', "less than", "more than" a number do not include the number.

Article 228

The Articles shall be subject to the interpretation of the board of directors.