

*Important Note: The following is an English translation of the Chinese version of the Articles of Association of Aluminum Corporation of China Limited (中國鋁業股份有限公司章程). In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.*

## **ARTICLES OF ASSOCIATION OF Aluminum Corporation of China Limited**

(Adopted at the Extraordinary Shareholders' General Meeting of the Company on September 24, 2001)

(Approved by the State Economic and Trade Commission on September 26, 2001)

(Amended with the Approval of the Shareholders' General Meeting of the Company on June 12, 2002)

(Amended with the Approval of the State Economic and Trade Commission on July 5, 2002) (Amended with the Approval of the Shareholders' General Meeting of the Company on June 7, 2004) (Amended with the

Approval of the State-owned Assets Supervision and

Administration Commission of the State Council on July 30, 2004)

(Amended with the Approval of the Shareholders' General Meeting of the Company on June 9, 2005) (Amended with the Approval of the Shareholders' General Meeting of the Company on October 14, 2005)

(Amended with the Approval of the Shareholders' General Meeting of the Company on May 10, 2006)

(Amended with the Approval of the Shareholders' General Meeting of the Company on February 27, 2007)

(Amended with the Approval of the Shareholders' General Meeting of the Company on October 12, 2007)

(Amended with the Approval of the Shareholders' General Meeting of the Company on May 9, 2008) (Amended with the Approval of the Shareholders' General Meeting of the Company on October 28, 2008)

(Amended with the Approval of the Shareholders' General Meeting of the Company on May 26, 2009)

(Amended with the Approval of the State-owned Assets Supervision and Administration Commission of the State Council on September 11, 2009)

(Amended with the Approval of the Shareholders' General Meeting of the Company on June 22, 2010)

(Amended with the Approval of the Shareholders' General Meeting of the Company on February 28, 2011)

(Amended with the Approval of the Shareholders' General Meeting of the Company on October 12, 2012)

(Amended with the Approval of the Shareholders' General Meeting of the Company on December 29, 2015)

(Amended with the Approval of the Shareholders' General Meeting of the Company on October 26, 2017)

(Amended with the Approval of the Shareholders' General Meeting of the Company on December 10, 2019)

(Amended with the Approval of the Shareholders' General Meeting of the Company on September 29, 2022)

(Amended with the Approval of the Board of Directors of the Company on June 20, 2023 pursuant to the Authorization of the Shareholders' General Meeting)

(Amended with the Approval of the Shareholders' General Meeting of the Company on June 25, 2024)

(Amended with the Approval of the Shareholders' General Meeting of the Company on June 26, 2025)

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# ARTICLES OF ASSOCIATION OF

## Aluminum Corporation of China Limited

### CHAPTER 1 GENERAL PROVISIONS

Article 1. To safeguard the legitimate rights and interests of Aluminum Corporation of China Limited\* (the “Company”), its shareholders, employees and creditors, and to regulate the organization and activities of the Company, the Company formulated the Articles of Association in accordance with laws and regulations such as the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Constitution of the Communist Party of China (the “Party Constitution”), the Guidelines on Articles of Association of Listed Companies, the Code of Corporate Governance for Listed Companies in China, the rules governing the listing of shares or securities on the stock exchanges on which the Company’s Shares are listed (including the Shanghai Stock Exchange, and The Stock Exchange of Hong Kong Limited) (the “Relevant Listing Rules”).

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

Following approval by the State Economic and Trade Commission by virtue of the GJMQG [2001] No. 818, the Company was registered with the former State Administration for Industry and Commerce (the “SAIC”) on September 10, 2001, and obtained a business license of an enterprise with legal personality. The Company’s unified social credit code is 911100007109288314.

The Company’s promoters include Aluminum Corporation of China, Guangxi Investment Group Co., Ltd., (廣西投資集團有限公司) (the former name is Guangxi Development and Investment Group Co., Ltd. (廣西開發投資有限責任公司)), Guizhou Materials Development and Investment Corporation (貴州省物資開發投資有限責任公司) (the former name is Guizhou Materials Development and Investment Co., Ltd. (貴州省物資開發投資公司)).

- Article 3. The Company's registered name:
- Full name in Chinese: 中國鋁業股份有限公司  
Abbreviated name in Chinese: “中國鋁業”  
Full name in English: Aluminum Corporation of China Limited  
Abbreviated name in English: Chalco
- Article 4. The Company's domicile: No. 62, North Xizhimen Street, Beijing, China  
Postal code: 100082  
Tel: (010) 82298322  
Fax: (010) 82298158
- Article 5. The chairman of the Board of Directors of the Company shall be its legal representative. If the chairman of the Board resigns, it is deemed that he simultaneously resigns as the legal representative. When the legal representative resigns, the Company shall appoint a new legal representative within 30 days from the date of the legal representative's resignation.
- The legal consequences of civil activities performed by a legal representative in the name of the Company shall be borne by the Company.
- Any restrictions on the authority of the legal representative as stipulated in these Articles of Association or by the Shareholders' Meeting shall not be used against a bona fide counterparty.
- Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, claim reimbursement from the legal representative at fault in accordance with the laws or these Articles of Association.
- Article 6. The Company is a joint stock limited company existing in perpetuity.
- Each shareholder shall enjoy rights and assume liabilities to the extent of his shareholding in the Company. The Company shall assume liabilities for its debt to the extent of its entire assets.

The Company is an independent legal person, which shall be governed and protected by laws, administrative rules and other regulations of the PRC.

Article 7. These Articles of Association shall enter into effect if they are adopted by the special resolutions at the Shareholders' Meeting of the Company.

Article 8. These Articles of Association shall become a legally binding document that regulates the organization and acts of the Company and the rights and obligations between the Company and the shareholders and between shareholders inter se from the date on which they become effective.

Article 9. These Articles of Association shall be binding upon the Company and its shareholders, directors, General Manager and other senior management staff. All the above persons may make claims related to Company matters in accordance with these Articles of Association.

Shareholders may sue other shareholders; shareholders may sue directors, the General Manager and other senior management staff of the Company; shareholders may sue the Company; and the Company may sue shareholders, directors, the General Manager and other senior management staff in accordance with these Articles of Association.

Article 10. The Company may invest in other enterprises. Where laws, regulations, rules and other normative documents stipulate that the Company shall not become an investor that is jointly and severally liable for the debt of the invested enterprises, such provisions shall prevail.

Article 11. Under the premise of obeying the laws and administrative regulations of China, the Company has the right of financing or borrowing. The right of financing of the Company includes (but is not limited to) the right to issue the corporate bonds, to mortgage or pledge the right of ownership.

## **CHAPTER 2 PURPOSE AND SCOPE OF BUSINESS**

Article 12. In accordance with the relevant regulations of the Party Constitution and the Company Law, organizations of the Communist Party of China (hereinafter the "Party") shall be established; the Party Committee shall play the leadership role in accordance with the provisions of the Party Constitution,

providing direction, managing the overall situation, ensuring implementation, study and discuss major operation and management matters of the Company, and support the organizations of the Company in exercising their powers in accordance with the law. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs, provided with sufficient funds to operate the Party organization, and provided the necessary conditions for the Party activities.

Article 13.

The business purpose of the Company is: to maximize the shareholders' interests, implement law-based governance of the Company, establish the management system and operational mechanism that are in line with international standards, strengthen the professional management, improve the efficiency and effectiveness; improve the technological content of products guided by the market and via product upgrades and technical innovations, continue reducing the costs, expanding the market share, thus, to improve the Company's overall competitiveness.

Article 14.

The business scope of the Company shall be in accordance with the items approved by the agency with which the Company is registered.

The business scope of the Company shall include: the exploration and mining of bauxite and other metals, limestone and coal; the production and sale of aluminum, magnesium and other metal products, smelted products and processed products; the production and sales of coal; the production and sales of carbon products and related non-ferrous metal products, water, electricity and steam, industrial oxygen and nitrogen; the production, sales, loading, unloading and transportation services of autoclaved fly ash bricks; the production and sales of sulfuric acid (or the hazardous chemicals); electricity generation and sales; research and development, production and sales of products from comprehensive utilization of mine tailings (including red mud); prospective design, construction and installation; the manufacturing, installation and maintenance of machinery and equipment, spare parts, non-standard equipment; the repairing of automotive and construction machinery; the manufacture and sales of automobile of special process; the road transport of cargo; the installation, maintenance, inspection and sales of telecommunications communication and testing instruments; automat measurement control, the design, installation and testing of network and software system; the

material inspection and analysis; operation of office automation and instruments; relevant technological development and technical services.

Article 15. The Company may, based on business development demand, establish wholly owned subsidiaries and holding companies, branches, offices and other branches.

Subject to the approval by relevant government agencies, the Company may adjust its form and scope of business timely, and may establish branches (no matter whether or not it is wholly owned) and offices inside and outside the People's Republic of China as well as in Hong Kong Special Administrative Region, Macao Special Administrative Region or Taiwan according to the business development demand.

### **CHAPTER 3 SHARES AND REGISTERED CAPITAL**

Article 16. The Company's shares shall be in the form of share certificates.

The Company shall have ordinary shares. The ordinary shares issued by the Company include domestic shares and foreign shares. It may have other kinds of shares according to the need, upon approval by the authorities that are authorized by the State Council to examine and approve.

Shares of the Company shall be issued in accordance with the principles of openness, fairness and justice, and each of the shares of the same class shall carry the same rights. Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance. The same price shall be paid for each of the shares subscribed for by subscribers.

Article 17. All the shares issued by the Company shall have a par value which shall be RMB1 Yuan for each share.

For the purposes of the above paragraph, the term "RMB" shall refer to the legal tender of the People's Republic of China.

Article 18. The Company may issue shares to domestic investors and foreign investors following approval from the State Council authorities in charge of securities.



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

Article 19.

Shares issued by the Company to domestic investors and to be subscribed for in Renminbi shall be referred to as “domestic investment shares”. Shares issued by the Company to foreign investors and to be subscribed in a foreign currency shall be referred to as “foreign investment shares”. Foreign investment shares listed outside the People’s Republic of China shall be referred to as “foreign investment shares listed outside the People’s Republic of China”. Both holders of domestic investment shares and overseas listed foreign investment shares are holders of common shares and shall enjoy identical rights and bear identical obligations.

For the purposes of the preceding paragraph, the term “foreign currency” means the legal tender, other than the Renminbi, of another country or region that can be used to pay subscription moneys to the Company and which is recognized by the competent state foreign exchange control authority.

The domestic investment shares issued by the Company shall be centrally deposited with Shanghai Branch of China Securities Depository and Clearing Corporation Limited; the overseas listed foreign investment shares issued by the Company shall be centrally deposited with Hong Kong Securities Clearing Company Limited.

Article 20.

Foreign investment shares issued by the Company and listed in Hong Kong shall be referred to as “H shares”. H shares shall refer to the shares which have been approved to be listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the par value of which is denominated in Renminbi, and which are subscribed for and traded in Hong Kong dollars.



Article 21.

Upon approval by the authority that is authorized by the State Council to approve companies, the Company can issue 11.45 billion shares of ordinary shares; the Company issued a total 8 billion common shares (domestic shares) to its promoters at the time of its establishment.

The number of shares issued and the investment made by the promoters at the time of the establishment of the Company is as follows:

Promoter's name	Number of shares issued	Investment Type	Investment Time
Aluminum Corporation of China	7,673,770,000	Net assets	28 June 2001
Guangxi Investment Group Co., Ltd.	196,800,000	Net assets	28 June 2001
Guizhou Materials Development and Investment Co., Ltd.	129,430,000	Net assets	28 June 2001
Total	<u>8,000,000,000</u>		

Upon the approval of the State Council and the national authorities in charge of securities, one of the promoters, Aluminum Corporation of China has transferred part of shares to China Cinda Asset Management Corporation, China Orient Asset Management Corporation and China Development Bank, in which, 1,662.28 million shares are transferred to China Cinda Asset Management Corporation; 621.67 million shares are transferred to China Orient Asset Management Corporation; 572.84 million shares are transferred to China Development Bank.

Article 22.

The Company publicly issued 2,749,889,968 shares of overseas listed foreign investment shares (H shares) after the establishment of the Company, in which, there are 2,499,900,153 shares of new shares and 249,989,815 shares of stock shares sold by part of shareholders.

After completion of the aforementioned issues of H shares, the Company has total share capital of 10,499,900,153 shares. The composition of the share capital is as follows: there are 7,750,010,185 domestic shares, accounting for 73.81 percent of the Company's total shares, in which, the promoter, Aluminum Corporation of China holds 4,656,261,060 shares, accounting for 44.35 percent of the Company's total shares; the promoter, Guangxi Investment Group Co., Ltd. holds 196,800,000 shares,

accounting for 1.87 percent of the Company's total shares; the promoter, Guizhou Materials Development and Investment Co., Ltd. holds 129,430,000 shares, accounting for 1.23 percent of the Company's total shares; China Cinda Asset Management Corporation holds 1,610,332,210 shares, accounting for 15.43 percent of the Company's total shares; China Orient Asset Management Corporation holds 602,246,135 shares, accounting for 5.73 percent of the Company's total shares; China Development Bank holds 554,940,780 shares, accounting for 5.29 percent of the Company's total shares; the holders of the overseas listed foreign investment shares (H shares) hold 2,749,889,968 shares, accounting for 26.19 percent of the Company's total shares.

Following approval by the approval authority authorized by the State Council, the Company issued additional 549,976,000 shares of overseas listed foreign investment shares (H shares) in 2004.

After completion of the aforementioned issues of H shares, the Company has total share capital of 11,049,876,153 shares. The composition of the share capital is as follows: there are 7,750,010,185 domestic shares, accounting for 70.13 percent of the Company's total shares, in which, the promoter, Aluminum Corporation of China holds 4,656,261,060 shares, accounting for 42.14 percent of the Company's total shares; the promoter, Guangxi Investment Group Co., Ltd. holds 196,800,000 shares, accounting for 1.78 percent of the Company's total shares; the promoter, Guizhou Materials Development and Investment Co., Ltd. holds 129,430,000 shares, accounting for 1.17 percent of the Company's total shares; China Cinda Asset Management Corporation holds 1,610,332,210 shares, accounting for 14.57 percent of the Company's total shares; China Orient Asset Management Corporation holds 602,246,135 shares, accounting for 5.45 percent of the Company's total shares; China Development Bank holds 554,940,780 shares, accounting for 5.02 percent of the Company's total shares; the holders of the overseas listed foreign investment shares (H shares) hold 3,299,865,968 shares, accounting for 29.87 percent of the Company's total shares.

Following the approval of the State Council, China Construction Bank Corporation has recovered the Company's 6.42 percent shares managed by China Cinda Asset Management Corporation and held the shares by itself in 2005, thus becoming the

Company's shareholder. The Company's total number of shares has not been changed, but the number of shares held by China Cinda Asset Management Corporation is reduced accordingly.

After completion of the aforementioned shareholder change, the Company has total share capital of 11,049,876,153 shares. The composition of the share capital is as follows: there are 7,750,010,185 domestic shares, accounting for 70.13 percent of the Company's total shares, in which, the promoter, Aluminum Corporation of China holds 4,656,261,060 shares, accounting for 42.14 percent of the Company's total shares; the promoter, Guangxi Investment Group Co., Ltd. holds 196,800,000 shares, accounting for 1.78 percent of the Company's total shares; the promoter, Guizhou Materials Development and Investment Co., Ltd. holds 129,430,000 shares, accounting for 1.17 percent of the Company's total shares; China Cinda Asset Management Corporation holds 900,559,074 shares, accounting for 8.15 percent of the Company's total shares; China Construction Bank Corporation holds 709,773,136 shares, accounting for 6.42 percent of the Company's total shares; China Orient Asset Management Corporation holds 602,246,135 shares, accounting for 5.45 percent of the Company's total shares; China Development Bank holds 554,940,780 shares, accounting for 5.02 percent of the Company's total shares; the holders of the overseas listed foreign investment shares (H shares) hold 3,299,865,968 shares, accounting for 29.87 percent of the Company's total shares.

Following approval by the approval authority authorized by the State Council, the Company issued additional 644,100,000 shares of overseas listed foreign investment shares (H shares) in 2006, in which, there are 600,000,000 shares of new shares and 44,100,000 shares of stock shares sold by part of shareholders.

After completion of the aforementioned issues of H shares, the Company has total share capital of 11,649,876,153 shares. The composition of the share capital is as follows: there are 7,705,910,185 domestic shares, accounting for 66.15 percent of the Company's total shares, in which, the promoter, Aluminum Corporation of China holds 4,612,161,060 shares, accounting for 39.59 percent of the Company's total shares; the promoter, Guangxi Investment Group Co., Ltd. holds 196,800,000 shares, accounting for 1.69 percent of the Company's total shares; the promoter, Guizhou Materials Development and Investment Co., Ltd. holds 129,430,000 shares, accounting for 1.11 percent of

the Company's total shares; China Cinda Asset Management Corporation holds 900,559,074 shares, accounting for 7.73 percent of the Company's total shares; China Construction Bank Corporation holds 709,773,136 shares, accounting for 6.09 percent of the Company's total shares; China Orient Asset Management Corporation holds 602,246,135 shares, accounting for 5.17 percent of the Company's total shares; China Development Bank holds 554,940,780 shares, accounting for 4.76 percent of the Company's total shares; the holders of overseas listed foreign investment shares (H shares) hold 3,943,965,968 shares, accounting for 33.85 percent of the Company's total ordinary shares.

Following the approval of the special resolution by the Shareholders' Meeting of the Company and following the approval by the approval authority authorized by the State Council, the Company issued 1,236,731,739 A shares and 637,880,000 shares in 2007.

Upon the issuance, the composition of the Company's share capital is as follows: there are 13,524,487,892 ordinary shares, in which, the holders of A shares hold 9,580,521,924 shares, accounting for 70.84 percent of the Company's total ordinary shares; the holders of overseas listed foreign investment shares hold 3,943,965,968 shares, accounting for 29.16 percent of the Company's total ordinary shares.

Following the approval of the special resolution by the Shareholders' Meeting of the Company and following the approval by the approval authority authorized by the State Council, the Company issued additional 1,379,310,344 A shares by way of non-public issuance in June 2015.

Upon the completion of the additional issuance, the composition of the Company's current share capital is as follows: there are 14,903,798,236 ordinary shares, in which, the holders of A shares hold 10,959,832,268 shares, accounting for 73.54 percent of the Company's total ordinary shares; the holders of overseas listed foreign investment shares hold 3,943,965,968 shares, accounting for 26.46 percent of the Company's total ordinary shares.

Upon approval at a Shareholders' Meeting of the Company and by the relevant authorities of the State Council, the Company completed the registration formalities for the additional shares

regarding the acquisition of assets by issuance of shares in February 2019. Following such issuance, the composition of the share capital of the Company is as follows: there are 17,022,672,951 ordinary shares, in which 13,078,706,983 shares are held by holders of A shares and 3,943,965,968 shares are held by holders of overseas listed foreign investment shares, accounting for 76.83% and 23.17% of the Company's total issued ordinary shares, respectively.

With the approval of the Shareholders' Meeting of the Company and the approval of the relevant department of the State Council, the Company completed the registration procedures for new shares of the first grant under the 2021 Restricted Share Incentive Scheme in June 2022. Upon completion of the additional new shares, the share capital structure of the Company is as follows: 17,134,943,251 ordinary shares, of which 13,190,977,283 shares are held by holders of A shares, representing 76.98% of the total issued ordinary shares of the Company; and 3,943,965,968 shares are held by holders of overseas listed foreign shares, representing 23.02% of the total issued ordinary shares of the Company.

In December 2022, the Company completed the registration procedures for new shares of the reserved grant under the 2021 Restricted Share Incentive Scheme. Upon the completion of the additional issuance, the composition of the share capital of the Company is as follows: there are 17,161,591,551 ordinary shares, in which 13,217,625,583 shares are held by holders of A shares, representing 77.02% of the total issued ordinary shares of the Company; and 3,943,965,968 shares are held by holders of overseas listed foreign shares, representing 22.98% of the total issued ordinary shares of the Company.

In January 2024, the Company completed the repurchase and cancellation procedures for certain restricted shares granted but not yet unlocked under the 2021 Restricted Share Incentive Scheme. After the repurchase and cancellation, the composition of the share capital of the Company is as follows: there are 17,158,381,228 ordinary shares, in which 13,214,415,260 shares are held by holders of A shares, representing 77.01% of the total issued ordinary shares of the Company; and 3,943,965,968 shares are held by holders of overseas listed foreign shares, representing 22.99% of the total issued ordinary shares of the Company.

In October 2024, the Company completed the repurchase and cancellation procedures for certain restricted shares granted but not yet unlocked under the 2021 Restricted Share Incentive Scheme. After the repurchase and cancellation, the composition of the share capital of the Company is as follows: there are 17,156,498,909 ordinary shares, in which 13,212,532,941 shares are held by holders of A shares, representing 77.01% of the total issued ordinary shares of the Company; and 3,943,965,968 shares are held by holders of overseas listed foreign shares, representing 22.99% of the total issued ordinary shares of the Company.

In January 2025, the Company completed the repurchase and cancellation procedures for certain restricted shares granted but not yet unlocked under the 2021 Restricted Share Incentive Scheme. After the repurchase and cancellation, the composition of the share capital of the Company is as follows: there are 17,155,632,078 ordinary shares, in which 13,211,666,110 shares are held by holders of A shares, representing 77.01% of the total issued ordinary shares of the Company; and 3,943,965,968 shares are held by holders of overseas listed foreign shares, representing 22.99% of the total issued ordinary shares of the Company.

Article 23. After the Company's plan for the offering of domestic investment shares and overseas listed foreign investment shares has been approved by the CSRC, the Board of Directors of the Company may arrange for implementation of such plan by means of separate issues.

The Company's plans for the offerings of domestic investment shares and overseas listed foreign investment shares in accordance with the preceding paragraph may be implemented separately within the validity period of approval from the date of approval by the China Securities Regulatory Commission (the "CSRC").

Article 24. If the Company offers domestic investment shares and overseas listed foreign investment shares separately within the total number of shares specified in the offer plan, each such offering shall be fully subscribed for in one time. If special circumstances make it impossible for each such offering to be fully subscribed for in one time, the shares may be offered in installments, subject to the approval of the CSRC.



- Article 25. The registered capital of the Company is RMB17,155,632,078.
- Article 26. The Company may, depending on its business and development requirements and in accordance with laws, regulations and these Articles of Association and the resolution of any Shareholders' Meeting, increase its capital by the following methods:
- (1) offering of shares to unspecific parties;
  - (2) offering of shares to specific parties;
  - (3) allotment of bonus shares to existing shareholders;
  - (4) conversion of funds in the capital common reserve to share capital;
  - (5) other methods permitted by laws and administrative regulations and approved by securities regulatory authorities.
- If the Company is to increase its capital by an offering of new shares, it shall do so by the procedure provided for in relevant state laws and administrative regulations after such increase has been approved.
- Article 27. Except as otherwise provided by laws and administrative regulations, shares in the Company may be transferred freely with no lien attached.

#### **CHAPTER 4 REDUCTION OF CAPITAL AND BUYBACK OF SHARES**

- Article 28. The Company may reduce its registered capital. In doing so, it shall act in accordance with the Company Law, other relevant regulations and the Articles of Association.
- Article 29. If the Company is to reduce its capital, it shall prepare a balance sheet and a list of its property.
- The Company shall notify its creditors within 10 days from the date of adoption of the resolution by the Shareholders' Meeting to reduce its registered capital and publish a public announcement of the resolution in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. Creditors shall, within 30 days of receiving written notice, or within 45 days of the date of the public announcement



for those who have not received written notice, be entitled to require the Company to pay its debts in full or to provide a corresponding security for repayment.

The reduced registered capital of the Company may not be less than the statutory minimum.

Where the Company reduces its registered capital, the capital contribution or shares shall be reduced in proportion to the shares held by the shareholders, except as otherwise provided by laws and the Articles of Association.

Article 30.

The Company shall not purchase its own shares other than under any of the following circumstances:

- (1) reduction of its registered capital;
- (2) merger with another company holding shares of the Company;
- (3) use of shares for employee shareholding scheme or as equity incentive;
- (4) a shareholder opposes a resolution on the merger or division of the Company adopted at a Shareholders' Meeting and requests that the Company purchase his or her shares;
- (5) use of shares for conversion of corporate bonds which are convertible into shares issued by the Company;
- (6) where it is necessary to safeguard the value of the Company and the rights and interests of its shareholders;
- (7) other circumstances required in laws or administrative regulations.

If the Company buys back its own outstanding shares, it shall do by the provisions set forth from Article 31 to Article 32 of these Articles of Association.

Article 31. Acquisition of the Company's shares by the Company may be carried out through open and centralized transactions or by other means recognized by laws, regulations and securities regulatory authorities.

Purchase of shares of the Company under the circumstances set forth in items (3), (5) and (6) of the Article 30 shall be conducted through open centralized transaction.

Article 32. Purchase of shares of the Company under the circumstances set forth in items (1) and (2) of the Article 30 shall be resolved at the Shareholders' Meeting. Purchase of shares of the Company under the circumstances set forth in items (3), (5) and (6) of the Article 30 shall be made in accordance with the provisions of the Articles of Association or with the authorization of the Shareholders' Meeting, and shall be subject to approval by more than two-thirds of Directors present at the meeting of the board of directors.

The shares purchased by the Company under the circumstances set forth in item (1) of the Article 30 shall be cancelled within ten days after the date of purchase; under the circumstances set forth in items (2) and (4), the shares shall be transferred or cancelled within six months after the date of purchase; under the circumstances set forth in items (3), (5) and (6), the aggregated number of shares of the Company held by itself shall be not more than 10% of the total issued shares of the Company and shall be transferred or cancelled within three years after the date of purchase.

The amount of the Company's registered capital shall be reduced by the total par value of the shares canceled.

## **CHAPTER 5 FINANCIAL ASSISTANCE FOR THE PURCHASE OF COMPANY SHARES**

Article 33. Neither the Company nor its subsidiaries (including the subsidiary enterprises of the Company) shall at any time provide any financial assistance in any form to purchasers or prospective purchasers of shares of the Company or its parent company, except in the case of the Company's implementation of an employee stock ownership plan. Purchasers of shares of the Company as referred to above shall include persons that directly or indirectly assume obligations as a result of purchasing shares of the Company.

Neither the Company nor its subsidiaries (including the subsidiary enterprises of the Company) shall at any time provide any financial assistance in any form to the above obligors in order to reduce or release them from their obligations.

The above provisions shall not apply to the circumstances described in Article 35 of this Chapter.

Article 34. For the purposes of this Chapter, the term "financial assistance" shall include (but not be limited to) financial assistance in the forms set forth below:

- (1) gift and advance;
- (2) security (including the undertaking of liability or provision of property by the guarantor in order to secure the performance of the obligation by the obligor), indemnity (not including, however, indemnity arising from the Company's own fault), release or waiver of rights;
- (3) provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled before the obligations of the other party to the contract, or the amendment of, or the transfer of rights under, such loan or contract;
- (4) financial assistance in any other form if the Company is insolvent or has no net assets or if such assistance would lead to a major reduction in the Company's net assets.

For the purposes of this Chapter, the term “assume obligations” shall include the assumption of an obligation by the obligor by reason of concluding a contract or making an arrangement (whether or not such contract or arrangement is enforceable, and whether or not such obligation is undertaken by the obligor individually or jointly with any other person) or by changing its financial position in any other way.

Article 35.

The acts listed below shall not be regarded as acts prohibited under Article 33 of these Articles of Association:

- (1) where the Company provides the relevant financial assistance genuinely for the benefit of the Company and the main purpose of the financial assistance is not the purchase of shares of the Company, or the financial assistance is an incidental part of some overall plan of the Company;
- (2) lawful distribution of the Company’s property in the form of dividends;
- (3) distribution of dividends in the form of shares;
- (4) reduction of registered capital, buyback of shares, adjustment of the equity structure, etc. in accordance with these Articles of Association;
- (5) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Company, unless the financial assistance was paid out of the Company’s distributable profit);
- (6) in the interests of the Company, upon a resolution of the Shareholders’ Meeting, or a resolution of the Board of Directors in accordance with the Articles of Association or the authorization of the Shareholders’ Meeting, the Company may provide financial assistance to others for the acquisition of the Company’s or its parent company’s shares, provided that the cumulative total of the financial assistance shall not exceed 10% of the total amount of the issued share capital. Resolutions made by the Board of Directors shall be approved by more than two- thirds of all the directors.

## CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 36. The Company's shares shall be registered shares.

The Company's share certificates in paper form shall clearly state the following main particulars:

- (1) the Company's name;
- (2) the date of incorporation of the Company or the time of issuance of its shares;
- (3) the class of shares, par value and the number of shares represented thereby, and in the case of issuance of shares without par value, the number of shares represented thereby;
- (4) other matters as required by the Company Law and the securities exchange(s) on which the shares of the Company are listed;
- (5) where the promoters' shares are in paper form, the words "promoters' shares" shall be indicated.

Article 37. Shares of the Company may be transferred, gifted, succeeded to and pledged in accordance with relevant laws, administrative regulations and these Articles of Association.

When shares are transferred and assigned, registration shall be carried out with the share registrar appointed by the Company.

Article 38. Where the share certificate is in paper form, the serial number of the share certificate shall also be indicated and shall be signed by the legal representative (the Chairman) of the Company. If the signatures of other senior management staff of the Company are required by the stock exchange on which Company shares are listed, the share certificates shall also be signed by such staff. The share certificates shall become effective after the Company's seal (including the corporation securities' seal) is affixed thereto or printed thereon. The affixing of the Company's seal (including the corporation securities' seal) on the share certificates shall require the authorization of the Board of Directors. The signature of the legal representative (the Chairman) of the Board of Directors or of other relevant senior management staff on the share certificates may also be in printed form.

Article 39. The Company shall not accept its own shares as the subject matter of a pledge.

Article 40. Shares held by the shareholders and de facto controllers in the Company shall be transferred in accordance with the provisions of laws, regulations, rules, normative documents and the requirements of the stock exchange where the Company's shares are listed.

The directors, General Manager and other senior management staff of the Company shall report to the Company the share of the Company that they hold and the changes in their shareholdings. Such shares shall be transferred in accordance with the provisions in laws, regulations, rules, normative documents and the requirements of the stock exchange where the Company's shares are listed.

If the shares are pledged within the period of transfer restriction prescribed by laws and administrative regulations, the pledgee shall not exercise the pledge right within the period of transfer restriction.

Article 41. If a director, General Manager or other senior management staff of the Company, or a holder of at least 5 percent of the shares of the Company, sells the shares of the Company that he or she holds within six months after acquiring the same, or buys such shares back within six months after selling the same, the gains obtained therefrom shall belong to the Company and the Board of Directors of the Company shall recover such gains from him or her. However, this shall not apply to a securities company that underwrote shares on a firm commitment basis and which, after purchasing the shares remaining after the sale, holds at least 5 percent of the shares and other circumstances stipulated by the CSRC.

Directors, General Manager and other senior management of the Company shall not transfer more than 25% of the total number of shares of the Company they hold each year during their terms of office as determined at the time of their assumption of office and within six months after the expiry of their terms of office, except for changes in shares due to judicial enforcement, inheritance, bequests, division of property in accordance with the law, and so on. They shall not transfer the shares of the Company they hold within one year from the date of listing and trading of the Company's shares; they shall not transfer

the shares of the Company they hold within half a year after they leave their positions; if they leave their positions before the expiration of their terms of office, they shall not transfer more than 25% of the total number of shares of the Company they hold each year before the expiration of their original terms of office and within six months after the expiration of their original terms of office.

Where directors or senior management of the Company hold no more than 1,000 shares, they may transfer all such shares at one time, and such transfer shall not be subject to the percentage restrictions set forth in the preceding paragraph.

The shares held by directors, General Manager and other senior management and natural person shareholders referred to in the preceding paragraph include the shares held by their spouses, parents and children and held in others' accounts.

If the Board of Directors of the Company fails to act in accordance with the first paragraph of the Article, shareholders shall have the right to demand that the Board of Directors act within 30 days. If the Board of Directors of the Company fails to act within such time period, shareholders shall have the right, in the interests of the Company, to directly institute a legal action in a court in their own name.

If the Board of Directors of the Company fails to act in accordance with the first paragraph of the Article, the responsible directors shall be jointly and severally liable in accordance with the laws.

Article 42.

The Company shall establish a register of shareholders based on the certificates provided by the domestic and overseas securities registration and clearing authorities. The register of shareholders shall serve as conclusive evidence of the shareholders' shareholding in the Company.

Article 43.

When the Company is to convene a Shareholders' Meeting, to distribute dividends, to be liquidated or to carry out other acts requiring confirmation of equity interests, the Board of Directors or the convener of the Shareholders' Meeting shall decide upon a date as the record date. Shareholders whose names appear on the register at closing on the record date shall be the shareholders entitled to the relevant rights and interests.



Where laws, regulations, departmental rules, regulatory documents and securities regulatory authorities of the place where the Company's shares are listed stipulate on the period of closure of the register of members prior to a Shareholders' Meeting or the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

The register of holders of overseas listed foreign shares listed in Hong Kong shall not be closed for more than 30 days in total within one year, but may be extended for a further period of up to 30 days upon approval by the Shareholders' Meeting. If the Company receives an application for inspection of the register of members during the aforesaid period of closure of the register of members, it shall, at the request of the applicant, issue a certificate signed by the company secretary, specifying the approval authority and the period for closure of the register of members.

## **CHAPTER 7 RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS**

Article 44. The Company's shareholders are persons that lawfully hold shares of the Company and whose names are entered in the register of shareholders.

Shareholders shall enjoy rights and bear obligations according to the class and quantity of shares held by them. Holders of shares of the same class shall enjoy equal rights and bear equal obligations.

For the joint shareholders, if one of the joint shareholders has passed away, the surviving shareholders shall be deemed by the Company to have the ownership of the related shares, but the Board of Directors is entitled to ask for the provision of the suitable death certificate for the purpose of revision of the register of shareholders. For the joint shareholders of any classes of shares, only the first named shareholder in the register of shareholders has the right to receive the share certificates of the related shares, receive the notice of the Company, attend the Shareholders' Meeting and exercise his or her voting right; while, any notice delivered to the said shareholder shall be deemed as the notice has been delivered to all of the joint shareholders of the related shares.

Article 45.

Holders of ordinary shares of the Company shall enjoy the following rights:

- (1) collect dividends and other profit distributions on the basis of the number of shares held by them;
- (2) propose, convene, preside over, participate or appoint their proxies to participate in Shareholders' Meeting in accordance with laws, and exercise voting rights pursuant to their shareholdings;
- (3) supervise and control the Company's operations, and raise suggestions or inquiries;
- (4) transfer, donate, or pledge shares in accordance with laws, administrative regulations and the Company's Articles of Association;
- (5) have the right to inspect or make copies of the Articles of Association, register of shareholders, meeting minutes of the Shareholders' Meeting, resolution of the meeting of the Board of Directors, and financial or accounting reports, and shareholders in compliance with the regulations may inspect the Company's accounting books and accounting certificates. Shareholders requesting to inspect or copy relevant company materials shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations;
- (6) participate in the distribution of the surplus assets of the Company according to their shareholding when the Company is terminated or liquidated;
- (7) with respect to any shareholder, who objects to the resolution of the Shareholders' Meeting on the merger or division of the Company, requires the Company to buy back his or her shares;
- (8) institute a legal action in a People's Court and claim relevant rights, in accordance with the Company Law, other laws, administrative rules and regulations or the Articles of Association, against the acts that damage the Company's interests or infringe the legitimate rights of the shareholders;

- (9) other rights conferred by laws, administrative rules and regulations and the Company's Articles of Association.

Article 46.

Holders of common shares of the Company bear the following obligations:

- (1) to comply with laws, administrative regulations and the Articles of Association of the Company;
- (2) to pay subscription funds according to the shares subscribed for by them and the method of acquiring such shares;
- (3) not to withdraw their share capital except in circumstances specified in laws and regulations;
- (4) not to abuse their shareholders' rights to harm the interests of the Company or those of other shareholders; if a shareholder abuses his or her shareholder rights, thereby causing the Company or another shareholder to sustain a loss, he or she shall be held liable for damages in accordance with laws; if a shareholder abuses the Company's independent legal person status or shareholders' limited liability to evade a debt, thereby materially harming the interests of a creditor of the Company, he or she shall bear joint and several liability for the debt of the Company;
- (5) to submit a written report to the Company on the date when they who have 5% or above of interests in shares carrying voting rights charged their shares;
- (6) other obligations imposed by laws, administrative rules and regulations and these Articles of Association.

Shareholders shall not bear any liability for further contributions to share capital other than the conditions agreed to by the subscribers for the shares at the time of subscription.

Article 47.

The controlling shareholder and de facto controller of the Company shall exercise their rights and fulfill their obligations in accordance with the laws, administrative regulations, regulations of the securities regulatory authorities and the stock exchanges, and safeguard the interests of the Company.

The controlling shareholder and de facto controller of the Company shall comply with the following provisions:

- (1) exercise shareholders' rights in accordance with the law, and shall not abuse the control right or use affiliated relationships to jeopardize the legitimate rights and interests of the Company or other shareholders;
- (2) strictly fulfilling the public statements and various undertakings made and shall not alter or waive them without authorization;
- (3) strictly fulfill the information disclosure obligations in accordance with the applicable regulations, actively and proactively cooperate with the Company in the information disclosure, and inform the Company in a timely manner of material events that have occurred or are expected to occur;
- (4) not to occupy the Company's funds in any manner;
- (5) not to force, instruct or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (6) not to use the Company's undisclosed material information for benefits, not to disclose undisclosed material information relating to the Company in any way, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;
- (7) not to jeopardize the legitimate rights and interests of the Company and other shareholders through unfair related-party transactions, profit distribution, asset reorganization, external investment and any other means;

- (8) ensure the integrity of the Company's assets, staff independence, financial independence, organizational independence and business independence, and not to affect the independence of the Company in any way;
- (9) other provisions of the laws, administrative regulations, regulations of the securities regulatory authorities, the relevant rules of the stock exchanges and the Articles of Association.

Any controlling shareholder or de facto controller of the Company who breaches the foregoing provision and causes a loss to the Company shall be liable for indemnification of such loss.

If the controlling shareholder or de facto controller of the Company does not act as a director of the Company but actually executes the affairs of the Company, the provisions of the Articles relating to the obligations of loyalty and diligence of directors shall apply.

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

#### Article 48.

In addition to the obligations imposed by laws, administrative rules and regulations and the listing rules of the stock exchange on which Company shares are listed, the controlling shareholder of the Company may not, in exercising its shareholder rights, make decisions prejudicial to the interests of all or some of the shareholders due to the exercise of its voting rights on the issues set forth below:

- (1) relieving a director of the responsibility to act honestly in the best interests of the Company;
- (2) approving that a director (for his or her own or another person's benefit) deprive the Company of its property in any way, including (but not limited to) any opportunities that are advantageous to the Company;

- (3) approving that a director (for his or her own or another person's benefit) deprive other shareholders of their individual rights or interests, including (but not limited to) rights to distributions and voting rights, but excluding a restructuring of the Company submitted to the Shareholders' Meeting for adoption in accordance with these Articles of Association.

Article 49.

If the controlling shareholders or de facto controllers pledge the Company's shares held by them or under their effective control, they shall maintain the Company's control right and production and operation stability.

If the controlling shareholders or de facto controllers transfer the Company's shares held by them, they shall comply with the restrictive provisions on share transfer in laws, administrative regulations and the relevant regulations of the securities regulatory authorities and the stock exchanges, and the commitments made on restricting share transfer.

Article 50.

For the purposes of the Articles of Association, the term "controlling shareholder" shall refer to a shareholder that satisfies any of the following conditions:

- (1) a shareholder who, acting alone or in concert with others, has the power to elect not less than one half of the directors;
- (2) a shareholder who, acting alone or in concert with others, has the right to exercise or control the exercise of 30 percent or more of the Company's voting rights;
- (3) a shareholder who, acting alone or in concert with others, holds 30 percent or more of the issued and outstanding shares of the Company;
- (4) a shareholder who, acting alone or in concert with others, has de facto control of the Company in any other manner.

For the purposes hereof, the term "de facto controller" means a natural person, legal entity or other entity that is able to exercise de facto control over the acts of the Company through an investment relationship, agreement or other arrangements.

## **CHAPTER 8 SHAREHOLDERS' MEETING**

### **Article 51.**

The Shareholders' Meeting of the Company shall be composed of all shareholders. The Shareholders' Meeting is the power organ of the Company and shall exercise the following functions and powers in accordance with the law:

- (1) to elect and replace directors (excluding employee directors) and decide on matters concerning the remuneration of directors;
- (2) to consider and approve reports of the Board of Directors;
- (3) to consider and approve the Company's profit distribution plans and plans for making up losses;
- (4) to pass resolutions concerning the increase or reduction of the Company's registered capital;
- (5) to pass resolutions on the merger, division, dissolution or liquidation of the Company;
- (6) to pass resolutions on the issuance of corporate bonds;
- (7) to pass resolutions on the engagement, dismissal or non-renewal of the engagement of accounting firms engaged in the audit work by the Company;
- (8) to amend the Articles of Association of the Company;
- (9) to decide on transactions in which the amount of material assets purchased or sold by the Company within one year exceeds 30% of the latest audited total assets of the Company;
- (10) to pass resolutions on matters relating to the security for third parties that laws, administrative regulations and the Company's Articles of Association require to be resolved by the Shareholders' Meeting;
- (11) to consider and approve changes in the use of raising funds;



- (12) to consider and approve the employee stock ownership plan, stock incentive plan or other share-based compensation (such as allotment or share options, etc.) granted to employees;
- (13) other matters that laws, administrative regulations, departmental rules or the Company's Articles of Association require to be resolved by the Shareholders' Meeting.

The Shareholders' Meeting may delegate or entrust relevant matters to be handled by the Board of Directors. The Shareholders' Meeting may delegate the Board of Directors to resolve on the issuance of corporate bonds.

#### Article 52.

Any external guarantee matters of the Company shall be passed by through deliberation by the Board of Directors. The following guarantee matters after the deliberation by the Board of Directors shall be submitted to the Shareholders' Meeting for approval:

- (1) any guarantee provided after the total guarantee amount of the Company and its holding subsidiaries exceeds 50 percent of the latest audited net assets;
- (2) any guarantee provided for those whose asset to liability ratio exceeds 70 percent;
- (3) any guarantee with a single amount guaranteed exceeding 10 percent of the latest audited net assets;
- (4) security to be provided for a shareholder, the actual controller or a connected person thereof;
- (5) any guarantee provided after the gross amount of external guarantees of the Company exceeds 30% of its latest audited total assets;
- (6) any guarantee provided by the Company within one year of which the amount exceeds 30% of its latest audited total assets;

- (7) other guarantee matters to be submitted to Shareholders' Meeting for review and approval as required by laws, administrative regulations and the Articles of Association of the Company.

If a director, the General Manager or other senior officer violates a provision on the approval authority or consideration procedure for the provision of security to third parties as specified in laws or these Articles of Association, thereby causing the Company to sustain a loss, he or she shall be held liable for damages and the Company may institute a legal action against him or her in accordance with the laws.

Article 53.

The matters that shall be decided by the Shareholders' Meeting in accordance with the laws, the administrative regulations and rules, departmental rules as well as the Articles of Association must be reviewed by the Shareholders' Meeting, in order to protect the decision-making power of the Company's shareholders on such matters. When lawful, necessary and reasonable, the Shareholders' Meeting may authorize the Board of Directors to decide to the extent authorized on specific matters that relate to the matters to be resolved and that cannot be promptly decided on at the Shareholders' Meeting.

As for the authorization of the Board of Directors by the Shareholders' Meeting, the ordinary resolutions of the Shareholders' Meeting shall be adopted by shareholders in attendance (including proxies) holding more than half of the voting rights; the special resolutions of the Shareholders' Meeting shall be adopted by shareholders in attendance (including proxies) holding at least two-thirds of the voting rights. The content of authorization should be clear and specific.

Article 54.

Without the prior approval of the Shareholders' Meeting, the Company may not conclude any contract with any person other than a director, a General Manager or other senior management staff of the Company for the delegation of the whole business management or important business management of the Company to that person.

Article 55.

Shareholders' meetings can be divided into annual shareholders' meetings and extraordinary shareholders' meetings. Annual meetings shall be convened once a year and shall be held within six months following the preceding fiscal year.

The Board of Directors shall convene an extraordinary shareholders' meeting within two months from the date of occurrence of any of the following circumstances:

- (1) the number of directors is less than the number provided for in the Company Law or less than two-thirds prescribed in the Articles of Association of the Company;
- (2) the losses of the Company that have not been made up reach one-third of the total share capital of the Company;
- (3) upon the request of a shareholder who alone has held or shareholders who together have held at least 10 percent (including 10 percent) of the shares of the Company (the shareholding referred to above shall be calculated as of the day on which the written request is made);
- (4) the Board of Directors considers it necessary;
- (5) the audit committee of the Board of Directors (the "Audit Committee") proposes to convene a meeting;
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules or these Articles of Association.

Article 56.

When the Company is to hold a general shareholders' meeting, the convener shall, by way of announcement, 45 days (including the meeting day) prior to the meeting, inform all the shareholders of the matters to be considered at and the date and place of the meeting. Shareholders that intend to attend the meeting shall, on the date set forth in the announcement, serve a written reply on the Company stating that they will attend the meeting.

Based on the written replies received, the Company shall calculate the number of voting shares represented by the shareholders intending to attend the meeting.

Article 57. The motion of the Shareholders' Meeting shall be the specific motion raised for the matters to be discussed at the Shareholders' Meeting. The motion of the Shareholders' Meeting shall meet the following requirements:

- (1) its content does not contravene laws, administrative regulations and these Articles of Association and falls within duties of the Shareholder' Meeting;
- (2) it has specific subject and detailed matters to be examined at the meeting;
- (3) it shall be submitted or sent to the Board of Directors in writing.

Article 58. When the Company is to hold an annual Shareholders' Meeting, the Board of Directors, the Audit Committee and a shareholder alone or shareholders together holding at least 1 percent of the Company's shares shall be entitled to propose motions to the Company.

A shareholder alone or shareholders together holding at least 1 percent of the shares of the Company may submit extempore motions in writing to the convener prior to the date of such meeting. The convener shall issue a supplementary notice of the Shareholders' Meeting and make a public announcement of the contents of such extempore motion within two days after receipt of the motion, submit the extempore motion to the Shareholders' Meeting for consideration, and the announcement of the extempore motion shall be announced at least 10 trading days prior to the convening of the Shareholders' Meeting, excluding extempore motion that violates laws, administrative regulations, or the provisions of the Articles of Association, or is not within the scope of the powers of the Shareholders' Meeting.

Except as provided in the preceding paragraph, the convener may not make any changes to the motions set forth in the notice of the Shareholders' Meeting or add any new motions once the notice and announcement of the Shareholders' Meeting have been issued.

Article 59. The matters to be discussed at or decided by the Shareholders' Meeting shall be determined in accordance with the Company Law and these Articles of Association. The Shareholders' Meeting shall make decision on any matters prescribed by these Articles of Association.

The Shareholders' Meeting may not vote and pass resolution on motions that are not set forth in the Article 56 and Article 58 or that are not consistent with Article 57 of these Articles of Association.

Article 60. The notice of a Shareholders' Meeting shall:

- (1) be made in writing;
- (2) specify the place, time and term of the meeting;
- (3) describe the matters and proposals to be discussed at the meeting;
- (4) provide to the shareholders the information and explanations necessary to make informed decisions on the matters to be discussed; without limiting the generality of the foregoing, when the Company proposes a merger, buyback of shares, restructuring of share capital or other reorganization, it shall provide the specific conditions and contract (if any) of the transaction contemplated and earnestly explain the cause and effect of the transaction;
- (5) contain a disclosure of the nature and extent of the material interests, if any, of any director, the General Manager or other senior management staff in any matter to be discussed; and an explanation of the difference, if any, between the way in which the matter to be discussed would affect such director, the General Manager or other senior management staff in his or her capacity as shareholder and the way in which such matter would affect other shareholders of the same class;
- (6) contain the full text of any special resolution proposed to be moved at the meeting;

- (7) contain conspicuously a statement that all shareholders of ordinary shares, shareholders holding special voting shares, etc. are entitled to attend the Shareholders' Meeting, and may appoint proxy(ies) in writing to attend and vote at the meeting on their behalves. Shareholders entitled to attend and vote are entitled to appoint one or more proxies to attend and vote on their behalves, and that such proxies need not be shareholders of the Company;
- (8) state the time and place for serving the instruments of appointment for voting at the meeting;
- (9) specify the record date for shareholders who are entitled to attend the Shareholders' Meeting. The interval between the record date and the date of the meeting shall not be more than 7 working days. Once the record date is confirmed, no change may be made thereto;
- (10) state the name and telephone number of the regular contact person of the meeting;
- (11) specify the time and procedures for voting online or by other means. The commencement time for voting online or by other means at a Shareholders' Meeting shall not be earlier than 3:00 p.m. on the day before the on-site Shareholders' Meeting and not later than 9:30 a.m. on the day of the on-site Shareholders' Meeting, and the end time shall not be earlier than 3:00 p.m. on the day of the end of the on-site Shareholders' Meeting.

Article 61.

Notice of a Shareholders' Meeting shall be delivered to all shareholders (whether or not entitled to vote thereat) by the Company.

For the holders of domestic shares, notice of a Shareholders' Meeting shall be delivered by way of public announcement. The notice announcement shall be published in one or more newspapers or periodicals designated by the securities regulatory authority of the State Council, on the websites of the Shanghai Stock Exchange and of the Company. Once the announcement is made, all the holders of domestic shares shall be deemed to have received the notice of the relevant Shareholders' Meeting.

For holders of H Shares, notice of a Shareholders' Meeting may be delivered or provided by means as specified in Article 207 of these Articles of Association, subject to laws, regulations and the relevant listing rules of the place where the Company's shares are listed.

Article 62.

Any shareholder entitled to attend and vote at a Shareholders' Meeting shall have the right to appoint one or more persons (who need not be shareholders) as his or her proxies to attend and vote on his or her behalf. Such proxy may exercise the following rights in accordance with his or her appointment by the shareholder:

- (1) the shareholders right to be heard at the Shareholders' Meeting;
- (2) the right to demand or join in the demand for a ballot;
- (3) unless otherwise provided in accordance with the applicable listing rules or other securities laws and regulations, the voting rights shall be exercised by show of hands or by ballot, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by ballot;

Where a shareholder appoints a proxy to attend the Shareholders' Meeting, the matters, authority and period for which the proxy is to act shall be clearly defined; the proxy shall submit the power of attorney by the shareholder to the Company and exercise the voting rights within the scope of the authorization.

Article 63.

Shareholders shall appoint their proxies by written instruments, which shall be signed by the principals or their agents appointed in writing. If the principal is a legal person, the instrument shall be under the seal of the legal person or signed by its director(s) or duly authorized agent(s). The instrument of appointment shall specify the number of shares of the principal that the proxy represents. In case more than one person are appointed to be the proxies of shareholders, the instrument of appointment shall specify the number of voting shares which each proxy represents.



Article 64.

The instrument appointing a voting proxy shall be deposited at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time of the vote. If the instrument is signed by another person authorized by the principal, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document shall be deposited together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

If the principal is a legal person, its legal representative or the person authorized by a resolution of its Board of Directors or other decision-making body shall attend the Shareholders' Meeting of the Company as the representative of such legal person.

Where the shareholder is a recognised clearing house (or its proxy) within the meaning of the Securities and Futures Ordinance of Hong Kong, the shareholder may authorise a representative of the Company or one or more persons as it thinks fit to act as its representative (s) at any Shareholders' Meeting or any class meeting of shareholders or creditors' meeting provided that the proxy (ies) shall have the same statutory rights as other shareholders, including the right to speak and vote; however, if more than one person is so authorised, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorised. The persons so authorised may exercise the rights on behalf of the recognised clearing house (or its agent) as if they were the individual shareholders of the Company.

Article 65.

Any form issued by the Board of Directors of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted on in connection with each point of discussion of the meeting. The instrument of appointment shall specify that in the absence of instructions from the shareholder, the proxy may vote as he or she thinks fit.

Article 66. A vote made in accordance with the terms of an instrument of appointment shall be valid notwithstanding the previous death or loss of capacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the relevant shares, as long as the Company did not receive written notice of the event before the relevant meeting commenced.

Article 67. When the Shareholders' Meeting considers matters relating to a connected transaction, the connected shareholders shall not participate in the vote, and the number of voting shares represented by them shall not count toward the total number of valid voting shares. The announcement of the resolutions of the Shareholders' Meeting shall fully disclose the way the unconnected shareholders voted.

Article 68. Any individual shareholder who attends a Shareholders' Meeting in person shall provide his or her valid personal identification certificates; if an individual shareholder appoints a proxy to attend a shareholders' meeting, the proxy shall provide his or her valid personal identification certificates as well as the power of attorney signed by the principal.

A corporate shareholder shall attend the meeting by its legal representative or the proxy appointed by the legal representative. If the legal representative attends the meeting, he/she shall present his/her valid personal identification certificates and a valid certificate proving his/her qualification as a legal representative; In the case of the legal representative of a corporate shareholder appoints a proxy to attend the meeting, the proxy shall provide his or her valid personal identification certificates as well as the power of attorney signed by the legal representative. Any proxy authorized by way of a resolution of its Board of Directors or other decision making body who attend the Shareholders' Meeting shall provide his or her valid personal identification certificates as well as the power of attorney signed by the Board of Directors or other decision making body and under the seal of the legal entity.

The power of attorney issued by a shareholder shall contain the following information:

- (1) the name of the principal, the class and number of shares held by the principal;

- (2) the name of the proxy;
- (3) the specific instructions of the shareholder, including the instructions to vote in favour of, against or abstain from voting on each resolutions to be included in the agenda of the Shareholders' Meeting;
- (4) the date of issuance of the power of attorney and its validity period;
- (5) the signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the legal entity shall be affixed.

Article 69.

The Board of Directors, independent directors, shareholders holding more than one percent of the voting shares or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may act as soliciting parties, either by themselves or by entrusting securities companies or securities service institutions, to publicly request shareholders to appoint them to attend the Shareholders' Meeting on their behalves, and to exercise shareholders' rights such as proposal rights and voting rights on their behalves. The soliciting parties shall disclose the solicitation announcement and relevant solicitation documents in accordance with the law and regulations, and the Company shall provide assistance. The soliciting parties shall not publicly solicit shareholders' rights in a paid or disguised paid manner. The public solicitation of rights shall be done in compliance with the provisions of the relevant regulatory authorities and the stock exchange where the Company's shares are listed and traded.

Article 70.

Resolutions of the Shareholders' Meeting are divided into ordinary resolutions and special resolutions.

Ordinary resolutions of the Shareholders' Meeting shall be adopted by shareholders in attendance (including proxies) holding more than half of the voting rights. Special resolutions of the Shareholders' Meeting shall be adopted by shareholders in attendance (including proxies) holding at least two-thirds of the voting rights.

The shareholders (including their proxies) attending the meeting shall express one of the following opinions on the proposals submitted for voting: for, against or abstention.

Article 71.

When shareholders (including proxies) vote at the Shareholders' Meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Except for the cumulative voting system adopted by the election of directors provided in Article 98 of these Articles of Association, each share shall have one vote. No voting rights shall be attached to the Company shares held by the Company, and such shares shall not be counted among the total number of voting shares present at the Shareholders' Meeting.

Where significant matters affecting the interests of minority investors are considered at the Shareholders' Meeting, the votes cast by minority investors shall be counted separately. The results of separate count votes shall be publicly disclosed in a timely manner.

Subject to the applicable listing rules as amended from time to time, where any shareholder is required to abstain from voting on any particular matter being considered or restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

If the purchase of the voting shares of the Company by a shareholder violates the provisions of paragraphs 1 and 2 of Article sixty-three of the Securities Law, such shares in excess of the prescribed proportion shall not exercise the voting rights within thirty-six months after the purchase, and shall not be included in the total number of voting shares represented by shareholders attending the Shareholders' Meeting.

Article 72.

The voting at the Shareholders' Meeting shall be conducted by a registered poll.

Before voting on a resolution at the Shareholders' Meeting, two shareholder representatives shall be elected as vote counters and scrutinizers. Any shareholders or their proxies who are related to the matter to be considered shall not participate in vote counting or scrutinizing.

When voting on a resolution at the Shareholders' Meeting, lawyers, shareholder representatives and organizations or persons qualified for vote counting as stipulated in the relevant Listing Rules shall be jointly responsible for vote counting and scrutinizing and announcing the voting results onsite. The voting results of the resolutions at the Shareholders' Meetings shall be recorded in the minutes of the meeting.

Shareholders of the Company or their proxies voting through the internet or other ways shall have the right to check their own votes cast through the corresponding voting system.

Article 73. The Shareholders' Meeting of the Company may be convened and voted by means of electronic communication.

The Company may use various means to facilitate shareholders' participation in the Shareholders' Meetings, the use of modern information technology, such as the provision of an online voting platform as a prioritized means, provided that the legality and validity of the Shareholders' Meeting is assured.

The same voting right shall only be exercised by one of the voting means including on-site, via internet or by other means (if any). In the event that the same voting right has been exercised repeatedly, the results of the first voting shall prevail.

Article 74. Decisions of the Shareholders' Meeting on any of the following matters shall be adopted by ordinary resolution:

- (1) to elect and change directors (excluding employee directors) and decide on matters concerning the remuneration of directors;
- (2) to consider and approve reports of the Board of Directors;
- (3) to consider and approve the Company's profit distribution plans and plans for making up losses;
- (4) to pass resolutions on the engagement, dismissal or non-renewal of the engagement of accounting firms engaged in the audit work by the Company;

- (5) to consider and approve changes in the use of raising funds;
- (6) the matters other than those which laws, administrative rules and regulations or these Articles of Association require to be adopted by special resolution.

Article 75.

Decisions of the Shareholders' Meeting on any of the following matters shall be adopted by special resolution:

- (1) the increase or reduction of the registered capital and issuance of any class of shares, warrants or other similar securities of the Company;
- (2) the issuance of corporate bonds or the authorization to the Board of Directors to resolve on the issuance of corporate bonds;
- (3) division, split, merger, dissolution and liquidation of the Company;
- (4) the amendment of these Articles of Association;
- (5) the amendment of the rights of any class shareholders;
- (6) to resolve matters relating to the purchase and/or sale of material assets or provision of guarantees to others by the Company within one year valued at more than 30 percent of the Company's audited total assets for the most recent period;
- (7) employee shareholding schemes, equity incentive schemes or other share-related compensation granted to employees (such as allotment or share options, etc.);
- (8) other matters which laws, administrative rules and regulations or these Articles of Association require to be adopted by special resolution or which the Shareholders' Meeting considers will have a material impact on the Company and therefore require, by an ordinary resolution, to be adopted by special resolution.

Article 76.

Any resolution adopted at the Shareholders' Meeting shall be consistent with the relevant provisions of Chinese laws, administrative regulations and rules, as well as these Articles of Association.

If any resolution passed at the Shareholders' Meeting of the Company is in violation of the laws or administrative regulations, the shareholders shall have the right to request the People's Court to invalidate the said resolution.

If the procedures for convening, or the method of voting at, a Shareholders' Meeting are in violation of the laws, administrative regulations or the Articles of Association, or the contents of any resolution are in breach of the Articles of Association, the shareholders shall be entitled to request the People's Court to rescind such resolution within 60 days from the date on which such resolution is adopted, except that the convening procedures or voting methods of the Shareholders' Meeting are only slightly defective without substantial effects produced on resolutions.

Where the Board of Directors, any shareholder or a relevant party disputes the effect of a Shareholders' Meeting resolution, it shall promptly sue to the People's Court. Before the People's Court makes any judgment or ruling revoking the resolution, relevant parties shall execute the Shareholders' Meeting resolution. The Company and its directors and senior management shall faithfully perform their duties to ensure normal operation of the Company.

Where the People's Court makes a judgment or ruling on relevant matters, the Company shall perform its information disclosure obligations according to provisions of laws, regulations, CSRC and stock exchanges, fully explain its effects and actively cooperate with the execution after the judgment or ruling takes effect. Where correction of previous events is involved, the Company shall promptly deal with and performed its corresponding information disclosure obligations.

In any of the following cases, the resolution of the Shareholders' Meeting of the Company will not be established:

- (1) the resolution was made without holding the general meeting;



- (2) the general meeting didn't vote on the matter under resolution;
- (3) the number of meeting attendees or the number of voting rights held by them failed to reach that prescribed in the Company Law or these Articles of Association;
- (4) the number of persons consenting to the matter under resolution or the number voting rights held by them failed to reach that prescribed in the Company Law or these Articles of Association.

Article 77.

The Board of Directors shall convene a Shareholders' Meeting in time within the prescribed time limit. In case that the independent directors, Audit Committee or shareholders alone or together holding at least 10 percent of the Company's shares request to call an extraordinary Shareholders' Meeting or classified shareholders' meeting, the following procedures shall be followed:

- (1) The proponent(s) may sign one or more written requests of identical form and substance requesting that the Board of Directors convene an Extraordinary Shareholders' Meeting. The Board of Directors shall give a written response on whether or not it agrees to call such extraordinary shareholders' meeting within 10 days after receipt of the proposal to call such meeting.
- (2) If the Board of Directors agrees to call an Extraordinary Shareholders' Meeting, it shall issue a notice calling such meeting within 5 days after it has so resolved. The consent of the relevant original proponent(s) shall be secured if any change is to be made in the notice to the original request.
- (3) If the Board of Directors does not agree to call an Extraordinary Shareholders' Meeting, the reasons shall be stated and announced.
- (4) If the Board of Directors does not agree the proposal of the Audit Committee to call an Extraordinary Shareholders' Meeting or fails to give a response within 10 days after receipt of the request, it shall be deemed to be unable to or have failed to perform its duty of convening the Shareholders' Meeting, and the

Audit Committee may itself convene and preside over such meeting. The procedure according to which they convene such meeting shall, to the extent possible, be identical to the procedure according to which Shareholders' Meetings are to be convened by the Board of Directors.

- (5) If the Board of Directors does not agree the request of the shareholders individually or jointly holding more than 10% of the Company's shares to call an Extraordinary Shareholders' Meeting, or does not reply within 10 days upon receipt of the request, the shareholders individually or jointly holding more than 10% of the Company's shares shall have the right to propose to the Audit Committee in writing that it calls the Extraordinary Shareholders' Meeting.
- (6) If the Audit Committee agrees to call the Extraordinary Shareholders' Meeting, it shall issue a notice calling such meeting within 5 days after receipt of the request. The consent of the relevant shareholder(s) shall be secured if any change is to be made in the notice to the original request.
- (7) If the Audit Committee fails to issue a notice calling the Shareholders' Meeting by the prescribed deadline, it shall be deemed to have failed to convene and preside over such meeting, and a shareholder or shareholders of the Company individually or collectively holding not less than 10 percent of the Company's shares for not less than 90 consecutive days may himself/themselves convene and preside over such meeting. The procedure according to which they convene such meeting shall, to the extent possible, be identical to the procedure according to which Shareholders' Meetings are to be convened by the Board of Directors. Prior to the announcement of the resolution of the Shareholders' Meeting, the shareholding of the convening shareholders shall not be less than 10%.

When the Audit Committee or shareholders itself/themselves convene a Shareholders' Meeting, the Board of Directors shall be informed in written notice; the filing procedures shall be handled at relevant stock exchange in accordance with the applicable requirements. The Audit Committee or the shareholders shall submit the relevant supporting materials to the stock exchange when issuing the notice of the Shareholders' Meeting and the announcement of the resolution of the Shareholders' Meeting.

When the Audit Committee or shareholders itself/themselves convene a Shareholders' Meeting, the Board of Directors and the Secretary to the Board of Directors shall give their cooperation. The Board of Directors shall provide the register of shareholders as of the date of record. The reasonable expenses incurred by such meetings shall be borne by the Company and shall be deducted from the sums owed by the Company to the negligent directors (if any).

The convenor of the Shareholders' Meeting shall ensure that the Shareholders' Meeting is held continuously until a final resolution is formed. In the event that a Shareholders' Meeting is suspended or a resolution cannot be made due to force majeure or other special reasons, necessary measures shall be taken to resume the Shareholders' Meeting as soon as possible or to terminate the Shareholders' Meeting directly, and a timely announcement shall be made. At the same time, the convenor shall report to the relevant authorities of the CSRC and the stock exchange.

Article 78.

Shareholders' Meetings shall be convened and presided over by the Chairman of the Board. If the Chairman of the Board fails or is unable to perform his or her duties, the meeting shall be presided over by the director jointly elected by more than half of the directors. Where no chairman is designated, the shareholders attending the meeting may elect one person to preside over the meeting. If for any reason the shareholders are unable to elect a chairman, the shareholder holding the largest number of voting shares and attending the meeting (whether in person or by proxy) shall preside over the meeting.

At a Shareholders' Meeting convened by the Audit Committee, the Chairman of the Audit Committee shall preside. If the Chairman of the Audit Committee is unable or fails to perform his or her duties, the meeting shall be presided over by a member jointly elected by more than half of the members of the Audit Committee.

If a Shareholders' Meeting is convened by a shareholder himself or shareholders themselves, the meeting shall be presided over by convener(s) or the representative selected by the convener(s).

While a Shareholders' Meeting is holding, if the chairman of the meeting violates the rules of procedure, making continuance of the Shareholders' Meeting impossible, with the consent of shareholders holding more than one half of the voting rights present at the meeting, the Shareholders' Meeting may elect a person to serve as chairman of the meeting and the meeting shall continue.

Article 79. The resolutions adopted at the Shareholders' Meeting shall be announced in accordance with the relevant provisions of the applicable laws and stock exchange where the Company's stock is traded.

Article 80. If the chairman of the meeting has any doubt concerning the result of the vote on any resolution, he or she may organize a recount of the number of votes cast. If the chairman of the meeting does not conduct a recount of the votes and an attending shareholder or proxy challenges the result of a vote announced by the chairman of the meeting, he or she has the right to demand a vote recount immediately following the announcement of the result, in which case the chairman of the meeting shall promptly organize a recount of the votes.

Article 81. Shareholders' Meeting shall have minutes, which shall be taken by the secretary of the Board of Directors. The convener shall ensure the truthfulness, accuracy and completeness of the minutes. The meeting minutes shall be signed by directors, secretary of the Board, the convener or their representatives and the host (chairman of the meeting) present at the meeting.

The adopted resolutions of Shareholders' Meeting shall be kept as the Company's resolutions of meetings. The minutes and resolutions of meetings shall be written in Chinese. The minutes and resolutions of meetings together with the valid information

on the sign-in register of attending shareholders and the instruments of appointment of proxies, details of voting on the network and other voting methods (if any), shall be kept at the Company's domicile for at least 10 years.

Copies of the meeting minutes shall be available for inspection during business hours of the Company by any shareholder of the Company without charge. Upon the request of any shareholder for a copy of such minutes from the Company, the Company shall deliver the copy within 7 days after the receipt of reasonable costs.

Article 82. The Company shall engage lawyers to attend the Shareholders' Meetings and advise on the following issues with announcements made thereon:

- (1) whether the convening of the Shareholders' Meetings and its procedures are in compliance with the requirements of laws, administrative regulations and the Articles of Association;
- (2) whether the attendees are eligible and whether the eligibility of the convener is lawful and valid;
- (3) whether the procedures of voting and the voting outcome of the meeting are lawful and valid;
- (4) legal opinions on other related matters at the request of the Company.

## **CHAPTER 9 SPECIAL VOTING PROCEDURES FOR CLASS SHAREHOLDERS**

Article 83. Shareholders that hold different classes of shares shall be class shareholders.

Class shareholders shall enjoy rights and bear obligations in accordance with laws, administrative rules and regulations and these Articles of Association.

Article 84. In case that the Company intends to alter or abolish the rights of classified shareholders, the Shareholders' Meeting shall pass it through a special resolution and respective meetings of stockholders convened by the affected classified shareholders shall pass it on pursuant to the Article 85 to Article 89 of these Articles of Association.

Article 85.

The following situations shall be regarded as alternation or abolishment of the rights of a certain classified shareholder:

- (1) the increase or decrease of the number of shares of such class, or increase or decrease of the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) the conversion of all or part of the shares of such class into shares of another class, or the conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;
- (3) the removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) the reduction or removal of a dividend preference, or a property distribution preference during liquidation of the Company, attached to shares of such class;
- (5) the addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;
- (6) the removal or reduction of rights to receive amounts payable by the Company in particular currencies attached to shares of such class;
- (7) the creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (8) the imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;
- (9) the issuance of rights to subscribe for, or convert into, shares of such class or another class;

- (10) the increase of the rights and privileges of shares of another class;
- (11) such restructuring of the Company as would cause shareholders of different classes to bear disproportionate liabilities under the restructuring;
- (12) the amendment or deletion of the provisions of this Chapter.

Article 86.

Shareholders of the affected class, whether or not otherwise having the right to vote at Shareholders' Meeting, shall have right to vote at class shareholders' meetings in respect of any of the matters referred to in items (2) to (8) and items (11) to (12) of Article 85, except that interested shareholders shall not have the right to vote at class shareholders' meetings.

For the purposes of the preceding paragraph, the term "interested shareholders" shall have the following meaning:

- (1) if the Company is to issue a buyback offer to all of the shareholders in the same proportion or is to buy back its own shares through open transactions on a stock exchange in accordance with Article 31 of these Articles of Association, the controlling shareholder as defined in Article 49 of these Articles of Association shall be an "interested shareholder";
- (2) if the Company is to buy back its own shares by agreements outside a stock exchange in accordance with Article 31 of these Articles of Association, holders of shares to which such agreements relate shall be "interested shareholders";
- (3) shareholders that, under a proposed restructuring of the Company, would bear liabilities in a proportion smaller than that of the liabilities borne by other shareholders of the same class, and shareholders that have an interest in a proposed restructuring of the Company that is different from the interest in such proposed restructuring of other shareholders of the same class, shall be "interested shareholders".



Article 87. Resolutions of a class shareholders' meeting may be passed only by two-thirds or more of the equity interests carrying voting rights that are represented at the class shareholders' meeting in accordance with Article 86.

Subject to the applicable listing rules as amended from time to time, where any shareholder is required to abstain from voting on any resolution being considered at the class shareholders' meeting or restricted to voting only for or only against any resolution being considered at the class shareholders' meeting, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 88. When the Company is to hold a class shareholders' meeting, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that class of the matters to be considered at and the date and place of the meeting. Shareholders that intend to attend the meeting shall, within 20 days prior the day on which the meeting is to be held, serve a written reply on the Company stating that they will attend the meeting.

If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is not less than half of the total number of shares of that class carrying the right to vote at the meeting, the Company may hold the class shareholders' meeting. If not, the Company shall, within five days, inform the shareholders once again of the matters to be considered at and the date and place of the meeting in the form of a public announcement. After such notification by public announcement, the Company may hold the class shareholders' meeting.

Article 89. If a class shareholders' meeting is to be called by issuance of a meeting notice, notice of such meeting need be delivered only to the shareholders entitled to vote thereat.

The procedure according to which class shareholders' meetings are held shall, to the extent possible, be identical to the procedure according to which Shareholders' Meeting is held. Provisions of these Articles of Association relevant to procedures for the holding of Shareholders' Meeting shall be applicable to class shareholders' meetings.

Article 90. Apart from other class shareholders, shareholders with domestic shares and shareholders with overseas listed foreign investment shares are regarded as different classified shareholders.

The special voting procedures for class shareholders shall not apply in the following circumstances:

- (1) where, as approved by way of a special resolution of the Shareholders' Meeting, the Company issues, either separately or concurrently, domestic investment shares and overseas listed foreign investment shares every 12 months, and the quantity of domestic investment shares and overseas listed foreign investment shares intended to be issued does not exceed 20 percent of the outstanding shares of the respective classes; or
- (2) where the plan for the issuance of domestic investment shares and overseas listed foreign investment shares upon the establishment of the Company is completed within 15 months from the date of approval by the State Council's securities authority.

## **CHAPTER 10 PARTY ORGANIZATIONS (THE PARTY COMMITTEE)**

Article 91. The Company shall set up the Committee of the Communist Party of China of Aluminum Corporation of China Limited (the "Party Committee"), consisting of one secretary, one to two deputy secretary and several members. Eligible members of the Party Committee may serve as members of the Board of Directors and senior management through statutory procedures, while eligible Party members of the Board of Directors and senior management may also serve as members of the Party Committee pursuant to relevant provisions and procedures. Meanwhile, the Company shall also set up a disciplinary committee in accordance with the provisions, which shall consist of one secretary and several members.

Article 92. The Party Committee shall fulfil the following responsibilities in accordance with the Constitution of the Communist Party of China and other regulations as prescribed by the Party:

- (1) To ensure and supervise the Company's implementation of policies and guidelines of the Party and the State, and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of the Party organizations of higher levels.

- (2) To strengthen its leadership and gate keeping role in the process of selection and appointment of personnel, and adhere to the principle of the Party supervising the performance of officials while ensuring the lawful selection by the Board of Directors of the senior management and the lawful exercise of the power of the senior management in the employment of personnel.
- (3) To research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employees' interests, and provide comments and suggestions; to support the Shareholders' Meeting, the Board of Directors and the senior management in performing their duties in accordance with law, and support the employee representatives' meeting in carrying out its work.
- (4) To undertake the main responsibility of comprehensive and strict Party management; to lead the Company's ideological and political work, the united front work, the spiritual civilization construction, the corporate culture cultivation as well as the work of groups such as the labor union and the Communist Youth League; to lead the construction of the Party's working style and its clean and honest administration, and support the discipline inspection committee in earnestly performing its supervisory responsibilities.
- (5) To strengthen the Company's grassroots Party organizations and their team building, give full play to the role of the Party branches as strongholds and to the role of the Party members as pioneers and fine examples, and unite and lead officials and employees to devote themselves into the reform and development of the Company.
- (6) To handle other important matters within the scope of duties of the Party Committee.

## CHAPTER 11 BOARD OF DIRECTORS

### Article 93.

The Company shall establish a Board of Directors. The Board of Directors is the permanent executive body and management decision-making body of the Company, which is subject to the supervision of the Audit Committee and all the shareholders, and is responsible for and report to the Shareholders' Meeting. Through improving the Company's law-based governance, authorization and delegation, compliance and internal control, risk management and control, and internal supervision and monitoring system, the Board gives full play to the responsibilities of determining strategies, making decisions and preventing risks.

As needed, under the Board of Directors there shall be such special committees as an Audit Committee, a Nomination Committee, a Remuneration Committee, a Development and Planning Committee, and an ESG Committee. The specific composition and powers of the aforesaid special committees, as well as the remuneration and assessment mechanism for directors and senior management, are detailed in the Detailed Implementation Rules for the Special Committees under the Board of Directors of Aluminum Corporation of China Limited and other relevant systems formulated by the Company.

The Audit Committee shall discharge the duties of the Supervisory Committee as prescribed under the Company Law.

### Article 94.

The Board of Directors shall be composed of 9 directors. The outside directors (including non-executive directors and independent directors, the same hereinafter) shall represent not less than 50 percent of the members of the Board of Directors, and independent directors (herein meaning those directors who do not hold positions other than directorships in the Company and do not have any direct or indirect interests with the Company, its major shareholders or de facto controllers, or any other relationship that may affect their independent and objective judgment, and who are recognized as independent directors by the stock exchange where the Company is listed, the same hereinafter) shall be at least 3 and account for one-third or more of the members of the Board of Directors, and at least one accounting professional shall be included. The Company shall include an employee director.

The Board of Directors shall include one chairman.

Among the special committees under the Board of Directors, the Audit Committee shall be composed entirely of independent directors, of whom at least one shall be a financial or accounting professional, and the convener shall be a financial or accounting professional among the independent directors; the Remuneration Committee and the Nomination Committee shall consist of a majority of independent directors, and the conveners shall be an independent director.

Article 95. The directors of the Company shall be natural persons. Directors need not hold shares of the Company.

Article 96. Non-employee directors shall be elected by the Shareholders' Meeting and employee directors shall be elected by the employee representative congress. The term of office of the Directors shall be three years (from the date of being elected to the date that the new Board of Directors is elected by the Shareholders' Meeting and the employee representative congress). At the expiration of their terms, directors may continue to serve as such if reelected, but independent directors may not serve more than six years in succession.

The list of candidates for non-employee directors shall be submitted as a motion to the Shareholders' Meeting. Candidates for non-employee directors shall be nominated by the Board of Directors, the Audit Committee and a shareholder alone or shareholders together holding more than 1 percent of the Company's shares. A written notice of the intention to nominate a candidate for election as a non-employee director and a notice by such candidate of his/her willingness to be elected, as well as basic information on such candidate, shall be given to the Company within a reasonable time before the date of the Shareholders' Meeting to enable the Company to deliver or provide the relevant notices and materials to the shareholders at least 10 trading days before the date of the Shareholders' Meeting.

Candidates for employee directors may be nominated by the Company's labour union on the basis of self-nomination or recommendation and fully listening to the opinions of the employees, or may be jointly elected by more than one-third of the representatives of the employees or more than one-tenth of the employees, or may be nominated by a joint meeting

of the employee representative congress. Employee directors shall be elected by the employee representative congress through a secret ballot system based on a runoff election, and shall be elected only with the consent of a majority of all the representatives of the employee representative congress. After being elected by the employee representative congress, the employee director shall make a pre-appointment public announcement, fulfil the relevant formalities as other directors, and report to the higher-level labour union and the relevant departments for record.

The directors shall have sufficient time and the necessary knowledge and ability to perform their duties. The Company must provide necessary working conditions and information to outside directors for performing their duties. Among them, the independent directors may directly report to the Shareholders' Meeting, the State Council authorities in charge of securities and other relevant departments.

Employee directors shall fully express their opinions when the Board of Directors considers and makes decisions on significant matters of the Company, and shall faithfully reflect the democratic evaluation of senior management when deciding on the appointment and dismissal of senior management of the Company; put forward opinions and suggestions on the Board of Directors' resolutions and plans that involve the legitimate rights and interests of employees or the vital interests of the majority of employees; propose topics for Board of Directors regarding the rules and regulations or major matters that concern the vital interests of employees, and legally request the convening of a meeting of Board of Directors, reflect the reasonable demands of employees, and safeguard the legitimate rights and interests of employees.

Employee directors shall comply with laws and regulations, the Articles of Association and various rules and regulations, implement resolutions of the Shareholders' Meetings and the Board of Directors, maintain corporate confidentiality, and diligently perform their duties; regularly monitor the Company's management and development status, actively engage with the workforce to solicit opinions and suggestions, and accurately and comprehensively reflect employees' reasonable demands during Board meetings; implement resolutions of the employees representative meetings and, when attending Board meetings, shall express opinions and exercise

voting rights either in accordance with relevant resolutions of the employees representative meetings or after giving full consideration to such resolutions and opinions; maintain duty performance records, documenting their fulfillment of responsibilities in writing and retaining such records properly; report on their work to the employees representative meetings of the Company at least once a year and accept supervision, inquiries, and democratic evaluation.

Article 97.

The procedure prior to electing the Company's non-independent directors (other than employee directors) shall be as follows:

- (1) the consent of the nominee shall be obtained before the nominator nominates him or her for the position of non-independent director; the nominator(s) shall be fully aware of basic information of the nominee, including but not limited to his or her educational background, work experience and part-time jobs; whether he or she has any connected relationship with any of the Company's directors, senior management, de facto controllers or Shareholders holding more than 5% of the Company's shares; and whether he or she has any types of situations which make him or her inappropriate to serve as a director of the Company; and details of the Company's shares held by his or her. The Company shall disclose the foregoing information of the nominee in detail.
- (2) in case the candidates for non-independent directors are nominated before the convening of the board meeting, if there are relevant provisions in the applicable laws, administrative regulations and rules and/or the relevant listing rules, the written materials about the nominees described in item (1) of this Article shall be announced together with the resolution of the Board of Directors in accordance with such provisions.
- (3) if a shareholder alone or shareholders together holding more than 1 percent of the shares in the Company put(s) forth an extempore motion for the election of an independent non-executive director, the written notice of the intention to nominate a candidate for the position of independent non-executive director and of the nominee indicating his or her willingness to accept the nomination as well as relevant written materials on the



nominee and his or her commitment as mentioned above in item (1) shall be delivered to the Company within a reasonable time before the date of the Shareholders' Meeting to enable the Company to deliver or provide the relevant notice and information to the shareholders 10 trading days before the date of the Shareholders' Meeting.

- (4) the candidates for directors shall answer the shareholders' questions at the Shareholders' Meeting discussing his/her election and appointment matters.
- (5) if two or more non-independent directors are elected at the Shareholders' Meeting of the Company, the cumulative voting system shall be adopted, and the votes of the minority shareholders shall be separately counted and disclosed.
- (6) after being elected by the Shareholders' Meeting of the Company, a candidate for director shall, within one month after the election, sign the Statement and Undertaking of Directors, which shall be witnessed by a lawyer and filed with the stock exchange and the Board of Directors of the Company. Directors shall warrant that the matters declared in the Statement and Undertaking of Directors are true, accurate and complete, and that there are no false information, misleading statements or material omissions.

#### Article 98.

When the Company's sole shareholder and persons acting in concert interest hold 30% or above of the total shares of the Company, the cumulative voting system may be implemented for the election of directors at a Shareholders' Meeting, namely when two or more directors (distinguishing between non-independent and independent directors) shall be elected at the Shareholders' Meeting, each share held by the shareholder who participates in the voting carries a number of voting rights equivalent to the number of directors (distinguishing between non-independent and independent directors) to be elected, and a shareholder may cluster or disperse his or her voting rights.

- Article 99. The Chairman of the Board shall be elected and removed by more than half of all the directors. The Chairman of the Board shall serve terms of three years and may serve consecutive terms if reelected.
- Article 100. The Board of Directors shall be accountable to the Shareholders' Meeting and exercise the following functions and powers:
- (1) to convene Shareholders' Meetings and to report on its work to the Shareholders' Meeting;
  - (2) to implement the resolutions of the Shareholders' Meeting;
  - (3) to decide on the development strategy and planning of the Company;
  - (4) to decide on the business plans and investment plans of the Company;
  - (5) to formulate the profit distribution plans and plans for making up losses of the Company;
  - (6) to formulate plans for the increase or reduction of the registered capital of the Company, the issuance of corporate bonds or other securities and the listing of the Company;
  - (7) to formulate plans for major acquisitions or disposals of the Company, purchase of shares of the Company, or the merger, division, dissolution and changes in the corporate form of the Company;
  - (8) to formulate amendments to these Articles of Association;
  - (9) to formulate the basic management systems of the Company;
  - (10) to decide on the establishment of the Company's internal management organization;
  - (11) to appoint or dismiss the Company's General Manager and secretary to the Board of Directors; to appoint or

dismiss Deputy General Manager, chief financial officer and General Counsel of the Company based on the recommendations of the General Manager; to decide on the remuneration, rewards and punishments of senior management, and to implement contractual management in accordance with the labour contract;

- (12) to formulate equity incentive plans, employee stock ownership plans or other share-based compensation (such as allotment or share options) granted to employees;
- (13) to make decision on the matters in relation to repurchase of shares of the Company under the circumstances set forth in items (5) and (6) of the Article 30;
- (14) to decide to issue shares not exceeding 50% of the issued shares within three years with the authorization of the Shareholders' Meeting. However, the capital contribution in the form of non-monetary property shall be resolved by the Shareholders' Meeting;
- (15) to decide on such matters as the Company's investments in third parties, purchase and sales of assets, asset mortgages, entrustment of financial services, related-party transactions, external donations, to the extent authorized by the Shareholders' Meeting;
- (16) to make decision on the guarantee matters not subject to the approval of the Shareholders' Meeting, in accordance with the laws, the administrative regulations, as well as these Articles of Association;
- (17) to request the Shareholders' Meeting to appoint or replace the accounting firm for auditing the Company;
- (18) to review and approve the Company's annual social responsibility and environmental, social and governance report (Environmental, Social and Governance Report under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, hereinafter the "ESG Report"); to decide on the Company's major environmental, social and governance matters within the scope of authorization of the Shareholders' Meeting;

- (19) to manage disclosure matters of the Company;
- (20) to receive reports on the work of the General Manager and to inspect the work of the General Manager;
- (21) to promote the rule of law and compliance management of the Company, listen to the annual work report on the rule of law construction and compliance management of the Company and the Company's compliance system construction plan, and study and decide on major matters of compliance management;
- (22) other functions and powers granted by the laws, administrative regulations, departmental regulations, these Articles of Association and the Shareholders' Meeting.

Resolutions by the Board of Directors on the matters referred to in the preceding paragraph shall be passed by the affirmative vote of a majority vote of all of the directors with the exception of resolutions on the matters referred to in items(6), (7), (8), (12), (13), (14) and (16), which shall require the affirmative vote of at least two-thirds of all of the directors for adoption.

If a director has a connected relationship with an enterprise or individual involved in a matter on which a resolution is to be made at a meeting of the Board of Directors, such director shall promptly report in writing to the Board of Directors. A director who has a connected relationship may not exercise his or her right to vote regarding such resolution, nor may he or she exercise the voting right of another director as such director's proxy thereon. Under circumstance set forth above, such a Board meeting may be held only if more than one half of the directors without a connected relationship are present, and the resolutions made at such a Board meeting shall require adoption by more than one half of the directors without a connected relationship. As for the aforementioned items, which shall require the affirmative vote of at least two-thirds of all of the directors for adoption, and shall require adoption by at least two-thirds of the directors without a connected relationship. If the Board meeting is attended by less than three directors without a connected relationship, the matter shall be submitted to the Shareholders' Meeting for consideration.

- Article 101. The investments (including venture capital) or the acquisition made by the Company valued at no more than 25 percent of the Company's audited total assets (or total market value) as at the most recent period shall be decided upon by the Board of Directors. The investments or acquisitions beyond the approval authority of the Board of Directors shall be reviewed by relevant experts and professionals organized by the Board of Directors and be reported to the Shareholders' Meeting for approval.
- In case the market development, M & A, the investment in new areas shall be decided by the Board of Directors, the projects whose investment or M & A of assets amounted to more than 10 percent of the total assets shall be provided with the professional advices from the social counseling agencies, as the important basis for the decisions made by the Board of Directors.
- Article 102. Before making decision on significant matters of the Company, the Board of Directors shall seek advice of the Party Committee.
- Article 103. With the authorization made by the Board of Directors, the Chairman of the Board may exercise part of functions and powers of the Board when the Board is not in session. The content of the authorization made by the Board of Directors shall be clear and specific.
- Article 104. The Chairman of the Board of the Company shall exercise the following functions and powers:
- (1) to preside over Shareholders' Meetings and to convene and preside over meetings of the Board of Directors;
  - (2) to organize the implementation of the duties of the Board of Directors; to examine the implementation of resolutions of the Board of Directors;
  - (3) to sign bond certificates issued by the Company;
  - (4) other functions and powers granted by the Board of Directors.

If the Chairman of the Board is unable to perform his or her duties or fails to perform his or her duties, a director elected by the majority of the directors shall perform such duties.

Article 105.

At least four regular meetings (including annual meeting, semi-annual meeting and quarterly meeting of the Board of Directors) of the Board of Directors shall be held each year. Meetings of the Board of Directors shall be convened by the Chairman of the Board.

The Chairman of the Board shall convene an interim meeting of the Board of Directors within 10 days from the receipt of the proposal if:

- (1) it is proposed by shareholders representing at least 10 percent of the voting rights;
- (2) it is proposed by at least one-third of the directors;
- (3) it is proposed by at least one-half of the independent directors;
- (4) it is proposed by the Audit Committee;
- (5) the Chairman of the Board deems it necessary;
- (6) securities affairs regulatory authorities require the convening;
- (7) other circumstances as stipulated under laws, administrative regulations, departmental rules or the Articles of Association.

The meeting of the Board of Directors in principle shall be held at the Company's domicile.

The meeting of the Board of Directors shall be held in Chinese; an interpreter may be required to bilingual impromptu translation if necessary.

The Company's outside directors shall meet with other directors annually on a regular basis without the presence of the Company's management, in order to understand the Company's operation.

Article 106.

The meetings of the Board of Directors shall be noticed by way as follows:

- (1) If the Board of Directors has specified the time and place of the regular board meeting in advance, no service of notice is required.
- (2) If the Board of Directors has not specified the time and place of the board meeting in advance, the Company shall send the formal notice of the meeting to all directors, senior management and the secretary to the Board of Directors of the Company by hand, facsimile, mail or e-mail 14 days (in the case of a regular meeting) or 5 days (in the case of an extraordinary meeting) before the meeting of the Board of Directors.
- (3) The notice shall be written in Chinese, if necessary, the English version can be attached, including the agenda for the meeting. Any director may waive the right of receiving the notice of board meeting.

Article 107.

Materials for a meeting of the Board of Directors shall be sent to all directors of the Company for review at least 7 days (in the case of a regular meeting) or 3 days (in the case of an extraordinary meeting) before the meeting by hand, facsimile, mail, or e-mail. The directors may require additional materials with respect thereto. If at least one-quarter of the directors or at least two and more independent directors believe that the motion before the Board of Directors is unclear or unspecific, the meeting materials are insufficient or other such reason, they may propose in writing that the holding of the meeting of the Board of Directors or discussion of the motion in question be postponed to a later time. In such circumstances the Board of Directors shall accept the proposal.

Notice of a meeting shall be deemed to have been given to any director who attends the meeting without protest against, before or at its commencement, any lack of notice.

Any regular or extraordinary meeting of the Board of Directors may be held by way of telephone conference or similar communication equipment so long as all directors participating in the meeting can clearly hear and communicate with each other. All such directors shall be deemed to be present in person at the meeting.



Article 108. Meetings of the Board of Directors may be held only if the majority of the directors (including any alternate director appointed pursuant to Article 109 of the Articles of Association) attend. Each director shall be entitled to one vote. Resolutions of the Board of Directors must be adopted by the affirmative vote of the majority of all the directors.

Article 109. Meetings of the Board of Directors shall be attended by the directors in person. If a director is unable to attend a meeting for any reason, he or she shall appoint another director in writing to attend the meeting on his or her behalf. Such instrument of appointment shall specify the names of the proxy, the matters, voting intention and the scope of authorization and the term of validity, and shall be signed or sealed by the principal.

If a director fails to personally attend a meeting of the Board of Directors and to appoint another director to attend the meetings on his or her behalf on two consecutive occasions, he or she shall be deemed unable to perform his or her duties and the Board of Directors shall, within 30 days from the date of occurrence of such fact, propose to convene a Shareholders' Meeting to remove such director from his or her office.

The director attending the meeting on behalf of the absent director shall exercise the director's right to the extent authorized. If a director fails to attend a meeting of the Board of Directors and has not appointed a proxy to attend the meeting on his or her behalf, he or she shall be deemed to have waived his or her right to vote at such meeting.

The reasonable expenses incurred by the directors who attend meetings of the board shall be borne by the Company. These expenses include the traffic expenses covering the distance between the place where a director is located and the place where a meeting is held (in the event that these two places are not the same), the fees of room and board during the term of the meeting, the rent of the place of the meeting and the local traffic expenses.

Article 110. The Board of Directors may agree to accept a written motion instead of convening the meeting of the Board of Directors. The draft of the motion shall be served in person, by mail, telegram and fax to each director. In case that the Board of Directors has distributed the motion to all directors, the number of directors who sign on the motion reaches the quorum required by laws and the motion has been submitted to the Secretary of the Board by the abovementioned ways, the resolution shall become the resolution adopted by the Board of Directors, without convening the meeting of the Board of Directors.

Article 111. The Board of Directors shall keep minutes and resolutions of the meeting of the Board of Directors and its proceedings and decisions on the matters examined by way of written resolutions in Chinese. The directors attending the meeting shall have the right to make descriptive records of their speeches at the meeting. The opinions of the independent directors shall be clearly listed in the resolutions of the board of directors. The minute and resolution of each meeting of the Board of Directors shall be provided to all directors for review as soon as possible. Any director who wants to make amendment of supplement to the minute shall report the amendment to the Chairman of the Board in written form within one week upon the receipt of the minute and resolution. The directors and recorder attending the meeting shall sign on the finalized minute and resolution of the meeting. The minutes and resolution of meetings of the Board of Directors shall be kept at the Company's domicile and sent to each director in full copies as soon as possible. The minutes and resolution of meetings shall be kept for at least 10 years.

Article 112. In the event of one of the following circumstances, a resolution of the Board Meeting shall not be valid:

- (1) The resolution has been made without the convening of a Board Meeting;
- (2) The resolution has been made without voting at the Board Meeting;
- (3) The number of persons attending or votes represented at the meeting does not reach the number of persons attending or votes represented as stipulated under the Company Law or the Articles of Association;

- (4) The number of persons attending or votes represented at the meeting voting in favour of the matter to be resolved does not reach the number of persons attending or votes represented as stipulated under the Company Law or the Articles of Association.

Article 113.

Any written resolution not formed and signed by directors in line with the statutory procedures shall not have the legal effect of the resolution of the Board, even if every director has expressed his or her opinion in different ways.

Where a resolution of the Board of Directors is in violation of laws, administrative regulations and rules, the Company's Articles of Association or the resolution of the Shareholders' Meeting, thereby causing serious losses to the Company, the directors who cast an affirmative vote shall be directly liable to the Company for damages. However, where a director can prove that he or she expressed his or her opposition to such resolution when it was put to be voted, and that such opposition was recorded in the minutes of the meeting, the director may be relieved from such liability; where a director abstains from voting, or is absent and does not appoint others to attend, the director may not be relieved from such liability; where a director has expressed his opposition to such resolution but does not cast a negative vote, the director also may not be relieved from such liability.

If the resolutions of the Board of Directors are in violation of laws and administrative regulations, shareholders are entitled to request the People's Court to identify them invalid.

The procedures for convening and voting of the meeting of the Board of Directors of the Company are in violation of laws, administrative regulations or the Articles of Association or the resolutions violate the Articles of Association, shareholders are entitled to request the People's Court to revoke such resolutions within 60 days, except where there are only minor defects in the procedures for convening or voting of the meeting of the Board of Directors, which do not materially affect the resolutions.

Where the People's Court has handed down a judgement or ruling on the relevant matter, the Company shall fulfill the obligation of information disclosure in accordance with the laws, administrative regulations and provision of the CSRC and the stock exchange, which shall include a full account of the

impact, and shall actively implement in compliance with such judgement or ruling after the same comes into effect. Where rectification of previous executed matters is involved, such rectification shall be promptly processed and the obligation of information disclosure shall be fulfilled accordingly.

Article 114.

Subject to relevant laws and administrative regulations, the Shareholders' Meeting may remove any director by an ordinary resolution (without prejudice to any claim for damages that such director may have under any contract) before the end of his or her term of office, with effective from the date of such resolution made.

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

Article 115.

Directors may tender their resignations before the expiration of their terms of office. To resign, a director shall submit a written resignation to the Company, with effect from the date of receipt of such resignation by the Company, and the Company shall disclose the situation within two trading days. The independent director shall provide information on any circumstances related to his or her resignation or any circumstances to which he or she believes the attention of the Company and its creditors must be drawn.

In the event of any of the following stipulated circumstances, the original director shall continue to perform his or her duties as a director in accordance with laws, regulations, normative documents and these Articles of Association until the incoming director assuming his or her position:

- (1) Where reelection procedures are not carried out in a timely manner on the expiration of the directors' term of office, or where the number of directors on the board of directors falls below the quorum due to a director's resignation;
- (2) The resignation of a member of the Audit Committee results in the Audit Committee being less than the minimum number of members required by law, or there is a shortage of accounting professionals;

- (3) The resignation of an independent director results in the proportion of independent directors on the Company's Board of Directors or special committees not being in compliance with laws and regulations or the Articles of Association, or there is a lack of accounting professionals among the independent directors.

In the event of the resignation of a director of the Company, the Board of Directors shall convene an extraordinary Shareholders' Meeting as soon as possible for the purpose of electing a new director.

## **CHAPTER 12 INDEPENDENT DIRECTORS**

Article 116. The independent directors have the obligation to act in good faith and due diligence towards the Company and all of its shareholders, and shall perform their duties conscientiously in accordance with the requirements of relevant laws, regulations, rules, normative documents and the Articles of Association, play a role in decision-making, supervision, check and balance, and professional consultation in the Board of Directors, so as to safeguard the overall interests of the Company and protect the legitimate interests of the minority shareholders.

The independent director shall perform his or her duties and responsibilities independently, without interference from the major shareholder(s) or the actual controller of the Company, or other entities or individuals that have a material interest with the Company and its major shareholder(s) or the actual controller.

Article 117. The candidates for the Company's independent director shall be nominated by the Company's Board of Directors, Audit Committee and shareholders who alone or together hold at least 1 percent of the outstanding issued shares of the Company and shall be decided through election by the Shareholders' Meeting. An investor protection agency established by law may publicly request the shareholders to entrust it to exercise their rights to nominate the independent directors on their behalf.

- (1) The consent of the nominee shall be obtained before the nominator nominates him or her for the position of independent director; the nominator(s) shall be fully aware of such details of the nominee as his or her occupation, educational background, title, career

details, all of his or her concurrent positions, whether he or she has a major breach of trust and other records of bad behaviors, etc., and comment on the fulfilment of the independence and other conditions for being an independent director. Candidates shall make a public statement on their fulfilment of the independence and other conditions for being an independent director. The candidate shall make a written commitment to the Company, agree to accept the nomination, promise that the publicly disclosed information about candidates is true and complete, and to guarantee that they will earnestly perform their duties if being selected.

- (2) If the candidate for the independent director is nominated before the board meeting is convened, if otherwise provided in accordance with provisions in the applicable laws and regulations and/or the listing rules or other securities laws and regulations, the written materials of the nominee described in item (1) of this Article shall be announced together with the resolution of the Board of Directors in accordance with such provisions.
- (3) If a shareholder alone or shareholders together holding at least 1 percent of the total issued shares in the Company or the Supervisory Committee put(s) forth an extempore motion for the election of an independent director, the written notice of the intention to nominate a candidate for the position of independent director and of the nominee indicating his or her willingness to accept the nomination as well as relevant written materials and commitment on the nominee as mentioned in above in item (1) of this Article shall be delivered to the Company within a reasonable period before the date of the Shareholders' Meeting, so as to enable the Company to send or provide the relevant notice and materials to the shareholders not less than 10 trading days before the date of the Shareholders' Meeting.
- (4) Prior to the holding of a Shareholders' Meeting at which an independent director is to be elected, if otherwise provided in the applicable laws and regulations and/or relevant listing rules, the Company shall submit the relevant materials on all the nominees to the stock exchange on which the Company's shares are listed. If

the Board of Directors of the Company has objections concerning the relevant details of a nominee, the Company shall additionally submit the written opinion of the Board of Directors. The nominees against whom the stock exchange has objections shall not be proposed to the Shareholders' Meeting for election.

- (5) The cumulative voting system shall be adopted for the election of two or more independent directors at the Shareholders' Meeting, and the votes casted by the minority shareholders shall be counted and disclosed separately. Where conditions allow, the Company may elect independent directors through competitive election.
- (6) After being elected by the Shareholders' Meeting of the Company, a candidate for independent director shall, within one month after the election, sign the Statement and Undertaking of Directors, which shall be witnessed by a lawyer and filed with the stock exchange and the Board of Directors of the Company. independent directors shall warrant that the matters declared in the Statement and Undertaking of Directors are true, accurate and complete, and that there are no false information, misleading statements or material omissions.

Article 118.

A person holding the position of independent director shall satisfy the basic conditions set forth below:

- (1) having the qualifications to hold the position of directors of the listed companies in accordance with laws, administrative regulations and these Articles of Association;
- (2) complying with the independence requirements set out in these Articles of Association;
- (3) having a basic knowledge of the operation of listed companies and being familiar with relevant laws, administrative rules, regulations and rules;



- (4) having at least five years of experience in law, economics, accounting, finance, management, non-ferrous metals industry or other work experience required for performing the duties and responsibilities of an independent director;
- (5) excelling in virtue, having no bad records such as major breach of trust;
- (6) other conditions stipulated under laws, administrative regulations, CSRC regulations, stock exchange business rules and these Articles of Association.

Article 119.

The independent director must be independent. Unless otherwise provided in the applicable laws, regulations and/or the relevant listing rules, the following persons may not serve as independent directors:

- (1) persons holding a position in the Company or a subsidiary thereof and their lineal relatives and major social relations (the lineal relatives refer to the spouse, parents and children; the major social relations refer to the brothers and sisters, father-in-law and mother-in-law, daughter-in-law, son-in-law, the spouses of brothers and sisters, as well as the spouse's brothers and sisters);
- (2) natural person shareholders who directly or indirectly hold at least 1 percent of the outstanding shares of the Company or who rank among the top ten shareholders of the Company, and their lineal relatives;
- (3) persons who hold positions in entities that directly or indirectly hold at least 5 percent of the outstanding shares of the Company or that rank among the top five shareholders of the Company, and their lineal relatives;
- (4) persons who hold positions in the controlling shareholder, actual controller of the Company and their subsidiaries and their immediate family members;
- (5) persons who provide financial, legal, consulting, sponsoring and other services to the Company and its controlling shareholder, actual controller or their respective subsidiaries, including but not limited to all members of the project team, reviewers at all levels,

persons who sign the report, partners, directors, senior management and main responsible persons, etc. of the intermediary institutions that provide services;

- (6) a person who has material business dealings with the Company and its controlling shareholder, actual controller or their respective subsidiaries, or a person who holds a position in the entity which has material business dealings and the controlling shareholder(s), actual controller of such entity;
- (7) persons who, at any time during the immediately preceding period of one year, have fallen into any of the items no. (1) to (6) listed above;
- (8) other persons that the laws, administrative regulations, CSRC regulations, relevant listing rules or these Articles of Association specify are not independent.

The subsidiaries of the Company's controlling shareholders and de facto controllers as referred to in items (4) to (6) above do not include companies which are controlled by the same state-owned asset administration institution as the Company and which do not have a connected relationship with the Company in accordance with the relevant regulations.

Independent directors shall conduct self-examination of their independence on an annual basis and submit such self-examination results to the board of directors. The board of directors shall assess the independence of incumbent independent directors on an annual basis and issue a special opinion in relation thereto, which shall be disclosed at the same time as the annual report.

#### Article 120.

If an independent director fails on two consecutive occasions to personally attend a meeting of the Board of Directors, nor does he or she delegate another independent director to attend the meeting on his or her behalf, the Board of Directors shall propose to convene a Shareholders' Meeting to remove the independent director from his or her position within 30 days from the date of occurrence of such fact.

An independent director may not be removed without cause before the expiration of his or her term, unless any of the circumstance mentioned in the preceding paragraph or a

circumstance under which a person may not hold the position of director specified in the laws, administrative regulations and rules, as well as these Articles of Association, arises. If an independent director is removed before the expiration of his or her term, the Company shall disclose his or her removal as a matter for special disclosure. If the removed independent director is of the opinion that the Company's grounds for removing him or her are not justified, he or she may make a public statement to that effect.

Article 121.

In addition to the functions and powers granted to directors under the Company Law, other laws, administrative regulations and rules, as well as these Articles of Association, independent directors shall have the following special functions and powers:

- (1) independently engaging intermediaries to audit, consult on or verify specific matters of the Company, the costs of which shall be borne by the Company;
- (2) proposing to the Board of Directors the calling of an extraordinary Shareholders' Meeting;
- (3) proposing the calling of meetings of the Board of Directors;
- (4) expressing independent opinions on matters that may prejudice the interests of the Company or minority shareholders;
- (5) openly soliciting shareholders' rights in accordance with laws;
- (6) other functions and powers as stipulated by laws, administrative regulations, CSRC regulations and the Articles of Association.

Functions and powers listed in above items (1) to (3) shall be exercised by independent directors upon the approval by more than half of all independent directors.

The Company shall disclose in a timely manner when an independent director exercises the functions and powers listed in item (1). If the said powers cannot be exercised normally, the Company shall disclose the details and reasons therefor.

- Article 122. The following matters shall be approved by the majority of all independent directors of the Company before being submitted to the Board of Directors for consideration:
- (1) related party transactions that should be disclosed;
  - (2) plans for the Company and related parties to change or waive their commitments;
  - (3) decisions made and measures taken by the Board of Directors in respect of the acquisition of the Company when the Company is acquired;
  - (4) other matters as stipulated by laws, administrative regulations, CSRC regulations and the Articles of Association.

Article 123. The independent director shall attend the meeting of the Board of Directors on time, understand the Company's production and operation, and actively investigate and obtain the conditions and information required by making decisions. The independent director shall submit the annual report on work to the Shareholders' Meeting of the Company and to elaborate on the performance by the independent directors of their duties and responsibilities.

Article 124. The Company shall establish the work system of independent directors, and the independent directors shall spend no less than 15 days per year on-site at the Company's premises.

The Company shall provide the necessary working conditions and personnel support for the independent directors to perform their duties, ensure that the independent directors enjoy the same right to know as other directors, timely provide relevant materials and information to the independent directors, regularly report the Company's operation and organize or cooperate with the independent directors to make field survey if necessary.

The secretary to the Board of Directors shall ensure that there is a smooth flow of information between the independent directors and other directors, senior management and other relevant persons, and that the independent directors have access to adequate resources and necessary professional advice in the performance of their duties.

Article 125. The Company shall establish a mechanism for special meetings (the “Special Meeting of Independent Directors”) which will be attended by independent directors. Matters such as connected transactions to be reviewed by the Board of Directors shall be approved in advance by the Special Meeting of Independent Directors.

The Company shall convene the Special Meeting of Independent Directors a regular or ad hoc basis. Matters specified in Article 121, Paragraph 1, Items (1) to (3) and Article 122 of these Articles of Association shall be considered by the Special Meeting of Independent Directors. The Special Meeting of Independent Directors may consider and discuss other matters of the Company when necessary.

The Special Meeting of Independent Directors shall be convened and chaired by an independent director nominated by more than half of the independent directors; in the event that the convener does not perform his or her duties or he or she is unable to perform his or her duties, two independent directors and above can convene a meeting on their own and nominate a representative to chair the meeting.

The Special Meeting of Independent Directors shall prepare minutes of meetings. The minutes of meetings shall record the opinions of the independent directors. The independent directors shall sign and confirm the minutes of meetings.

### **CHAPTER 13 SECRETARY TO THE BOARD OF DIRECTORS**

Article 126. The Company shall have a Secretary to the Board of Directors. The Secretary to the Board of Directors shall be a member of the senior management staff of the Company and the Board of Directors shall establish the working office of the Board Secretary, if necessary.

Article 127. The Secretary to the Board of Directors shall be a natural person with the necessary professional knowledge on finance, management, law, etc. who excels in professional ethics and virtue. The Secretary to the Board of Directors shall be appointed by the Board of Directors.

His or her main duties shall be as set forth below:

- (1) to assist the directors with their handling of the day-to-day business of the Board of Directors; to provide the directors with, remind the directors of, and ensure that the directors are aware of, the domestic and foreign regulators' regulations, policies and requirements in respect of the operation of companies; and to assist the directors and the senior management in their compliance with domestic and foreign laws, these Articles of Association and other relevant regulations when they are exercising their functions and powers;
- (2) to be responsible for organizing and preparing the documents of the Board of Directors and the Shareholders' Meeting; to duly keep meeting minutes; to ensure that decisions made at meetings are made in accordance with statutory procedure and to keep abreast of the implementation of the resolutions of the Board of Directors;
- (3) to be responsible for arranging and coordinating the disclosure of information, coordinating the relationship with investors and enhancing the transparency of the Company;
- (4) to participate in arranging capital market financing;
- (5) to handle relations with intermediary organizations, regulators and the media, and to coordinate public relations.

The scope of the duties and responsibilities of the Secretary to the Board of Directors shall be as set forth below:

- (1) to arrange and make preparations for meetings of the Board of Directors and Shareholders' Meeting, to prepare meeting materials, to arrange relevant meeting affairs, to be responsible for meeting minutes, to ensure the accuracy of such minutes, to keep meeting documents and minutes, to actively keep abreast of the implementation of relevant resolutions; to report major issues encountered in the course of implementation to the Board of Directors and to provide recommendations in respect thereof.

- (2) to ensure that the material matters on which the Board of Directors of the Company has reached decisions are carried out in strict accordance with the prescribed procedure; at the request of the Board of Directors, to participate in and arrange for advice and analysis of matters on which the Board of Directors is to make decisions and put forward pertinent opinions and recommendations; to handle, upon appointment, the day to day work of the Board of Directors and its relevant committees.
- (3) as the contact person between the Company and the securities regulator, to be responsible for arranging for the preparation and timely delivery of the documents requested by the regulator and to be responsible for accepting the relevant tasks assigned by the regulator and arranging for their completion.
- (4) to be responsible for coordinating and arranging information disclosures by the Company and the establishment of a sound information disclosure system, to attend all Company meetings relating to information disclosure and to be aware at all times of the Company's material business decisions and relevant information and data.
- (5) to be responsible for the work associated with maintaining the confidentiality of the Company's price sensitive information and to formulate a practical and effective confidentiality system and measures; where Company price sensitive information is leaked for any reason, to take the necessary remedial measures, to timely explain and clarify the same and inform the regulator of the place where Company shares are listed abroad and the CSRC.
- (6) to be responsible for the coordination and organization of the market promotion, coordinating the visiting reception, dealing with the investor relations, maintaining the relationship with the investors, intermediaries and the media, coordinating to answer the public's questions, ensuring that the investors may obtain the information disclosure matters of the Company in time; to be responsible for the promotion and propaganda activities of the Company inside and



outside China, preparing summary reports on the market promotion and activities such as major inviting, and organizing the relevant matters of report to the CSRC.

- (7) to be responsible for the management and conservation of the Company's register of shareholders, register of directors, the materials about the number of shares held by major shareholders and director equity records, as well as the list of creditors of the Company's outstanding debentures.
- (8) to provide relevant advice and services to all directors to ensure that procedures for the Board of Directors and all applicable rules relating thereto are complied with; and to organize regular training for the directors and senior management of the Company to assist the foregoing persons in understanding their respective responsibilities in relation to corporate governance and information disclosure.
- (9) to assist the directors and the senior management in their compliance with domestic and foreign laws, these Articles of Association and other relevant regulations when they are exercising their functions and powers; when he or she becomes aware that the Company has adopted or could adopt a resolution that violates relevant regulations, he or she is under obligation to timely make the same known and has the right to truthfully report the same to the CSRC and other regulators.
- (10) to coordinate the provision of necessary information and data to the Company's Audit Committee and other review organizations when they are performing their monitoring functions and to assist in the investigations on the performance by the Company's Financial Controller, the Company's directors and the General Manager of their fiduciary duties.
- (11) to be responsible for the management of changes in the Company's shares and their derivatives.
- (12) to perform other functions and powers granted by the Board of Directors and other functions and powers required by laws of the place where Company shares are listed or by relevant rules of the Stock Exchange.

Article 128. Directors or other senior management staff of the Company may concurrently hold the office of Secretary to the Board of Directors. No accountant of an accounting firm engaged by the Company may concurrently hold the office of Secretary to the Board of Directors.

If the office of Secretary to the Board of Directors is held by a director of the Company and a certain act is to be done by a director and the Secretary to the Board of Directors separately, the person who concurrently holds the offices of director and Secretary to the Board of Directors may not perform the act in both capacities.

Article 129. The Secretary to the Board of Directors shall comply with the relevant provisions of these Articles of Association to perform his or her duties diligently.

The Secretary to the Board of Directors shall assist the Company in compliance with China's relevant laws and the rules of the Stock Exchange where the Company's shares are listed.

## **CHAPTER 14 GENERAL MANAGER OF THE COMPANY**

Article 130. The Company has a General Manager, who shall be engaged or dismissed by the Board of Directors. In principle, the General Manager shall serve terms of three years and may serve consecutive terms if reappointed.

The Company shall have several Deputy General Managers, one Chief Financial Officer, one General Counsel to assist the General Manager's work. The Deputy General Manager, Chief Financial Officer and General Counsel shall be nominated by the General Manager and engaged or dismissed by the Board of Directors.

The General Manager, Deputy General Manager, Chief Financial Officer, secretary to the Board and General Counsel of the Company constitute the management of the Company. The management is the executive body of the Company for operation, implementation and management enhancement, and is subject to the management of the Board and the supervision of the Audit Committee.

A director can be engaged as the part-time General Manager or other senior management staff; however, the number of the directors and employee directors serving as the part-time General Manager or other senior management staff shall not exceed one half of the Company's total number of directors.

Article 131.

The General Manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (1) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors;
- (2) to draft the Company's development strategies and plans, annual operation plans and investment plans, and to organize and implement them upon approval;
- (3) to draft the Company's annual bond issuance program, financing plan and financing guarantee plan;
- (4) to draft the plan for the increase or decrease in the registered capital of the Company;
- (5) to draft the plans for final accounts, profit distribution and making up losses of the Company;
- (6) to draft the plan for establishment of the Company's internal management organization;
- (7) to decide on the establishment of management organization of the Company's branch offices;
- (8) to formulate the Company's basic management system and the Company's market-oriented selection and employment, labour employment and salary distribution system;
- (9) to formulate the business management system and regulations of the Company;
- (10) to request the Board of Directors to engage or dismiss the Company's Deputy General Manager, Chief Financial Officer and General Counsel;

- (11) to decide on the engagement or dismissal of management personnel other than those to be engaged or dismissed by the Board of Directors;
- (12) to sit in the meetings of the Board of Directors;
- (13) other functions and powers granted by the Company's Articles of Association or the Board of Directors.

Article 132. The General Manager of the Company shall report to the Board of Directors on the signing and execution of material contracts, application of funds, as well as profit and loss as requested by the Audit Committee. The General Manager shall ensure the trueness of the report.

Article 133. In the exercise of his or her functions and powers, the General Manager and other senior management staff shall not change the resolutions of the Shareholders' Meeting and the Board of Directors or exceed the scope of authorization.

Article 134. The resignation of the General Manager and other senior management shall be effective upon receipt of such resignation report by the Board of Directors of the Company.

## **CHAPTER 15 QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT STAFF OF THE COMPANY**

Article 135. None of the following persons may serve as a director, General Manager or other senior management staff of the Company:

- (1) persons without capacity or with limited capacity for civil acts;
- (2) persons who were sentenced to criminal punishment for the corruption, bribery, misappropriation of property or diversion of property or for disrupting the order of the socialist market economy; or persons who were deprived of their political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation; or persons who were given a suspended sentence, where not more than two years have elapsed since the expiration of the period of probation;

- (3) persons who served as directors, or factory directors or General Managers, who bear personal liability for the bankruptcy liquidation of their companies or enterprises, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation;
- (4) persons who served as the legal representatives of companies or enterprises that had their business licenses revoked or were ordered to close for breaking the law, where such representatives bear individual liability therefor and not more than three years have elapsed since the date of revocation of the business license or being ordered to close;
- (5) persons with comparatively large debts that have fallen due but have not been settled and were listed as dishonest persons subject to enforcement by the people's court;
- (6) a person who has been given penalties of prohibition against entering the securities market from the CSRC, where the term of such penalties has not expired;
- (7) persons who may not serve as a director, General Manager or other senior management staff of the Company by virtue of laws and regulations of the State and the Listing Rules.

As for the current directors, under the above circumstance set forth above, the Board of Directors shall immediately stop relevant directors from performing their duties since the date of knowing the situation occurred, and advice the Shareholders' Meeting to replace such directors. As for the General Manager or other senior management staff, the Board of Directors shall immediately stop relevant General Manager or other senior management staff from performing his or her duties since the date of knowing the situation occurred, and timely convene the meeting of the Board of Directors to dismiss such General Manager or other senior management staff.

#### Article 136.

No director may act on behalf of the Company or the Board of Directors in his or her own name unless these Articles of Association specify that he or she may do so or he or she is lawfully authorized to do so by the Board of Directors. A director shall declare his or her position and capacity in advance

if, when such director is acting in his or her private capacity, a third party would reasonably assume him or her to be acting on behalf of the Company or the Board of Directors.

Article 137. The validity of an act of a director, the General Manager or other senior management staff of the Company on behalf of the Company shall not, vis-à-vis a bona fide third party, be affected by any non-compliance in his or her holding of such office, election or qualification.

Article 138. In addition to obligations imposed by laws, the administrative rules and regulations as well as the listing rules of the stock exchanges on which shares of the Company are listed, the Company's directors, General Manager and other senior management staff shall owe each shareholder the following obligations in the exercise of the functions and powers granted to them by the Company:

- (1) not to cause the Company to exceed the scope of business stipulated in its business license;
- (2) to act honestly in the best interest of the Company;
- (3) not to deprive the Company of its property in any way, including (but not limited to) any opportunities that are advantageous to the Company;
- (4) not to deprive shareholders of their individual rights and interests, including (but not limited to) rights to distributions and voting rights, unless pursuant to a restructuring of the Company submitted to and adopted by the Shareholders' Meeting in accordance with these Articles of Association of the Company;
- (5) the obligations required by the laws of the place where Company shares are listed and relevant provisions of the stock exchange.

Article 139. The Company's directors, General Manager and other senior management staff shall have a fiduciary obligation to the Company, take measures to avoid any conflict of interest with the Company and not utilize their positions to seek undue benefits.

The Company's directors, General Manager and other senior management staff shall have an obligation of diligence to the Company and shall exercise the reasonable care normally expected of a manager in the best interests of the Company in the performance of their duties.

The Company's directors, General Manager and other senior management staff shall have an obligation, in the exercise of their rights or discharge of their obligations, to perform their acts with the care, diligence and skill that a reasonably prudent person should exercise in comparable circumstances, including but not limited to the relevant Professional Moralities and Code of Conduct for employees developed by the Company.

Article 140.

The Company's directors, General Manager and other senior management staff must, in the performance of their duties and responsibilities, abide by the fiduciary principle and shall not place themselves in a position where their personal interests and their duties may conflict. This principle shall include but not be limited to the fulfillment of the following obligations:

- (1) to act honestly in the best interest of the Company;
- (2) to exercise powers within the scope of their functions and powers and not to exceed such powers;
- (3) to personally exercise the discretion vested in him or her and not allow himself or herself to be manipulated by another person and, unless permitted by laws, administrative regulations or with the informed consent of the Shareholders' Meeting, not to delegate the exercise of his or her discretion;
- (4) to accord equal treatment to shareholders of the same class and fair treatment to shareholders of different classes;
- (5) when entering into a contract or transaction with the Company directly or indirectly, he or she shall report the matters relating to the entering of the contract or transaction to the Board of Directors or the Shareholders' Meeting, and the contract or transaction shall be subject to the approval of the Board of Directors or the Shareholders' Meeting in accordance with the provisions of these Articles of Association. The



provisions of the preceding paragraph shall apply to the entering of contracts or transactions with the Company by close family members of the directors and senior management staffs, enterprises directly or indirectly controlled by the directors and senior management staffs or their close family members, and associates who have other affiliations with the directors, supervisors and senior management staffs;

- (6) not to use Company property for his or her own benefit in any way;
- (7) not to use his or her functions and powers as a means to accept bribes or other forms of illegal income, and not to illegally appropriate Company property in any way, including (but not limited to) any opportunities that are advantageous to the Company;
- (8) not to accept commissions in connection with Company transactions;
- (9) to abide by these Articles of Association, to perform his or her duties faithfully, to protect the interests of the Company, and not to use his or her position, functions and powers in the Company to seek personal gain;
- (10) not to seek business opportunities belonging to the Company for themselves or others by utilizing their positions, except for any of the following circumstances:
  - i. after reporting to the Board of Directors or the Shareholders' Meeting and passing the resolution at the Board meeting or the Shareholders' Meeting in accordance with the provisions of these Articles of Association;
  - ii. where the Company cannot take such business opportunity in accordance with the provisions of laws, administrative regulations or these Articles of Association.
- (11) not to self-operate or operate for others the same category of business as that of the Company before reporting to the Board of Directors or the Shareholders'

Meeting and passing the resolution at the Board meeting or the Shareholders' Meeting in accordance with the provisions of these Articles of Association;

- (12) not to divert Company funds or lend Company funds to others, not to deposit Company funds in accounts opened in his or her own or in another name; not to lend Company funds to others, and not to use Company property as security for the debts of other individuals without the consent of the Shareholders' Meeting or Board of Directors;
- (13) without the informed consent of the Shareholders' Meeting, not to disclose confidential information relating to the Company that was acquired by him or her during his or her tenure; and not to use such information except in the furtherance of the interests of the Company; however, such information may be disclosed to a court or other competent government authorities if:
  - i. provided for by laws;
  - ii. required in the public interest;
  - iii. required in the personal interest of such director, General Manager or other senior management staff of the Company.

Income derived by the directors, General Manager and other senior management staff in breach of this Article shall belong to the Company; and they shall be held liable for damages if, as a result of violating a regulation, they cause the Company to sustain a loss.

#### Article 141.

All directors and the secretary to the board of directors shall attend the Shareholders' Meeting of the Company, and the General Manager and other senior management shall be present at the meeting. The directors, General Manager and senior management staff shall provide explanations in response to the queries and suggestions made by shareholders at a Shareholders' Meeting.

The Audit Committee may require directors and senior management staff to submit reports on the performance of their duties.

The directors, General Manager and senior management staff shall provide true information and data to the Audit Committee and not interfering with the Audit Committee or supervisors in the exercise of their functions and powers.

Article 142.

A director, the General Manager or other senior management staff of the Company may not incite the following persons or organizations (“connected persons”) to engage in acts such director, General Manager or other senior management staff being prohibited:

- (1) the spouse or a minor child of such director, General Manager or other senior management staff of the Company;
- (2) a trustee of such director, General Manager or other senior management staff of the Company or of any person referred to in item (1) hereof;
- (3) a partner of such director, General Manager or other senior management staff of the Company or of any person referred to in items (1) and (2) hereof;
- (4) a company over which such director, General Manager or other senior management staff of the Company, alone or jointly with any person referred to in items (1), (2) and (3) hereof or any other director, General Manager or other senior management staff of the Company, has de facto control;
- (5) a director, the General Manager or other senior management staff of a company being controlled as referred to in item (4) hereof.

Article 143.

The Company shall establish a system for managing the resignation of directors and senior management, and clarify the safeguards for the recovery of liability for unfulfilled public commitments and other outstanding matters.

If a director, the General Manager and other senior officer tender his or her resignations or his or her term of office expires, he or she shall complete all transfer procedures to the Board of Directors, the fiduciary obligation of the Company's directors, General Manager and other senior management staff do not necessarily cease with the termination of their tenure. A director, the General Manager and other senior officer's obligation to maintain the confidentiality of the Company's trade secrets shall survive the end of his or her term, until such secrets enter the public domain. The term of survival of his or her other obligations shall be decided upon according to the principle of fairness, the time elapsed between the director's departure from office and the occurrence of the event, and the circumstances and conditions of the termination of his or her relationship with the Company.

Article 144.

The Company shall be liable for damages if any of its directors, General Managers and other senior management staff causes damages to others in performing their duties to the Company; the directors, General Managers and other senior management staff shall also be liable for damages if they are found to have done so with intentional or gross negligence.

A director, the General Manager or other senior officer who causes the Company to sustain a loss as a result of a violation of a law, administrative regulations and rules, department rules or a breach of these Articles of Association by him or her during the performance of his or her Company duties shall be liable for damages.

A director, the General Manager or other senior officer who causes the Company to sustain a loss due to his or her unauthorized departure from office prior to the end of his or her term shall be liable for damages.

Article 145.

A director, the General Manager or other senior management staff of the Company may, by informed decision of the Shareholders' Meeting, be relieved from liability for a specific breach of his or her obligations, except in circumstances as specified in Article 48 of the Articles of Association.

Article 146.

If a director, the General Manager or other senior management staff of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement concluded or planned by the Company (excluding his or her engagement contract with the Company), he or she shall disclose the nature and extent of his or her interest to the Board of Directors at the earliest opportunity, whether or not the matter is normally subject to the approval of the Board of Directors.

A director may not vote on any contract, transaction or arrangement in which he or she or any close associate connected to him or her (as defined in the applicable securities listing rules amended from time to time) has a material interest and which is to be approved by the Board of Directors or any other proposals related thereto. Additionally, he or she may not count in the quorum for the meeting.

Unless the interested director, General Manager or other senior management staff of the Company has disclosed such interest to the Board of Directors as required under the first paragraph hereof and the matter has been approved by the Board of Directors at a meeting in which he or she was not counted in the quorum and had refrained from voting, the Company shall have the right to void the contract, transaction or arrangement, unless the other party is a bona fide party acting without knowledge of the breach of obligation by the director, General Manager or other senior management staff concerned.

A director, the General Manager or other senior management staff of the Company shall be deemed to be interested in any contract, transaction or arrangement in which a connected person of that director, General Manager or other senior management staff is interested.

Article 147.

If a director, the General Manager or other senior management staff of the Company gives a written notice to the Board of Directors before the conclusion of the contract, transaction or arrangement is first considered by the Company stating that, by reason of the contents of the notice, he or her is interested in the contract, transaction or arrangement that may subsequently be made by the Company, such director, General Manager or other senior management staff of the Company shall be deemed for the purposes of the preceding Articles of this Chapter to have declared his interest, to the extent stated in the notice.

Article 148. The Company may not directly or indirectly provide a loan to, or loan guarantees for, its directors, General Manager and other senior management staff or those of its parent company, or provide loans to or loan guarantees for connected persons of the above-mentioned persons.

The provisions of the preceding paragraph shall not apply to the following circumstances:

- (1) the provision by the Company of a loan to or a loan guarantee for a subsidiary of the Company;
- (2) the provision by the Company of a loan, loan guarantee or other moneys to a director, the General Manager or other senior management staff of the Company under an engagement contract approved by the Shareholders' Meeting, so as to enable him to meet the expenses incurred for the purposes of the Company or for the performance of his or her Company duties;
- (3) the provision by the Company of a loan or a loan guarantee to a relevant director, the General Manager or other senior management staff of the Company or to a connected person thereof on normal commercial terms, if the ordinary scope of business of the Company includes the lending of money or the provision of loan guarantees.

Article 149. A loan provided by the Company in breach of the preceding Article shall be immediately repaid to the Company by the recipient of the loan, regardless of the terms of the loan.

Article 150. A loan guarantee provided by the Company in breach of the first paragraph of Article 148 shall be unenforceable against the Company, unless:

- (1) the loan was provided to a connected person of a director, the General Manager or other senior management staff of the Company or of its parent company, and at the time the loan was advanced the lender did not know the relevant circumstances;
- (2) the collateral provided by the Company has been lawfully sold by the lender to a bona fide purchaser.

- Article 151. For the purposes of the preceding Articles of this Chapter, the term “guarantee” shall include an act whereby the guarantor assumes liability or provides property to guarantee or secure the performance of obligations by the obligor.
- Article 152. Following the approval of the Shareholders’ Meeting, the Company may purchase liability insurances for the directors, General Manager and other senior management staff, unless the liability is caused by the violation of the laws, administrative regulations and rules, as well as these articles of association by the Company’s directors, General Manager or other senior management staff.
- After the Company has taken out or renewed liability insurance, the Board of Directors shall report to the Shareholders’ Meeting on the amount and scope of coverage and insurance premium rate of the liability insurance.
- Article 153. If a director, the General Manager or other senior management staff of the Company breaches his or her obligations to the Company, the Company shall, in addition to any rights and remedies provided by laws or administrative rules and regulations, have the right to:
- (1) require the relevant director, General Manager or other senior management staff to compensate for the losses sustained by the Company as a consequence of his or her dereliction of duty;
  - (2) rescind any contract or transaction concluded by the Company with the relevant director, General Manager or other senior management staff and contracts or transactions with a third party (where such third party is well aware or should know that the director, General Manager or other senior management staff representing the Company was in breach of his or her obligations to the Company);
  - (3) require the relevant director, General Manager or other senior management staff to surrender the gains derived from the breach of his or her obligations;
  - (4) recover any moneys received by the relevant director, General Manager or other senior management staff that should have been received by the Company, including (but not limited to) commissions;



- (5) require the relevant director, General Manager or other senior management staff to return the interest earned or possibly earned on the moneys that should have been given to the Company.

Article 154.

The Company shall conclude written contracts with each director of the Company concerning his or her remuneration. Such contracts shall be approved by the Shareholders' Meeting before they are entered into. The aforementioned remuneration shall include:

- (1) remuneration in respect of his or her service as a director or senior management staff of the Company;
- (2) remuneration in respect of his service as a director or senior management staff of a subsidiary of the Company;
- (3) remuneration for other services provided toward the management of the Company or a subsidiary thereof;
- (4) the payment by way of compensation for his or her loss of office or retirement to the aforementioned directors in respect of redundancy or retirement.

A director may not sue the Company for benefits due to him or her on the basis of the aforementioned matters, except under a contract as mentioned above.

Article 155.

The Company shall specify in the contract concluded with a director of the Company concerning his or her remuneration that in the event of a takeover of the Company, a director of the Company shall, subject to prior approval of the Shareholders' Meeting, have the right to receive the compensation or other moneys obtainable for loss of office or retirement. For the purposes of the preceding paragraph, the term "a takeover of the Company" shall mean either of the following:

- (1) anyone making a purchase offer to all of the shareholders;
- (2) anyone making a purchase offer with a view to the offeror becoming a controlling shareholder as defined in the Article 50 of these Articles of Association.

If the relevant directors have failed to comply with this Article, any sums received by themselves shall belong to those persons that have sold their shares as a result of their acceptance of the aforementioned offer, and the expenses incurred in the pro rata distribution of such sums shall be borne by the relevant directors and may not be paid out of such sums.

## **CHAPTER 16 FINANCIAL AND ACCOUNTING SYSTEMS, DISTRIBUTION OF PROFITS, AUDITING AND GENERAL COUNSEL SYSTEM**

Article 156. The Company shall formulate its own financial and accounting systems in accordance with laws, administrative regulations and provisions formulated by the relevant state departments.

Article 157. The Company shall adopt the Gregorian calendar year as its fiscal year, which shall commence on January 1 and end on December 31 of the same Gregorian calendar year.

The Company shall adopt the Renminbi as its bookkeeping base currency and its account books shall be kept in Chinese.

The Company shall prepare financial reports at the end of each fiscal year. Such reports shall be audited by an accounting firm in accordance with the laws.

Article 158. The Board of Directors of the Company shall place before the shareholders at each annual Shareholders' Meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local government and the authorities-in-charge require the Company to prepare. Such reports shall be subject to audit.

Article 159. The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to an annual Shareholders' Meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.

Subject to the laws, regulations and listing rules of the place where Company's shares are listed, the aforementioned financial reports may be provided to shareholders by means as specified in Article 207 of these Articles of Association.

- Article 160. The financial statements of the Company shall be prepared not only in accordance with PRC accounting standards and regulations but also in accordance with international accounting standards or the accounting standards of the place outside the PRC where shares of the Company are listed. If there are material differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in the notes to such financial statements. For purposes of the Company's distribution of after-tax profits of a given fiscal year, the lesser of the amounts of after-tax profits shown in the aforementioned two kinds of financial statements shall govern.
- Article 161. The Company shall publish four financial reports every fiscal year, namely an Q1 financial report within 30 days after the end of the first three months of the fiscal year, an interim financial report within 60 days after the end of the first six months of the fiscal year, an Q3 financial report within 30 days after the end of the first nine months of the fiscal year and an annual financial report within 120 days after the end of the fiscal year.
- Article 162. The Company's financial and accounting reports shall be prepared in accordance with relevant laws, administrative regulations and departmental rules.
- Article 163. The Company may not keep account books other than the statutory account books. The Company's funds shall be not deposited in any account in the name of any individual.
- Article 164. The basic principles of profit distribution policy of the Company are as follows:
- (1) taking full account of return to investors and distributing dividend to shareholders per annum in proportion to the distributable dividend realized for the year concerned;
  - (2) maintaining the continuity and stability of the Company's dividend distribution policy, while at the same time take care of the interest of the Company in the long term, the interest of the shareholders as a whole, as well as the sustainable development of the Company;
  - (3) giving priority to dividend distribution in cash.

Article 165.

When the Company distributes its after-tax profits for a given year, it shall allocate 10 percent of profits to its statutory common reserve. The Company shall no longer be required to make allocations to its statutory common reserve once the aggregate amount of such reserve reaches at least 50 percent of its registered capital.

If the Company's statutory common reserve is insufficient to make up losses from previous years, the Company shall use its profits from the current year to make up such losses before making the allocation to its statutory common reserve in accordance with the preceding paragraph.

After making the allocation from its after-tax profits to its statutory common reserve as well as statutory public welfare fund, the Company may, subject to a resolution of the Shareholders' Meeting, make an allocation from its after-tax profits to the discretionary common reserve.

After the Company has made up its losses and made allocations to its statutory common reserves, the remaining profits of the Company shall be distributed in proportion to the shareholdings of its shareholders. Shares of the Company that are held by the Company itself shall not participate in the distribution of profits.

Article 166.

Before making up its losses and made allocations to the statutory common reserve, the Company shall not distribute dividends or distribute profits to shareholders. If, in violation of the preceding paragraph at the Shareholders' Meeting, the Company distributed profits to the shareholders before the Company has made up its losses and made an allocation to the statutory common reserve, any profits distributed in violation of the provisions shall be returned to the Company by shareholders. In case of losses caused to the Company, shareholders and responsible directors and senior management staff shall be liable for compensation.

The Company's dividend does not bear any interest, unless the Company fails to distribute relevant dividends to the shareholders.

Article 167.

The Company's common reserves (referring to the statutory reserve fund, any fund and capital fund) shall be used to make up the Company's losses, to expand the Company's production and operations or, through conversion into capital, to increase the Company's capital. To make up for the losses with common reserves, the Company shall first use discretionary reserve and statutory reserve; and may use capital reserve to make up for the remaining losses in accordance with relevant regulations.

If the Company remains in loss position after making up for the losses in accordance with the provisions of preceding paragraph, it may reduce the registered capital to make up for the losses. If the registered capital is reduced to make up for the losses, the Company shall not make any distribution to the shareholders; nor shall the shareholders be exempted from the obligation to make capital injection or payment for the shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 29 of these Articles of Association shall not apply, but an announcement shall be published in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on reduction of registered capital made at the Shareholders' Meeting.

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

When funds in the statutory common reserve are converted into increase registered capital by the Company through the resolution at the Shareholders' Meeting, the new shares shall be issued according to the original proportion of shares held by the shareholders, or the par value of shares shall be increased. However, in case that the statutory common reserve are converted into increase registered capital, the remaining of the reserve shall not be less than 25 percent of the registered capital of the Company before the conversion.

Article 168.

Dividend distribution policies of the Company are to be specified as follows:

- (1) dividend shall be distributed in the following manner: the Company may distribute dividends in cash, in shares or in a combination of both cash and shares. Subject to conditions, interim profit distribution may be made by the Company.
- (2) specific circumstances for and proportions of cash dividend of the Company:

save in exceptional circumstances, if the Company's profit for the year and its cumulative undistributed profit are positive, the Company may distribute dividend in cash and the profit to be distributed in cash per annum will not be less than 10 percent of the distributable profit realized for that year, or that the total profit to be distributed in cash in the past three years will not be less than 30 percent of the average annual distributable profit realized in the past three years.

The exceptional circumstances refer to the following:  
i. where the auditing firm issues a non-standard unqualified audit report on the financial report of the Company for the year; and ii. where the Company has major investment plan or significant cash expenditure (fund raising projects excepted).

- (3) Conditions for distributing dividends in shares by the Company: where the Company's business is in a sound condition, and the Board of Directors considers that the stock price of the Company does not reflect its share capital size and distributing dividend in shares will be favorable to all shareholders of the Company as a whole, provided that the above conditions of cash dividend are fully met, the Company may propose dividend distribution in shares.
- (4) Upon occurrence of any illegal appropriation of the Company's funds by the shareholders, the Company shall deduct the cash bonus to be paid to such shareholders to make up for the funds appropriated by such shareholders.

Article 169. Procedures for considering the profit distribution plan of the Company:

- (1) The profit distribution plan of the Company shall be drawn up by the management before being submitted to the Board of Directors of the Company for consideration. The Board of Directors shall thoroughly discuss the rationality of the profit distribution plan and form a specific resolution before submitting it to the shareholders' meeting for consideration. In considering the profit distribution plan, the Company shall make Internet voting accessible to the shareholders.
- (2) Where the Company does not distribute cash dividend by reason of the exceptional circumstances in Article 168 above, the Board of Directors shall explain the specific reasons for not distributing cash dividends, the exact purpose for the retained profit and the estimated investment return, and upon the independent Directors having expressed their opinions thereon, submit such proposal to the shareholders' meeting for consideration, and disclose the same in the media designated by the Company.

Article 170. Implementation of the profit distribution plan of the Company:

After the profit distribution plan has been resolved at a shareholders' meeting, the Board of Directors shall complete dividend (or share) distribution within two months after the holding of such meeting.

Article 171. Alteration of the Company's profit distribution policy:

In case of force majeure events such as war, natural disasters, or changes to the Company's external operational environment resulting in material impact on its production and operation, or relatively significant changes to the Company's operational position, the Company may adjust its profit distribution policy.

The Board of Directors shall conduct specific discussion over adjustment to the Company's profit distribution policy, provide detailed reasons for such adjustment, form a written report to be considered by independent Directors, and then submit to the shareholders' meeting for approval by way of a special resolution. In considering alterations to the profit distribution policy, the Company shall make Internet voting accessible to the shareholders.



- Article 172. Dividends and other payments by the Company to holders of domestic investment shares shall be distributed and paid in Renminbi, whereas those to holders of overseas listed foreign investment shares shall be denominated and declared in Renminbi and paid in HK Dollars. The foreign currency for the cash dividends and other payments by the Company to holders of overseas listed foreign investment shares and other holders of foreign investment shares shall be handled in accordance with state regulations on foreign exchange control.
- Article 173. Unless otherwise provided in relevant laws and Administrative regulations, where cash dividends and other amounts are paid in HK Dollars, the average middle price of the relevant foreign exchange posted by the People's Bank of China for the Gregorian calendar week immediately preceding the date of declaration of the dividends or other payment shall be used as the exchange rate.
- Article 174. Subject to the paragraph 2, Article 51 and the item (21), paragraph 1, Article 100 of these Articles of Association, the Board of Directors may decide to distribute the interim dividend or special dividend.
- Article 175. When distributing dividends to shareholders, the Company shall withhold and turn over the tax payable on the dividend income of shareholders based on the amount distributed and in accordance with PRC tax laws.
- Article 176. The Company shall appoint receiving agents for holders of overseas listed foreign investment shares to collect on behalf of the relevant shareholders the dividends distributed and other moneys payable in respect of overseas listed foreign investment shares.
- The receiving agents appointed by the Company shall meet the requirements of the laws of the place, or the relevant regulations of the stock exchange, where shares are listed.
- Under the premise of obeying the laws of China, the Company has the right to forfeit the unclaimed dividends, subject to the expiry of the applicable relevant limitation period.

- Article 177. The Company shall implement an internal auditing system, specifying the leadership system, duties and responsibilities, staffing, financial security, utilization of audit results and accountability for internal audit work.
- The Company's internal audit system shall be implemented subject to approval by the Board of Directors and shall be disclosed to the public.
- Article 178. The Company's internal auditing institution shall be accountable to the Board of Directors for supervising and inspecting the Company's business activities, risk management, internal control, financial information and other matters.
- The internal auditing institution shall be subject to the supervision and guidance of the Audit Committee in the course of its supervision and inspection of the Company's business activities, risk management, internal control and financial information.
- Article 179. The internal audit institution shall be responsible for the detailed organization and implementation of the Company's internal control evaluation. The Company shall issues an annual internal control evaluation report based on the evaluation report and related information issued by the internal audit institution and reviewed by the Audit Committee.
- Article 180. When the Audit Committee communicates with external audit units such as accounting firms and national audit institutions, the Company's internal audit organization shall actively cooperate and provide necessary support and collaboration.
- Article 181. The Audit Committee shall participate in the evaluation of the person in charge of internal audit of the Company.
- Article 182. The Company has implemented the general counsel system, and has one General Counsel. The General Counsel is a member of the senior management of the Company and is subject to the nomination by the General Manager, and appointment or dismissal by the Board.

The Company shall play the role of General Counsel in legal review and control in operation and management, so as to promote the legal operation and compliance management of the Company. The General Counsel shall attend the meetings of the Board of Directors and shall render legal opinions where the matters to be considered by the Board of Directors involve legal issues.

## **CHAPTER 17 ENGAGEMENT OF ACCOUNTING FIRMS**

Article 183. The Company shall engage an independent accounting firm that complies with relevant provisions of PRC laws to audit the annual financial reports and review other financial reports of the Company, make verification of net assets and provide other consulting-related services.

With respect to selection and appointment of accounting firms, the Company shall adopt competitive negotiation, open bidding, invited bidding and other means that the competence of such accounting firm may be known well so as to ensure that the selection and appointment process is carried out fairly and impartially.

The Company shall specify the evaluation criteria for selection and appointment of an accounting firm, which shall at least include audit fees, qualifications, practice records, quality management standards, work plans, labors and other resources allocation, information security management, and level of risk tolerance. The Company shall evaluate the application documents of the proposed accounting firms, and record and maintain the evaluation opinions of the persons participating in the evaluation.

Article 184. The term of engagement of an accounting firm engaged by the Company is one year, which shall commence upon the adjournment of the annual Shareholders' Meeting of the Company and end upon the adjournment of the next annual Shareholders' Meeting. The accounting firm could be reappointed if the term is expired, but in principle, the continuous engagement of the same accounting firm shall not be more than 8 years. If the Company intends to continue engaging the same accounting firm for more than 8 years due to business needs, it shall comprehensively consider the quality of the accounting firm's previous audits, the shareholders' evaluation, regulatory opinions, etc., and may appropriately extend the

term of engagement after performing corporate governance procedures and internal decision-making procedures, subject to a term of continuous engagement not exceeding 10 years.

Article 185. The Shareholders' Meeting may by ordinary resolution decide to dismiss any accounting firm prior to the expiration of its term of engagement, notwithstanding anything in the contract between the accounting firm and the Company, but without prejudice to such accounting firm's right, if any, to claim damages from the Company in respect of such dismissal.

Article 186. The remuneration or method of determining the remuneration of an accounting firm shall be decided upon by the Shareholders' Meeting.

Article 187. The engagement, dismissal or non-renewal of engagement of an accounting firm shall be submitted to the Board of Directors for consideration after being considered and approved by the majority of all members of the Audit Committee and shall be decided upon by the Shareholders' Meeting.

The Company shall disclose information on the length of service and audit fees of the accounting firm, audit project partner and signing certified public accountant in its annual report. The Company shall annually disclose an evaluation report on the performance of the accounting firm and the report of the Audit Committee on the performance of the supervisory duties by the accounting firm in accordance with the requirements, and if a change of the accounting firm is involved, it shall also disclose the status of the predecessor accounting firm and the audit opinion of the previous year, the reasons for the change of accounting firm, and the communication with the predecessor accounting firm. The Company shall report the relevant explanations in accordance with the requirements of the bodies performing the contributor's functions.

Where the Company changes the accounting firm, the selection and appointment shall be completed before the end of the fourth quarter of the year under audit.

Article 188. When the Company dismisses or does not renew the engagement of an accounting firm, it shall give notice to the accounting firm 10 days in advance. The accounting firm shall have the right to present its views before the Shareholders' Meeting. In case the accounting firm tenders the resignation, it shall describe to the Shareholders' Meeting whether there is any improper matter.

## **CHAPTER 18 MERGER AND DIVISION OF THE COMPANY**

Article 189. The Company may carry out mergers or divisions in accordance with the laws.

Upon the merger or division of the Company, the Company's Board of Directors shall take necessary measures to protect the lawful rights and interests of the shareholders who oppose the proposal for the merger or division of the Company.

Article 190. A merger involving the Company may take either the form of a merger by absorption or the form of a merger by new establishment. A company that absorbs other company is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company whereby the merged companies shall be dissolved.

If the consideration to be paid by the Company for the merger does not exceed 10% of the Company's net assets, approval by a resolution of the Shareholders' Meeting is not required, unless otherwise provided in these Articles of Association. If the Company merges in accordance with the provisions of the preceding paragraph without approval by a resolution of the Shareholders' Meeting, such merger shall be subject to resolution of the Board of Directors.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement. The parties to the merger shall prepare a balance sheet and a property list. Within 10 days from the date of adoption of the merger resolution, the Company shall notify its creditors and within 30 days it shall make an announcement in the newspapers or on National Enterprise Credit Information Publicity System. A creditor may, within 30 days from the date of receipt of the notice or, if he did not receive a notice, within 45 days from the date of the announcement, require the Company to pay its debt to him in full or to provide commensurate security.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the Company surviving the merger or the new company established subsequent to the merger.

Article 191. If the Company is divided, its property shall be divided accordingly.

When the Company is divided, a division agreement shall be signed by all parties involved in the division and it shall prepare a balance sheet and a property list. Within 10 days from the date of adoption of the resolution on the division, the Company shall notify its creditors and within 30 days it shall make an announcement in the newspapers or on National Enterprise Credit Information Publicity System.

The post-division companies shall be jointly and severally liable for the pre-division debts of the Company, unless provided otherwise in a written agreement on debt repayment reached between the Company and a creditor prior to the division.

Article 192. If a change occurs in the Company's registered particulars due to its merger or division, the change shall be registered with the Company's registrar in accordance with the laws. If the Company is dissolved, de-registration of the Company shall be carried out in accordance with the law. If a new company is established, registration of the establishment of such company shall be carried out in accordance with the laws.

## **CHAPTER 19 DISSOLUTION AND LIQUIDATION OF THE COMPANY**

Article 193. The Company shall be dissolved for the following reasons:

- (1) the term of business provided for in these Articles of Association has expired or the occurrence of any other cause of dissolution provided for in these Articles of Association;
- (2) the Shareholders' Meeting resolves to dissolve the Company;
- (3) dissolution is necessary as a result of the merger or dissolution of the Company;

- (4) the Company has its business license revoked, is ordered to close down or is shut down in accordance with the law for breaching laws and administrative regulations;
- (5) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding at least 10 percent of voting rights may petition a People's Court to dissolve the Company.

If the Company has any cause for dissolution specified in the preceding paragraph, it shall make public the cause of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Article 194.

If the Company falls under the circumstances specified in item (1) or (2) of the first paragraph of Article 193 of these Articles of Association, and has not distributed property to shareholders, it may continue to exist by amending these Articles of Association or by resolution of the Shareholders' Meeting. Amending these Articles of Association or obtaining a resolution of the Shareholders' Meeting based on the preceding paragraph requires the approval of more than two-thirds of the voting rights held by the shareholders present at the Shareholders' Meeting.

Where the Company is dissolved pursuant to Items (1), (2), (4) or (5) of the first paragraph of Article 193 of these Articles of Association, it shall be liquidated. The directors shall be the liquidation obligors of the Company and shall set up a liquidation committee for liquidation within 15 days after the dissolution circumstance arises. The members of the liquidation committee shall be determined by the Board of Directors or the Shareholders' Meeting. If the liquidation committee is not duly set up or fails to liquidate after its establishment, the stakeholders may request the people's court to designate related persons to form a liquidation committee to carry out liquidation.

Article 195.

When making decisions to dissolve or apply for liquidation, the Company shall solicit opinions of its labor union, and shall solicit opinions and suggestions of the employees through the employee representatives' meeting or in other means.



Article 196. The liquidation committee shall notify creditors within a period of 10 days from the date of its establishment and make announcements of the liquidation in the newspapers or on National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their claims to the liquidation committee within 30 days from the date they receive the notice, or if they have not received such notice, within 45 days from the date the announcement is made.

When declaring the claims, a creditor shall specify the matters in respect of each claim, and provide supporting materials. Claims shall be registered by the liquidation committee.

During the declaration period, the liquidation committee may not pay any debts to creditors.

Article 197. The liquidation committee shall exercise the following functions and powers during liquidation:

- (1) to inventory the Company's property, and to prepare a balance sheet and property list;
- (2) to notify creditors by notice and public announcement;
- (3) to dispose of unfinished business of the Company relating to the liquidation;
- (4) to make full payment of taxes owed and of taxes incurred during the liquidation process;
- (5) to liquidate claims and debts;
- (6) to distribute the Company's property remaining after the debts are paid in full;
- (7) to represent the Company in civil actions.

Article 198. After the liquidation committee has inventoried the Company's property and prepared a balance sheet and property list, it shall formulate a liquidation plan and submit such plan to the Shareholders' Meeting or the competent authority for confirmation.

After payment of the liquidation expenses, the Company's property remaining shall pay in the following order: (i) the wages of the employees; (ii) social insurance premiums and statutory compensation; (iii) the taxes owed; (iv) bank loans, Company bonds and other Company debts.

The remaining assets after the disposal of the Company's property in accordance with the preceding provision, the shareholders shall distribute them according to the type and proportion of shares held by them:

- (1) in case of preferred shares, they shall be distributed to the shareholders of the preferred shares according to the par value of the preferred shares; in case the shares fail to repay for the preference shares, they shall be distributed according to the proportion of shares held by the shareholders of the preference shares;
- (2) be distributed by the Company to the shareholders in proportion to the shares they hold. During liquidation, the Company shall not engage in any business activities unrelated to the liquidation.

Article 199.

If the Company is liquidated due to dissolution and the liquidation committee, having inventoried the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the Peoples Court for a bankruptcy liquidation.

After the People's Court accepts a bankruptcy liquidation, the liquidation committee shall turn over the liquidation matters to bankruptcy administrator appointed by the People's Court.

Article 200.

Following completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, submit to the Shareholders' Meeting or the People's Court for confirmation and submit the same to the company registrar, apply for cancellation of the Company's registration.

Article 201.

The members of the liquidation committee shall perform the duty of liquidation and have obligations of fidelity and diligence.

If the members of the liquidation committee are negligent in performing their liquidation duties and cause losses to the Company, they shall be liable for damages; If a creditor sustains a loss due to a willful act or gross negligence on the part of a member of the liquidation committee, such liquidation committee member shall be liable for damages.

Article 202. If a company is legally declared bankrupt, it shall be liquidated in accordance with the law on corporate bankruptcy.

## **CHAPTER 20 PROCEDURES FOR AMENDING THE COMPANY'S ARTICLES OF ASSOCIATION**

Article 203. The Company may amend its Articles of Association in accordance with laws, administrative regulations and its Articles of Association.

Article 204. The Company's Articles of Association shall be amended in the following manner:

- (1) the Board of Directors shall pass a resolution to draw up a proposal on amendment of the Company's Articles of Association or the shareholders shall propose to amend the Company's Articles of Association;
- (2) the foregoing proposal shall be furnished to the shareholders in writing and a Shareholders' Meeting shall be convened to examine the contents of the proposal;
- (3) the contents of the amendments submitted to the Shareholders' Meeting for resolution shall be approved by a special resolution.

Article 205. The Company shall amend the Articles of Association if:

- (1) provisions of the Articles of Association conflict with the Company Law or administrative regulations after such laws are amended;
- (2) a change occurs in the Company's situation and such change is inconsistent with the matters stated herein;
- (3) the Shareholders' Meeting decides to amend the Articles of Association.

Article 206. If an amendment to these Articles of Association is subject to the approval of the competent authorities, it shall be reported to the competent authorities for approval; If an amendment to these Articles of Association involves a registered particular of the Company, registration of the change shall be carried out in accordance with the laws. If an amendment to the Articles of Association involves a matter which is required by the laws, the administrative rules and regulations to be disclosed, an announcement shall be made in accordance with regulations.

## **CHAPTER 21 NOTICES AND ANNOUNCEMENTS**

Article 207. Notices (for the purposes of this Chapter, the term “notice” includes the notice of the meetings issued by the Company to its shareholders, Company communications and other written materials) of the Company shall be given or provided by one or more of the following means:

- (1) by hand;
- (2) by mail;
- (3) by way of a public announcement;
- (4) other means recognized by the securities regulator of the place where Company shares are listed and by the stock exchange or specified in these Articles of Association.

As for the Company’s notice sent by way of a public announcement; such announcements must be published in the designated newspapers (if any) and/or other designated media (including websites) of the securities regulatory bodies and the stock exchange where the Company’s shares are listed, and such notice shall be deemed to have been received by all the relevant persons once it is published.

As for the Company’s methods to send or provide notice to the shareholders of H shares in accordance with the Hong Kong Listing Rules, subject to other documents specified in the laws, regulations and listing rules of the place where Company shares are listed, the Company may issue or give corporate communications to holders of H shares by electronic means or publication of information on a website.

The term “corporate communication” means any document issued or to be issued by the Company for the information or action of holders of any Company securities. Such communications include but are not limited to:

- (1) annual reports, including reports of the Board of Directors, the Company’s annual accounts together with the auditor’s reports and (where applicable) summary financial reports;
- (2) interim reports and (where applicable) summary interim reports;
- (3) notices of meetings;
- (4) listing documents;
- (5) circulars; and
- (6) proxy forms.

Article 208.

For a Company notice given by hand, the person on whom it is served shall sign (or affix his or her seal to) the acknowledgement slip, and the date on which he or she signed in receipt shall be the date of service; for a Company notice given by way of a public announcement, the first day of publication shall be the date of service.

When the notice is served by post, the notice shall be deemed as served 48 hours after the clearly stating the address, prepaying the postage, placing the notice in the envelope and inserting the envelope containing the notice in the mailbox.

Article 209.

A meeting and the resolutions adopted thereat shall not be invalidated due to the accidental omission to give notice of the meeting to, or the non- receipt of notice of the meeting by, a person entitled to receive notice.

## CHAPTER 22 SUPPLEMENTARY PROVISIONS

Article 210. The Company's Articles of Association are written in Chinese and English. If there is any discrepancy between the two versions, the Chinese version of the Articles of Association shall prevail.

Article 211. The power to interpret these Articles of Association shall vest in the Board of Directors of the Company. The power to amend these Articles of Association shall vest in the Shareholders' Meeting.

Article 212. For the purposes of these Articles of Association, the term "accounting firm" shall have the same meaning as the term "auditor".

The "Other Senior Management Staff" in these Articles of Association includes but not limited to "Deputy General Manager", the "Chief Financial Officer", the "Secretary to the Board" and "General Counsel" and so forth.

The "Executive Director" in these Articles of Association refers to the director (other than employee director) working in the Company.

The "Close Associate" in these Articles of Association shall have the same meaning as defined in Rule 19A.04 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The "Secretary to the Board" in these Articles of Association shall have the same meaning as the "Company Secretary" under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 213. These Articles of Association shall come into force upon the approval by a special resolution at the Shareholders' Meeting of the Company.