# 北京京能清潔能源電力股份有限公司

*(I c. , a d P , ' R . b c, C a d ab . )*

* This document is originally prepared in Chinese and this English version is not formally adopted in the shareholders' general meeting of the Company and is for reference only. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

| | | |
|---|---|---|
| Chapter 15 | Board of Supervisors | 52 |
| Section 1 | Supervisors | 52 |
| Section 2 | Board of supervisors | 53 |
| Chapter 16 | Qualifications and Obligations of the Company's Directors, Supervisors and Other Senior Management | 56 |
| Chapter 17 | Financial Accounting System and Distribution of Profits | 63 |
| Chapter 18 | Appointment of an Accounting Firm | 67 |
| Chapter 19 | Merger, Division, Dissolution and Liquidation | 69 |
| Section 1 | Merger and Division | 69 |
| Section 2 | Dissolution and Liquidation | 70 |
| Chapter 20 | Amendment to Articles of Association | 73 |
| Chapter 21 | Notice | 74 |
| Chapter 22 | Settlement of Disputes | 76 |
| Chapter 23 | Supplementary Articles | 76 |

# 1

## 1

To adapt to the requirements of the development of socialist market economy, establish the modern state-owned enterprise system with Chinese characteristics, and to safeguard legitimate rights and interests of Beijing Jingneng Clean Energy Co., Limited (the " ") and its shareholders and creditors, and to regulate organization and acts of the Company, this Articles of Association is formulated pursuant to the Company Law of PRC (the Company Law), the Law of Enterprise State-owned Assets of the PRC, the Constitution of the Communist Party of China, the Securities Law of PRC (the Securities Law), the Special Provisions of State Council on Overseas Fundraising and Listing for Limited Company (the Special Provisions), the Mandatory Provisions for the Articles of Association of the Companies to be Listed Outside the PRC, the Guidelines for Articles of Association of Chinese Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and other relevant provisions.

The Company is a joint stock limited company duly incorporated in accordance with the Company Law, the Securities Law, the Special Provisions, and other relevant state laws and regulations.

Approved by the Approval on State-Owned Equity Management Issues Relating to Beijing Jingneng Clean Energy Co., Limited (Preparing) (Guo Zi Chan Quan 2010 No.757), issued by State-owned Assets Supervision and Administration Commission of the State Council on 3 August 2010, the Approval from Ministry of Commerce on Consent for Beijing Jingneng Energy Technology Investment Co., Ltd., to Change into Foreign Invested Joint Stock Company (Shang Zi Pi 2010 No.822), issued by the Ministry of Commerce on 13 August 2010, with all shareholders of the original Beijing Jingneng Energy Technology Investment Co., Limited as the promoters, through the overall conversion of audited and confirmed book net assets of the original Beijing Jingneng Energy Technology Investment Co., as at 30 April 2010, and conducting overall alteration, the Company is established and registered at Beijing Administration for Industry and Commerce on 25 August 2010, with the Unified Social Credit Code (registration number 91110000101718150E) granted.

The promoters of the Company are Beijing Energy Investment Holding Co., Ltd., Beijing International Electric Engineering Co., Ltd., Beijing State Assets Management and Administration Center, Beijing District Heating (Group) Co., Ltd., Beijing Shenghui Science and Technology Development Co., Ltd., Beijing Enterprises Energy Technology Investment Co. Limited and BARCLAYS BANK PLC.

The registered Chinese name of the Company is 北京京能清潔能源電力股份有限公司; and the English name of the Company is BEIJING JINGNENG CLEAN ENERGY CO., LIMITED.

Address of the Company: Room 118, No.1 Zi Guang East Road, Badaling Economic Development Zone, Yanqing District, Beijing
Postal code: 100028
Telephone No.: 010-87407188/87407189
Fax No.: 010-87407187

The chairman of the board of directors is the Company's legal representative.

The Company is a perpetual joint stock limited company.

All the Company's assets are divided into equal shares. Each shareholder is responsible to the Company up to his subscribed shares. The Company is responsible for its debts up to its total assets.

Approved through a resolution at the general meeting, this Articles of Association takes effect on the day when the overseas listed foreign shares issued by the Company are listed and commence dealings in The Stock Exchange of Hong Kong Limited with the approval from relevant departments and regulatory authorities of the PRC. From the effective date of this Articles of Association, this Articles of Association shall replace the previous articles of association of the Company which has been filed with the company registration authority.

From the effective date of this Articles of Association, this Articles of Association shall become a legally binding document which regulates the Company's organization and acts, the rights and obligations between the Company and shareholders, and amongst the shareholders.

This Articles of Association shall be legally binding on the Company's shareholders, the Company, members of the Committee of the Communist Party of China (or Commission for Discipline Inspection), directors, supervisors, senior officers, with such personnel being entitled to claim for right on matters relating to the Company, and undertake corresponding obligations in accordance with this Articles of Association.

Without prejudice to the provisions of Article 250, and according to this Articles of Association, one shareholder can sue the other shareholders, the shareholders can sue the Company's directors, supervisors and senior officers. The shareholders can sue the Company. The Company can sue the shareholders, directors, supervisors and senior officers.

For the purposes of the above paragraph, the term "sue" shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.

The term "senior officers" in this Articles of Association refers to the general manager, deputy general manager, secretary to the board of directors, chief accountant, general counsel and other personnel expressly appointed by the board of directors as the Company's senior officers. The term "general manager", "deputy general manager" shall refer to the "general manager" and "deputy general manager" in the Company law, and the term "chief accountant" shall refer to "chief financial officer" in the Company Law, and the term "general counsel" shall refer to the "general counsel" in the Measures for Administration of the Legal Advisors of the State-owned Enterprises (Order No. 6 of the SASAC).

**10**

In accordance with the provisions of the Constitution of the Communist Party of China, the company shall establish organizations of the Communist Party of China; the organizations of the Party (the Party Organization) shall play the core leadership role, holding correct directions, managing overall situations and ensuring the implementations of the government's proposals. The working units of the Party shall be established to carry out the activities of the Party.

The company shall provide the necessary conditions for the activities carried out by the Party Organization. The institution and staffing of the Party Organization shall be included into the Company's management organizations and staffing. The working fund of the Party Organization shall be included into the Company's budget and shall be disbursed from the management fees.

**11**

In compliance with the Constitution of PRC and other relevant provisions, the Company shall adopt democratic management system, legitimately organize labor union, conduct labor union's activities and protects the lawful rights and interests of the employees. The company shall provide the necessary conditions for the activities of its labor union.

**1**

The Company may invest in other enterprises. However, it shall not become a capital contributor that shall bear joint liabilities for the debts of the enterprises invested, unless otherwise provided for by law.

**1**

The operational objectives of the Company are: optimize industrial structure and improve enterprise efficiency with advanced technology and management experience, achieve good investment returns for the shareholders of the Company, and promote the development of clean energy and environmental protection in the capital.

**1**

The Company's scope of business shall be in accordance with the items approved by the company registration authorities.

The Company's legally registered scope of operation shall be: power generation as approved operation item, heating service, investment consultancy and power supply as normal operation items.

Approved by securities regulatory authority of the State Council, shareholders of the Company's domestic investment shares may transfer his shares to an investor outside the PRC for listing and trading. The listing and trading of such shares overseas stock exchanges shall comply with the regulatory procedure, regulations and requirements of the foreign security markets and a resolution in a class meeting is not necessary in such circumstances.

**0**

Following approval of the authorities of the Company, the total number of ordinary shares that the Company may issue is 5 billion, of the 5 billion ordinary shares issued to the promoters at the time of establishment:

Beijing Energy Investment Holding Co., Ltd., subscribes and holds 4,287,400,000 shares, representing 85.748% of the total issued ordinary shares of the Company;

Beijing State Assets Management and Administration Center subscribes and holds 230,150,000 shares, representing 4.603% of the total issued ordinary shares of the Company;

Beijing International Electric Engineering Co., Ltd., subscribes and holds 27,600,000 shares, representing 0.552% of the total issued ordinary shares of the Company;

Beijing District Heating (Group) Co., Ltd. subscribes and holds 16,450,000 shares, representing 0.329% of the total issued ordinary shares of the Company;

Beijing Shenghui Science and Technology Development Co., Ltd., subscribes and holds 65,750,000 shares, representing 1.315% of the total issued ordinary shares of the Company;

Beijing Enterprises Energy Technology Investment Co. Limited subscribes and holds 219,200,000 shares, representing 4.384% of the total issued ordinary shares of the Company;

BARCLAYS BANK PLC subscribes and holds 153,450,000 shares, representing 3.069% of the total issued ordinary shares of the Company.

**1**

After the establishment of the Company, as approved by the Zheng Jian Xu Ke (2011) No. 635 issued by China Securities Regulatory Commission (the "  ") on 29 April 2011, the Company may issue no more than 2,464,285,500 H shares. State-owned shareholders shall sell no more than 246,428,550 state-owned shares at the time of issue of the H shares in accordance with relevant national regulations on reducing state-owned shares. Depending on market conditions, the Company may over-allot up to 328,421,500 H shares, which shall not account for more than 15% of the total ordinary shares that can be issued by the Company. If the over-allotment right is exercised, the state-owned shareholders of the Company shall transfer up to 32,842,150 state-owned shares to the National Social Security Fund Council in accordance with relevant national regulations on reducing state-owned shares. After establishment of the Company, the Company issued additional 1,149,905,454 ordinary shares, state-owned shareholders had sold 114,990,546 ordinary shares, totalling 1,264,896,000 ordinary shares, and the Company issued additional 327,508,000, 393,010,000 and 471,612,800 overseas listed shares (H shares) in 2013, 2014 and 2018, respectively, and issued 902,471,890 domestic shares in 2018.

After the above-mentioned issuance and offering, the capital structure of the Company comprises of 8,244,508,144 issued ordinary shares in total, of which:

Beijing Energy Holding Co., Ltd. holds 5,081,793,482 domestic shares, representing 61.639% in the Company's total share capital;

Beijing International Electric Engineering Co., Ltd., holds 92,654,249 domestic investment shares, representing 1.124% in the Company's total share capital;

Beijing State-owned Capital Operation and Management Center holds 224,348,291 domestic investment shares, representing 2.721% in the Company's total share capital;

Beijing District Heating (Group) Co., Ltd. holds 16,035,322 domestic investment shares, representing 0.194% in the Company's total share capital;

Shareholders of overseas listed shares (H shares) hold 2,829,676,800 shares, representing 34.322% in the Company's total share capital.

The domestic investment shares issued by the Company are centrally deposited at the China Securities Depository and Clearing Corporation Limited. The H shares of the Company are mainly under the central depository's custody, which belongs to Hong Kong Securities Clearing Company Limited and may also be held by shareholder in individual names.

After the plans for issuing overseas listed shares and domestic investment shares have been approved by the State Council authorities in charge of securities, the Company's board of directors may arrange for implementation of such plans by means of separate issuances.

The Company's plan for issuance of overseas listed shares in accordance with the preceding paragraph may be implemented within 15 months upon approval by the State Council authorities in charge of securities.

Where the Company issues overseas listed shares and domestic investment shares separately at the total number of shares specified in the issuance plans, such shares shall be fully subscribed in one single issuance. Where special circumstances make it impossible for every such single issuance to be fully subscribed, the shares may be issued in several stages, subject to the approval of the State Council authorities in charge of securities.

The registered capital of the Company is RMB8,244,508,144.

,

**0**

According to operational and development needs, the Company may, according to the law and regulations and resolutions of general meetings, increase the capital pursuant to relevant provisions of this Articles of Association.

The Company may increase its capital by the following methods:

(1) Public issuance of shares;

(2) Non-public issuance of shares;

(3) Distribution of bonus shares to existing shareholders;

(4) Conversion of common reserve into capital;

(5) Other methods prescribed by the law and regulations or approved by the relevant regulatory authorities.

Increasing capital by issuing new shares shall carried out in accordance with the procedures specified in relevant State laws and administrative regulations after having been approved in accordance with this Articles of Association.

**1**

The Company may reduce its registered capital. If the Company reduces its registered capital, such reduction shall be in accordance with the requirements of the Company Law, other related regulations and this Articles of Association.

If the Company reduces its registered capital, a balance sheet and an inventory of assets should be prepared.

Where the Company reduces its registered capital, the Company shall notify the creditors and make a public announcement in accordance with provisions of the Company Law, repay its debts or provide corresponding guarantees as required by the creditors.

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

The Company may, in the following circumstances and without violation of the requirements of laws, regulations, the rules of the places where the Company's shares are listed and this Articles of Association, repurchase its own issued outstanding shares according to legal procedure following the adoption of a pertinent resolution in accordance with the procedures provided for in this Articles of Association, and submission to and approval by the relevant State authorities:

(1) Cancellation of shares in order to reduce its registered capital;

(2) Merger with another company holding shares in the Company;

(3) Using shares for the purpose of employee stock ownership plan or share incentive plan;

(4) Acquisition of shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company;

(5) Using shares for the conversion of corporate bonds which are convertible into shares issued by the Company;

(6) As necessary for maintaining the value of the Company and safeguarding the rights and interests of shareholders;

(7) Other circumstances where the law and administrative regulations so permit.

The Company shall not acquire its own shares unless in the aforesaid circumstances. In the event that the Company repurchases its own shares according to this article, the procedure, proportion and method of repurchase and disposal of repurchased shares shall be in compliance with the requirements of relevant laws, administrative regulations and the listing rules of the places where the Company's shares are listed.

With approval from relevant state authorities to repurchase its own shares, the Company may proceed in any one of the following manners according to the requirements of relevant laws, administrative regulations, the listing rules of the places where the Company's shares are listed and this Articles of Association:

(1) Making of a repurchase offer in the same proportion to all shareholders;

(2) Repurchase through open transactions on a securities exchange;

(3)

In the event of a repurchase of shares by the Company by an agreement outside a securities exchange, prior approval shall be obtained from the shareholders at a general meeting in accordance with the procedures specified in the Company's Articles of Association. Upon obtaining further prior approval of the shareholders at the general meeting in the same manner, the Company may terminate or amend contracts concluded in the manner set forth above or waive any of its rights under such contracts.

The contracts for the repurchase of shares referred to in the above paragraph include (but not limited to) agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.

The Company may not assign contracts for the repurchase of its own shares or any of its rights hereunder.

The price per share for repurchasing the Company's own redeemable shares proposed to be made otherwise than by tender or in the market shall be set at a maximum price; where the repurchasing is proposed to be made by way of tender, tenders shall be made available to all holders of such shares on the same terms.

Repurchase of the Company's shares in accordance with Article 33 (1) and (2) of this Articles of Association shall be subject to approval at a general meeting. Repurchase of the Company's shares in accordance with Article 33 (3), (5) and (6) of this Articles of Association shall be approved at the board meeting attended by more than two thirds of the directors according to the provisions of the Articles of Association or with the authorization granted by the general meeting.

Unless otherwise provided in the laws, regulations or listing rules of the places where the Company's shares are listed, after the Company has repurchased its shares in accordance with Article 33 of this Articles of Association, such shares shall be cancelled within ten days after repurchase in the circumstance set out in item (1), or shall be transferred or cancelled within six months in the circumstances set out in item (2) and (4); and in the circumstances set out in item (3), (5) and (6), the total number of the Company's shares held by it shall not exceed ten percent of the total shares issued by the Company, and shall be transferred or cancelled within three years.

Upon cancellation of the portion of shares bought back, the Company shall apply to the original company registration authority for registration of the change in registered capital.

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

Unless the Company has already entered into the liquidation stage, it must comply with the following provisions in buying back its issued and outstanding shares:

(1) Where the Company buys back shares at their par value, the amount thereof shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares;

(2) Where the Company buys back shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares; and the portion in excess of the par value shall be handled according to the following methods:

    1. Where the shares bought back were issued at their par value, the amount shall be deducted from the book balance of distributable profits;

    2. Where the shares bought back were issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares; however, the amount deducted from the proceeds of the new shares issuance shall not exceed the total premium obtained at the time of issuance of the old shares so repurchased nor exceed the amount in the Company's premium account or capital common reserve account (including the premiums from the new shares issuance) at the time of repurchase;

(3) The sums paid by the Company for the purposes set forth below shall be paid out of the Company's distributable profits:

    1. Acquisition of the right to buy back its own shares;

    2. Amendments to any contract for repurchase of its own shares;

    3. Release from any of its obligations under any repurchase contract.

(4) After the par value of the annulled shares has been deducted from the registered capital of the Company in accordance with relevant regulations, that portion of the amount deducted from the distributable profits and used to buy back shares at the par value of the bought back shares shall be included in the Company's premium account (or capital common reserve account).

The Company or its subsidiaries (including affiliates) shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the shares in the Company. Purchasers of shares in the Company as referred to above shall include persons that directly or indirectly undertake obligations for the purpose of purchasing shares in the Company.

The Company or its subsidiaries (including affiliates) shall not at any time provide any financial assistance in any form to the above obligators in order to reduce or discharge their obligations.

The provisions of this Article shall not apply to the circumstances described in Article 39 of this Chapter.

**0**

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

(1) Gift;

(2) Guarantee (including the undertaking of liability or provisions of property by the guarantor in order to secure the performance of the obligation by the obligator), indemnity (not including, however, indemnity arising from the Company's own fault) and 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 prior to the obligations of the other party to the contract, or a change in the party to such loan or contract as well as the assignment of rights under such loan or contract;

(4) Financial assistance in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a major reduction in the Company's net assets.

For the purposes of this Chapter, the term "undertake obligations" shall include the undertaking of an obligation by the obligator by 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 obligator individually or jointly with any other person) or by changing its financial position in any other way.

**1**

The acts listed below shall not be regarded as the acts prohibited under Article 37 of this Chapter:

(1) Where the Company provides the relevant financial assistance truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of an 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 its assets;

(4) Reduction of registered capital, repurchase of shares, shareholding structuring, etc., in accordance with the Articles of Association of the Company;

(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 or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profits);

(6) The contribution by the Company for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profits).

The Company's shares shall be in registered form.

In addition to the particulars provided for in the Company Law, the share certificates of the Company shall clearly state such other particulars as required to be specified by the securities exchange(s) on which the Company's shares are listed.

The Company may take the form of overseas depositary receipt or other derivations of share certificate to issue overseas listed shares in accordance with laws and securities registration and depository practice of the listing venue.

The share certificates shall be signed by the legal representative. Where the signatures of other senior officers of the Company are required by the securities exchange(s) on which the Company's shares are listed, the share certificates shall also be signed by such other senior officers. The share certificates shall become effective after the Company seal is affixed thereto or printed thereon. Under authorization of the board of directors, the Company may stamp on share certificate. The signature of legal representative or of other senior officers on the share certificates may also be in printed form. In the circumstance of paperless issuance and trading of the shares of the Company, provisions otherwise provided by local securities regulatory authorities of the listing venue shall apply.

The Company shall establish a register of shareholders in accordance with evidence from the securities registration organization, and shall enter therein the following particulars:

(1) The name, address (domicile), profession or nature of each shareholder;

(2) The class and number of shares held by each shareholder;

(3) The amount paid or payable for the shares held by each shareholder;

(4) The serial number of the shares held by each shareholder;

(5) The date on which each shareholder is registered as a shareholder; and

(6) The date on which each shareholder ceases to be a shareholder.

The register of shareholders is the conclusive evidence of shareholders' holding of the Company shares, unless otherwise with opposite evidence.

The Company may, pursuant to an understanding or agreement reached between the State Council authorities in charge of securities and a securities regulatory organization outside the PRC, keep outside the PRC its register of holders of overseas listed shares, and entrust the administration thereof to an agent outside the PRC. The original register of shareholder of the H shares shall be kept in Hong Kong.

The Company shall keep at its domicile a duplicate of the register of holders of overseas listed shares. The appointed agent outside the PRC shall ensure that the register of holders of overseas listed shares and its duplicate are consistent at all times.

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

The Company shall keep a complete register of shareholders.

The register of shareholders shall include the following parts:

(1) A register kept at the Company's domicile other than those specified in Items (2) and (3) of this article;

(2) The register(s) of holders of overseas listed shares kept in the place(s) of the stock exchange(s) outside the PRC on which the shares are listed;

(3) Registers of shareholders kept in such other places as the board of directors may decide necessary for listing purposes.

The various parts of the register of shareholders shall not overlap one another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the law of the places where each part is kept.

**1**

Any person that challenges the register of shareholders and requires his name to be entered into or removed from the register may apply to a competent court for correction of the register.

Any shareholder who is registered in the register of shareholders or requires his name to be entered into the register of shareholders may apply to the Company for a replacement certificate in respect of such shares (the " ") if his share certificate (the " ") is lost.

Applications for the replacement of domestic investment share certificates shall be dealt with in accordance with the relevant provisions of the Company Law.

Applications for the replacement of overseas listed share certificates shall be dealt with in accordance with the law, securities exchange regulations and other relevant regulations of the place where the original register of holders of overseas listed shares is kept.

Where holders of H shares apply for replacement of lost certificates, such replacement shall comply with the following requirements:

(1) The applicant shall submit the application in the form prescribed by the Company accompanied by a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant's reason for the application, the circumstances and proof of the loss of the share certificate and a declaration stating that no other person may require registration as a shareholder in respect of the Relevant Shares;

(2) The Company has not received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides that a replacement share certificate shall be issued;

(3) If the Company decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention in the newspapers or periodicals designated by the board of directors; the period of the public announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days. The newspapers designated by the board of directors shall be the Chinese and English newspaper recognized by the Hong Kong Stock Exchange(at least one for each).

(4) Before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the securities exchange where it is listed and may proceed with the publication upon receipt of a reply from the securities exchange confirming that the announcement has been displayed in the securities exchange. The public announcement shall be displayed in the securities exchange for a period of 90 days.

If the application for issuance of a replacement share certificate was made without consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the public announcement that it intends to publish.

(5) Upon expiry of the 90-day period specified in Items (3) and (4) hereof, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant.

(6) When the Company issues a replacement share certificate under this Article, it shall immediately cancel the original share certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders.

(7) All expenses for the cancellation of the original share certificate and issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until reasonable guarantee is obtained from the applicant.

After the Company has issued a replacement share certificate in accordance with this Articles of Association, it shall not delete from the register of shareholders the name of a bona fide purchaser of the replacement share certificate mentioned above or of a shareholder that is subsequently registered as the owner of the shares (provided that he is a bona fide purchaser).

The Company shall not be liable for any damages suffered by any person from the cancellation of the original share certificate or the issuance of the replacement share certificate, unless the claimant can prove fraudulent act on the part of the Company.

The Company's shareholders are persons who lawfully hold shares of the Company and whose names have been entered in the register of shareholders.

Shareholders shall enjoy rights and have obligations according to the class and number of shares held. Holders of shares of the same class shall enjoy equal rights and have equal obligations.

Shareholder of every class shall enjoy equal rights in the distribution of dividend or distribution in any other form.

Where more than two persons are registered as joint shareholders of any share, they shall be deemed as joint holders of the relevant share, and shall be restricted by the following terms:

(1) The Company needs not register more than four persons as joint shareholders for any shares;

(2) All joint shareholders of any share shall bear the joint and several liabilities for the payable amount of the relevant share.

d. full-time and all other part-time occupations and duties;

e. identification credentials and their numbers.

(iii) the status of the Company's issued share capital;

(iv) reports of the aggregate par value, number of shares and highest and lowest prices of each class of shares bought back by the Company since the last fiscal year as well as all the expenses paid by the Company therefor;

(v) bonds stubs, minutes of general meetings, resolutions of board meetings, resolutions of the board of supervisors meetings, financial reports;

(vi) the Company's most recent audited financial statements, and report of the board of directors, auditors and the board of supervisors;

(vii) copy of the latest annual report which has been filed with the company registration authority or other competent authorities for record;

Documents referred to in (i), (iii), (iv), (v), (vi) and (vii) above shall be maintained at the Company's domicile and principal place of business in Hong Kong according to the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and shall be made available for inspection by the public and shareholders free of charge, and shareholders may, after payment of reasonable charges, make copy of such documents (except for minutes of general meetings which shall be made available for inspection by shareholders only).

(6) When the Company terminates or liquidates, receive its share of remaining assets of the Company according to the shares held;

(7) If a shareholder opposes the merger or division of the Company at a general meeting, he may request the Company to buy back his shares;

(8) Other rights under the law, administrative regulations, departmental regulations and this Articles of Association.

Where any person directly or indirectly having rights and interests fail to disclose such rights and interests, the Company shall not exercise its rights to harm any right of such person attached to the shares merely out of such reason.

When a shareholder requests to have access to the information mentioned in the preceding Articles, he shall present evidence to prove the class and amount of shareholding in writing. The Company shall comply with the shareholder's request after verifying his identity, and may charge reasonable fees for providing copies of the foregoing materials.

If a resolution of the Company's general meeting or board meeting contravenes the law or administrative regulations, the shareholders can request the court to annul the decision.

If the convening procedure or voting method of a general meeting or board meeting contravenes the law, administrative regulations or this Articles of Association, or if the contents of the resolutions of such meetings contravenes this Articles of Association, the shareholders can request the court to cancel the resolution within 60 days from the date on which such resolution is passed.

If a director or senior officer contravenes the law, administrative regulations or this Articles of Association when carrying out his duties resulting in losses to the Company, shareholders individually or together holding 1% or more of the shares for 180 days continuously may request the board of supervisors in writing to commence litigation in the court. If a board of supervisors contravenes the law, administrative regulations or this Articles of Association when carrying out its duties resulting in losses to the Company, the shareholders may request the board of directors in writing to commence litigation at the court.

If the board of supervisors or board of directors refuses to commence litigation upon receipt of the shareholder's written request under the preceding paragraph, or does not commence litigation within 30 days upon receipt of the request, or the situation is so urgent that with an immediate litigation it will cause irreparable losses to the Company, the shareholders so entitled under the previous paragraph may commence litigation directly at the court under their own names for the interest of the Company.

If any person intervenes with the lawful interests of the Company and result in losses suffered by the Company, a shareholder so entitled under the first paragraph may commence litigation at the court in accordance with the two preceding paragraphs.

**0**

If a director or senior officer contravenes the law, administrative regulations or this Articles of Association, thereby damaging shareholders' interests, the shareholders can commence litigation in the court.

**1**

Holders of ordinary shares of the Company shall have the following obligations:

(1) Comply with law, administrative regulations and this Articles of Association;

(2) Pay for the shares based on the shares subscribed and the method of subscription,

(3) Cannot ask the Company to redeem those shares except as prescribed by the law or administrative regulations,

(4) Cannot abuse his rights as a shareholder to harm the Company's or other shareholders' interests; cannot abuse the legal personality of the Company and the limited liability of the shareholders to harm the interests of creditors;

A shareholder who abuses his shareholders' rights resulting in losses to the Company and other shareholders shall compensate according to the law.

Shareholders who abuse the legal personality of the Company and limited liability of shareholders in order to escape from liability, thereby seriously damaging the interests of creditors of the Company, shall jointly and severally be responsible for the Company's debts.

(5) Other responsibilities required by the law, administrative regulations and this Articles of Association.

Shareholders shall not bear any liability for further contribution to share capital other than the conditions agreed to as a subscriber of the relevant shares on subscription.

The controlling shareholder or actual controller of the Company shall not use his associated relationship to damage the Company's interests. In case of a breach which results in damage to the Company, he shall be liable to compensate.

The controlling shareholder and actual controller have [illegible] by the words Company and limit public [illegible]

The term "controlling shareholder" mentioned in the preceding Article refers to a person that satisfies any one of the following conditions:

(1) He, acting alone or in concert with others, has the power to elect more than half of the directors;

(2) He, acting alone or in concert with others, has the power to exercise or control the exercise of 30% or more of the Company's voting rights;

(3) He, acting alone or in concert with others, holds 30% or more of the issued and outstanding shares of the Company;

(4) He, acting alone or in concert with others, actually controls the Company in any other manner.

**1**

The general meeting shall be the organ of authority of the Company and shall exercise the functions and powers according to law.

The general meeting shall exercise the following functions and powers:

(1) Decide the operational policy and investment plan of the Company;

(2) Elect and replace directors and supervisors who are not staff representatives. Make decisions on matters in relation to the salary of the relevant directors and supervisors;

(3) Review and approve the reports of the board of directors;

(4) Review and approve the reports of the board of supervisors;

(5) Review and approve the annual financial budgets and final accounting of the Company;

(6) Review and approve the profit distribution plan and loss compensation plan of the Company;

(7) Decide on increasing or reducing the registered capital of the Company;

(8) Decide on merger, division, winding up, liquidation or changing the form of the Company;

(9) Pass resolutions on the issuance of bonds or listing plan of other securities by the Company;

(10) Pass resolutions on the employment and dismissal of accounting firms by the Company;

(11) Amend this Articles of Association;

(12) Review and approve the external guarantee issues which shall be reviewed at the general meeting as prescribed in Article 64 of this Articles of Association;

(13) Review purchases and sales of significant assets within a year exceed13lT0y 10t0ts64 of this Articles of 03DC ghE

The board of directors shall convene an extraordinary general meeting within two months upon the 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) Shareholders who individually or together hold more than 10% of the shares of the Company required in writing an extraordinary shareholders' general meeting to be convened;

(4) Whenever the board of directors considers necessary;

(5) When the board of supervisors suggests a meeting;

(6) Other circumstances prescribed by the law, administrative regulations, departmental regulations or this Articles of Association.

**0**

The venue to hold a general meeting of the Company shall be the domicile of the Company or other specific location informed by the convener of the general meeting.

The general meeting shall have a venue and be held on-site. The Company shall also provide internet or other means required by relevant securities regulatory authorities for the convenience of shareholders attendance. A shareholder who participated in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

**1**

Independent directors are entitled to propose an extraordinary general meeting to the board of directors. Concerning the above request, the board of directors shall, in accordance with the law, administrative regulations and this Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon making the decision. If the board of directors does not agree to convene an extraordinary general meeting, it shall explain the reasons and make an announcement accordingly.

Where the board of supervisors or shareholders convenes a meeting in accordance with the provisions of this section, a written notice shall be sent to the board of directors and filed with the securities regulatory authorities where the Company is located and relevant stock exchange. The board of directors and the board secretary shall cooperate. The board of directors shall provide the register of shareholders on the shareholding record date. All reasonable fees incurred for the meeting shall be borne by the Company, and be deducted from the amounts due to the director(s) who breaches the duty.

The contents of the proposals to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and this Articles of Association.

When a general meeting is held by the Company, the board of directors, board of supervisors or shareholders who individually or together holding more than 3% of the shares of the Company may propose resolutions to the Company.

Shareholders who individually or together holding more than 3% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the holding of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, cannot revise the proposals stated in the notice of general meetings or add new proposals.

If a notice of general meeting does not specify the proposed resolutions or does not comply with Article 73 herein, no voting for decision should be held at the general meeting.

Where an annual general meeting is convened by the Company, it shall issue a written notice 20 clear business days prior to the meeting to notify all the registered shareholders of the matters proposed to be considered as well as the date and place of the meeting. Where an extraordinary general meeting is convened by the Company, it shall issue a notice 15 natural days or 10 clear business days (whichever is longer) prior to the meeting to notify all the registered shareholders. The "business day(s)" mentioned in the Articles of Association shall be the statutory business days announced by the Hong Kong government.

When calculating the time limit of the notice shall exclude the date of the meeting and the date of issuing the meeting notice.

**1**

When holding a general meeting, all the directors, supervisors and secretaries to the board of directors shall attend. The general manager and other senior management members shall present at the meeting except with proper reasons for absence.

The general meeting shall be convened and presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to discharge the duty or will not discharge his duty, the meeting shall be convened and presided over by the vice chairman of the board (if there are two or more vice chairmen, the one elected by more than one half of the directors shall preside). Where the vice chairman of the board is unable to discharge the duty or will not discharge the duty, more than one half of the directors shall designate a director to convene and preside over the meeting. Where more than one half of the directors cannot designate a director to preside over the meeting, 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 attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

If a general meeting is convened by board of supervisors, the chairman of the board of supervisors shall preside over the meeting. If the chairman of the board of supervisors is unable to or will not discharge his duties, more than one half of the supervisors shall nominate a supervisor to preside over the meeting.

If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from more than one half of the attendant shareholders with voting rights, the shareholders may nominate one person to serve as the chairman and continue with the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

The Company shall stipulate the rules of procedures for the general meeting and specify in details the procedure for convening and voting at the general meeting, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principles of authorization to the board of directors by the general meeting. The rules of procedures for the general meeting shall be appended to this Articles of Association. They shall be stipulated by the board of directors and approved by the general meeting.

In the annual general meeting, the board of directors and board of supervisors shall report their work during the past year to the general meeting. Each independent director shall also present a work report.

Directors, supervisors and senior management members shall explain and answer the enquiries and suggestions from shareholders at the general meeting.

The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

The general meeting shall have minutes prepared by the secretary to the board of directors. The minutes shall state the following contents:

(1) Time, venue and agenda of the meeting and names of the convener;

(2) The name of the meeting chairman and the names of the directors, supervisors, managers, and other senior management members attending or present at the meeting;

(3) The numbers of shareholders (including domestic-invested shareholders and overseas shareholders (if any)) and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;

(4) The process of review and discussion, summary of any speech and voting results of each proposal;

(5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;

(6) Names of vote counters and scrutinizer of the voting;

(7) Other contents to be included as specified in this Articles of Associations.

The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the board of directors, conveners and their representatives and the meeting chairman shall sign on the minutes. The minutes shall be kept together with the registration record of attendant shareholders, authorization letters of proxies, valid record on internet voting and other means of voting, for a period of no less than 10 years.

The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting or directly terminate that meeting immediately followed by a timely public announcement and report in accordance with the laws, regulations or listing rules of the place where the Company's shares are listed.

**100**

Resolutions of the general meeting include ordinary resolutions or special resolutions.

Ordinary resolution at a general meeting shall be passed by more than one half of the voting shares held by shareholders (including their proxies) attending the general meeting.

Special resolution at a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

**101**

When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.

Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

Subject to and conditional upon compliance with applicable laws, regulations and/or requirements of the listing rules of the place where the Company's shares are listed, the board of directors, independent directors and other shareholders who qualify with relevant specified conditions may solicit for the voting shares from shareholders.

When the general meeting considers related party transactions, the related party shareholders shall not participate in the voting if so specified in the applicable law, regulations or listing rules of the place where the Company's shares are listed. His shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-related party shareholders.

I ofoli geng toith applicplicable law, reguulationsnd/or reng rules of the prd ace where the Company's shares areand othted, th

**10**

As for the powers to be exercised by the general meeting of shareholders, except for such matters as set out in paragraphs (1), (2), (3), (4), (5), (6), (10), (12), (14) and (17) in Article 63 or other matters in need of going through the special resolutions in accordance with the laws, administrative regulations or this Articles of Association, the other matters shall be passed by ordinary resolutions at a general meeting.

**10**

As for the powers to be exercised by the general meeting of shareholders, such items as set out paragraphs (7), (8), (9), (11), (13) and (15) in Article 63 or matters required by the laws, administrative regulations or this Articles of Association, or such matters resolved by the general meeting by ordinary resolutions to be of significant impact to the Company and thereby shall be passed by special resolutions, shall be passed by special resolutions at a general meeting. And such matters set out in paragraph (16) shall respectively apply the above mentioned provisions on the ordinary resolutions and special resolutions in accordance with the specific content of shareholder's proposals.

**10**

The chairman of the meeting shall be held responsible for deciding whether or not a resolution of the general meeting has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.

**10**

If the chairman of the meeting has any doubts about the voting result of a resolution, he may arrange re-counting of the votes. If the chairman of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who challenges the result announced by the chairman of the meeting shall have be entitled to request re-counting of votes immediately after such announcement, the chairman of the meeting shall immediately arrange re-counting of the votes.

**10**

If counting of votes is held at a general meeting, the result of the counting shall be recorded in the minutes of meeting. Ten-GPecifi5tretteni2 announkept meeting and throposadomicidecidina periodran lirmsesulang661yearTEMC /Spar

**111**

Shareholders who hold different classes of shares shall be shareholders of different classes.

Shareholders of different classes shall enjoy rights and undertake obligations in accordance with the laws, administrative regulations and this Articles of Association.

Where the share capital of the Company includes shares which do not carry voting rights, the words "non-voting shares" must appear in the designation of such shares.

Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

The Company shall not proceed to change or abrogate the shareholders' rights of a class of shares unless such change or abrogation has been approved by way of a special resolution of the general meeting and by a separate class meeting of the affected shareholders of the class of shares in accordance with Articles 114 to 118. The quorum for convening such general meeting of shareholders shall be the holders holding at least one third of the issued shares of relevant class.

**11**

Where any changes in domestic and foreign laws, regulations and the listing rules of the place where the shares of the Company are listed, as well as decisions of domestic and foreign regulatory authorities which lead to the change of the class of shareholders' rights or repeal shall not require the approval of shareholder' meeting or class meeting.

**11**

The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following conditions:

1. an increase or decrease in the number of shares of such class or an increase or decrease in 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. a change of all or part of the shares of such class into shares of another class, a 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. a removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;

4. a reduction or removal of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of such class;

5. an 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. a removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;

7. a 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. an imposition of restrictions or additional restrictions on the transfer of ownership of shares of such class;

9. an issuance of rights to subscribe for, or convert into, shares of such class or another class;

10. an increase in the rights and privileges of shares of another class;

11. restructuring of the Company which causes shareholders of different classes to bear liability to different extents during the restructuring; and

12. any amendment or cancellation of the provisions of this section.

**11**

Shareholders of the affected class, whether or not otherwise having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (2) to (8) and (11) to (12) in Article 113, except that interested shareholders shall not vote at class meetings.

The term "interested shareholders" in the preceding paragraph shall have the following meanings:

1. if the Company has made a tender offer to all shareholders in the same proportion or has bought back its own shares through open market transactions on a securities exchange in accordance with Article 32 hereof, the controlling shareholders as defined in this Articles of Association shall be "interested shareholders";

2. if the Company has bought back its own shares by an agreement outside a securities exchange in accordance with Article 32 hereof, holders of share in relation to such agreement shall be "interested shareholders"; or

3. under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be "interested shareholders".

**11**

Resolutions of a meeting of shareholders of different classes may be passed only by more than two-thirds of the voting rights of that class represented at the meeting in accordance with Article 114.

**11**

When the Company is to hold a class meeting, the period of issuing a written notice shall be the same as the period of issuing a written notice of a non-class meeting to be convened together with such class meeting, and the provisions of Article 77 of this Articles of Association shall apply.

If there is any special requirement by the listing rules of the place where the Company's shares are listed, such requirements shall prevail.

**11**

The notice of class meeting of shareholders shall be delivered only to the shareholders entitled to vote thereat.

The procedure of a class meeting shall, to the extent possible, be identical with the procedure of a general meeting. Unless otherwise specified in this section, provisions of the Articles of Association of the Company relevant to procedure for the holding of a general meeting shall be applicable to a class meeting.

**11**

In addition to holders of other classes of shares, holders of domestic-invested shares and overseas listed foreign shares are deemed to be different classes of shareholders.

The special procedure for voting in class meeting shall not apply to the following circumstances:

(1) Where the Company issues domestic-invested shares and overseas listed foreign shares, upon approval by a special resolution of its shareholders in a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of the existing issued domestic-invested shares and overseas listed foreign shares of the Company;

(2) Where the Company's plan to issue domestic-invested shares and overseas listed foreign shares upon its incorporation is implemented within 15 months from the date of approval by the securities regulatory authority of the State Council; or

(3) Where with the approval by the securities regulatory authority of the State Council the domestic shareholders transfer their shareholding to the foreign investors for overseas listing and trading, or convert all or part of their domestic shares into overseas listed shares for listing and trading on overseas stock exchange(s).

**10**

**11**

The Company shall establish the Communist Party Committee of Beijing Jingneng Clean Energy Co., Limited (Clean Energy Party Committee) and the Discipline Inspection Committee of Communist Party of Beijing Jingneng Clean Energy Co., Limited (Clean Energy Discipline Committee). In principle, the chairman of the board of directors of the Company and the secretary of the Party Committee shall be the same person, and one full-time deputy secretary shall be assigned in charge of Party-related work. Eligible members of the Party Committee can join the board of directors, the board of supervisors and the management team through legal procedures, while eligible Party members of the board of directors, the board of supervisors and the management team may also join the Party Committee in accordance with the relevant rules and procedures.

f 1 /Advice 1 h bohlee2 1 e2 /Span /Lang (en-GB) /MCID 13 >>BDC BT 2 0 0 1 -1 w 1 0 0 1 0 0 2126.577 0479 Tm 1251 )) T

The number of positions of secretary, deputy secretary and committee members of the Party Committee of the Company and the Discipline Inspection Committee of the Company shall be established in accordance with the reply given by the superior party committee, and members for all positions shall be selected by election. During the adjournment of the party representative congress, the superior party committee may appoint the secretary, deputy secretary and the secretary of the Discipline Inspection Committee when necessary.

**1 0**

The Party Committee of the Company shall, in accordance with the Constitution of the Communist Party of China and other party rules, perform its duties.

(1) To ensure and supervise the thorough implementation of the guidelines and policies of the Party and the State, decisions and deployment made by the Party Central Committee, the Party Committee of the Municipal Party Committee and the Government, the State-owned Assets Sup5 (ee)0.5 ( anp (rei0.5 (ee)0

**1 1**

In determining the substantial operational and management issues of the Company, the board of directors and management team shall first seek opinions from the Party Committee of the Company.

**1**

The work of the Party Organization and the construction of itself shall proceed in compliance with the relevant provisions of the Constitution of the Communist Party of China.

## 11

**1**

**1**

Directors shall be elected by the general meeting and serve a term of three years for each session. A director may serve consecutive terms if re-elected upon the expiry of his term, unless otherwise stipulated by the relevant laws, regulations and listing rules of the place where the Company's shares are listed.

A director's term of service commences from the date he takes up the appointment, until the current term of service of board of directors ends. If a director's term of service expires but a new director is not yet appointed, the original director shall continue to carry out the director's duties according to the laws, administrative regulations, departmental regulations and this Articles of Association until the newly elected director's appointment comes into effect.

A director's post may be assumed by general manager or other senior management members. But the total number of general managers or other senior management members who also assume directorship in the company, plus the number of directors as staff representative, shall not exceed one half of the total number of directors.

A director needs not be shareholder of the Company.

**1**

The directors, both collectively and individually, are expected to fulfill fiduciary duties and duties of skill, care and diligence to a standard at least in compliance with the standard established by the laws of Hong Kong. This means that every director must, in the performance of his duties as a director:

(a) act honestly and in good faith in the interests of the company as a whole;

(b) act for proper purpose;

(c) be responsible to the issuer for the application or misapplication of its assets;

(d) avoid actual and potential conflicts of interest and conflicts in duty;

(e) disclose fully and fairly his interests in contracts with the issuer; and

(f) apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding a directorship in a listed company.

**1**

The intention to nominate a candidate as director and the written notice of such candidate regarding his willingness to accept the nomination shall be given to the no later than 7 days prior to the date appointed for such general meeting.

Where unless otherwise provided by relevant laws and regulations, a director can be removed by ordinary resolution passed on a general meeting before the expiry of his term of office (but such removal does not prejudice the director's claim for damages pursuant to any contract).

**1**

If a director is unable to attend board meetings in person for two consecutive meetings, and does not appoint other directors to attend board meeting on his behalf, he shall be deemed as failing to carry out his duties. The board of directors shall propose to the general meeting to replace him.

**1**

A director may resign before expiry of his term of service. When a director resigns, he shall submit a written resignation notice to the board of directors. The board of directors shall disclose the relevant circumstances within 2 days.

If the member of the directors fall below the minimum statutory requirement due to a director's resignation, the notice of resignation of the resigning director will only become effective until a new director is appointed to fill the vacancy. The remaining members of the board should convene an extraordinary general meeting to elect a new director to fill the vacancy as soon as possible. If the board of directors, as permitted by applicable laws and regulations, appoints a new director to fill the casual vacancy in the board or as an additional director without violation of relevant laws, regulations and regulatory rules of the places where the Company's shares are listed, the director so appointed shall serve a term until the next general meeting of the Company and be eligible for re-election.

Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his/her resignation report to the board of directors.

**1**

When a director's resignation takes effect or his term of service expires, the director shall complete all transfer procedures with the board of directors. His fiduciary duty towards the Company and the shareholders shall not expire after the end of his term of service and will be still in effective for a reasonable period specified by this Articles of Association.

**1**

In the absence of specification in this Articles of Association or legitimate authorization by the board of directors, no director shall act in his personal capacity on behalf of the Company or the board of directors. When a director acts in his personal capacity, but a third party may reasonably believe that the director is representing the Company or the board of directors, that director shall declare his stance and capacity in advance.

**1 0**

If a director breaches the laws, administrative regulations, departmental regulations or this Articles of Association when carrying out his duties and causes loss to the Company, he shall be held responsible for damages.

**1 1**

The Company shall have independent directors. Independent directors refer to such directors of the Company that serves no duties other than the directors' duties, has no relationship with the Company or its substantial shareholders (referring separately or aggregately such shareholders who hold more than 5% of the total number of voting shares) that may hinder their independent objective judgments, and satisfies the requirements on independence by the listing rules of the place where the Company's shares are listed.

Unless otherwise provided in this section, the relevant provisions set out in Chapter 14 of this Articles of Association shall apply to the qualifications and obligations of independent directors.

**1**

No less than one-third members of board of directors and no less than three members of the board of directors of the Company shall be independent directors; among which, at least one of the independent directors must have appropriate professional qualifications or accounting or related financial management expertise. At any time the number of independent directors fails to meet the minimum number required by this Articles of Association due to either disqualification of independence or other circumstances which may put such independent directors inappropriate to perform their duties, the Company shall appoint additional independent directors to meet the requirement.

At least one of the independent directors of the Company shall ordinarily reside in Hong Kong.

**1**

An independent director shall have the same term of office as other directors of the Company, and may be re- elected upon expiry of the term given that the consecutive terms shall be no more than six years.

**1**

The Company shall formulate working rules of independent directors, which will specify the qualification, nomination, election and replacement and rights and obligations, liabilities, and such system shall be approved at the general meeting.

**1**

Matters relating to independent directors which are not covered in this section shall be dealt with according to the relevant laws, regulations or listing rules of the place where the Company's shares are listed.

**1**

The Company shall set up a board of directors which shall be accountable to the general meeting.

**1**

The board of directors shall compose of eleven directors, including four independent directors. The board of directors shall have one chairman, and the general meeting shall decide whether or how to set up the post of vice chairman by an ordinary resolution at the general meeting. (The reference to vice chairman herein and thereafter within this Articles of Association is only applicable to circumstances where position(s) of vice chairman (or vice chairmen) is set up in the Company.)

The chairman and vice chairman (or vice chairmen) of the board of directors shall be elected and removed by more than one half of all the directors. The chairman and vice chairman (or vice chairmen) of the board shall serve a term of three years and may be re-elected upon the expiry of their terms.

**1**

The board of directors exercises the following functions and powers:

(1) to be responsible for the convening of general meetings and report its work to the general meetings;

(2) to implement resolutions of the general meetings;

(3) to decide on the Company's business plans and investment plans;

(4) to formulate the annual financial budgets and final accounts of the Company;

(5) to formulate the Company's profit distribution plans and plans on making up losses;

(6) to formulate proposal for the Company to increase or decrease of its registered capital, issue corporate bonds or other securities and listing thereof;

(7) to formulate plans for mergers, divisions, dissolution and alteration of corporate form of the Company;

(8) to formulate plans for the Company's substantial acquisitions and purchase of shares of the Company;

(9) within the scope authorized by the general meeting, to decide, among others, the Company's external investment, purchase and sale of assets, provision of securities on the company's assets, matters on external guarantees, wealth management entrustment, related party transactions;

e. issues relating the remuneration, performance appraisals and supervision of the senior management team;

f. substantial and principal issues relating to the interests of the employees and need to be brought to the employees' representatives conference;

g. substantial and principal arrangements relating to the Company's political responsibility and social responsibility, such as extremely significant safety in production and stability maintenance;

h. substantial and principal issues which need to be reported to the relevant government and superior authorities; and

i. other issues which need the involvement and determination of the Party Committee.

The above matters of authority exercised by the board of directors or any transaction or arrangement of the Company which shall be reviewed by a general meeting according to listing rules, shall be submitted to the general meeting for review.

Except for the board resolutions in respect of the matters specified in paragraphs (6), (7) and (14) which shall be passed by more than two-thirds of the directors, the board resolutions in respect of all other matters may be passed by more than one half of the directors.

**1**

The board of directors shall formulate the rules of procedures for meetings of the board of directors to ensure implementation of the resolutions of the general meeting, improve the efficiency of work and ensure scientific decision-making. The rules of procedures for the board of directors stipulate the holding and voting procedures of the board of directors, and shall be appended to the Articles of Association. It shall be formulated by the board of directors and approved by the general meeting.

**1 0**

The board of directors may set up specialized committees such as the Strategic Committee, Audit Committee, Remuneration and Nomination Committee to advise the board of directors on major decisions.

Each specialized committee is responsible to the board of directors, and its members are consisted of directors. Among which, the majority members in the Audit Committee and Remuneration and Nomination Committee shall be independent directors. At least one member of the Audit Committee shall be an independent director with the proper qualification as required by the main board listing rules, or appropriate accounting or related financial management expertise. The board of directors may also set up additional specialized committee or adjust the existing committees if necessary. The board of directors shall separately formulate the scope of responsibilities and rules of procedures for each specialized committees.

**1 1**

In cases where the expected value of fixed assets proposed for disposal by the board of directors, when aggregated with value of fixed assets disposed within four month before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet considered by the general meetings, the board of directors shall not dispose or consent to dispose such fixed assets without prior approval by the general meeting.

The term "fixed assets disposal" referred to in this Article refers to (among other things) transferring certain interests in assets, but not including provision of guarantees by way of fixed assets.

The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.

**1**

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

(1) to preside over general meetings and to convene and preside over meetings of the board of directors;

(2) to procure and check the implementation of resolutions of the board of directors;

(3) to sign on share certificates, bond certificates and other securities issued by the Company;

(4) organize the formulation of various rules and coordinate operation of the board of directors;

(5) to sign on important documents of the board of directors and legally binding documents on behalf of the Company;

(6) to exercise the powers and functions as the legal representative;

(7) to nominate candidates for secretary to the board of directors, members and chairman of the specialized committee under the board of directors;

(8) to listen to regular or provisional work reports of the company's senior management, and provide guidance opinion to implementation of the resolutions of the board of directors;

(9) in case of emergency of catastrophic natural disasters and other force majeure, exercise the special right of disposal over the Company's affairs that are in line with the requirements of laws and interests of the Company, and report to the board of directors and the general meeting afterwards;

(10) to act the part of powers of the board of directors within the mandate of the board of directors when the board of directors is not in session; and

(11) other functions and powers authorized by the laws, administrative regulations, departmental rules, this Article of Associations and the board of directors.

**1**

The vice chairman shall assist the chairman of the board of directors in work. When the chairman is unable to or does not carry out his duties, they shall be carried out by the vice chairman (if the Company has two or more vice chairmen, then these duties shall be carried out by the vice chairman nominated by more than one half of the directors). If the vice chairman is unable to or does not carry out his duties, more than one half of the directors shall nominate a director to carry out the duties.

**1**

The board meetings include regular meetings and extraordinary meetings.

Regular meetings of the board of directors shall be held at least four times a year, about once every quarter. Meetings of the board of directors shall be convened by the chairman of the board by giving a notice to all directors and supervisors 14 days before the meeting is held.

The Party Committee, chairman, any shareholder holding more than one tenth voting rights, more than one third of the directors, or the board of supervisors may propose the holding of an extraordinary meeting of the board of directors. The chairman shall, convene and preside over the extraordinary meeting of the Board of Directors within 10 days upon receipt of the proposal, and shall give a notice to all directors and supervisors five days before the meeting is held.

Where there is an urgent matter, the extraordinary board meeting may be held upon approval by the chairman, which is not subject to the requirement of meeting notice as set out in the paragraph 3 of this article, given that a proper notice shall be given to directors, supervisors and general manager.

**1**

The notice of board meetings may be delivered in the manners as set out in Article 244 of the Articles of Association.

Directors who have attended the meeting will be deemed to have been issued a notice of board meeting if he had not raised any issues of not having received such notice before or during the board meeting.

The board meetings may be held by means of telephone conference or other similar communications equipment. So long as all participating directors can hear the other directors and communicate, all such participation shall constitute presence at the meeting as if those directors were present in person.

**1**

A notice of board meeting shall include the following contents:

(1) Date and place of meeting;

(2) Period of the meeting;

(3) Reasons and agenda;

(4) Date of issuance of notice;

(5) Method of holding the meeting.

**1**

For any major matters to be determined by the board of directors, sufficient information shall be provided to the directors and the directors are entitled to request supplementary materials. When more than one-fourth of the directors or two or more external directors (referring to such directors who have no executive positions in the Company) considers that the provided materials insufficient or the reasoning is unclear, they may jointly propose to defer the board meeting or defer the consideration on the relevant matters, the board of directors shall accept such suggestions accordingly.

**1**

Except for the consideration on the related party transactions by the board of directors as set out in Article 151, the board meeting shall not be held unless more than one half of the directors are present.

Unless otherwise provided in other articles herein, resolutions of the board of directors shall be passed by more than one half of all the directors.

As for the voting on a board resolution, each director shall have one vote only. When the number of votes cast for and against a resolution equals, the chairman of the board of directors shall have a casting vote.

**1**

The directors shall attend a board meeting in person. If a director is unable to attend for any reasons, he may appoint another director in writing to attend on his behalf. The authorization letter shall contain the name of the representative, the matters represented, scope of authorization and validity period. It shall be signed or sealed by the principal.

The appointed director who attends the meeting shall exercise the director's duties within the authorized scope. If a director does not attend a board meeting in person and does not appoint a representative to attend the meeting, he/she shall be deemed to have waived the voting rights in the meeting.

**1 0**

When a director is connected to companies which is the subject of a resolution to be decided at a board meeting, the connected director shall not vote on that resolution, and shall not vote on behalf of other directors. That director's meeting can be held if more than one half of the independent directors attends. Resolutions made by the board meeting shall be passed by more than one half of the independent directors. If less than three independent directors attend the board meeting, the matter shall be submitted to the general meeting for consideration.

**1 1**

The board meeting shall vote by way of disclosed ballot.

Provided that the directors can fully express their opinions at the extraordinary board meetings, such meetings can be held by means of delivery by hand, post, fax or other means of communication and resolutions could be passed thereof which shall be signed by the directors who attended the meeting.

The primary responsibilities of the secretary of the board include:

(1) assist the daily work operations of the board, continuously provide the board with the operation provisions on corporate operations under the law, regulations, policies and requirements of domestic and foreign regulatory agencies and ensure the board comprehend such provisions, and assist the directors and general manager perform duty under domestic and foreign law, regulations, the Articles of Association and any other relevant provisions;

(2) organize board meeting and shareholders general meeting, prepare the relevant documentations, prepare the meeting minutes, ensure the meeting's decision-making processes in line with statutory procedures, and be fully aware of the implementation of the board's resolutions;

(3) be responsible for arrangement and coordination of information disclosure, liaise with investors, and enhance the transparency of the Company's work operations;

(4) participate in the arrangement of capital market financing;

(5) liaise with intermediate agencies, regulatory authorities and media, and maintain good public relations; and

(6) fulfill other tasks assigned by the Board of directors as well as the chairman.

The scope of responsibilities of the secretary to the board includes:

(1) organize the meetings of the Board and the meetings of the Shareholders, prepare relevant documentations, prepare meeting minutes, ensure the accuracy of the meeting minutes, keep the meeting documents including the meeting minutes and take the initiative to fully comprehend the implementation of the related resolutions, report to the Board with suggestions on important issues.

(2) ensure the board's decision-making on major issues in strict accordance with the prescribed procedures, organize and participate in the discussion meetings per the request of the board, make suggestions on related issues, and fulfill routine work per the request of the board or related committees of the board.

(3) as the contact person between the Company and the securities regulatory authorities, take the responsibilities of preparing and timely submitting the documents requested by the regulatory authorities, and of organizing relevant tasks assigned by the regulatory authorities.

(4) coordinate and organize the corporate information disclosure, improve the information disclosure system, participate in all the meetings related to information disclosure, and be fully aware of the major business decisions and related information timely.

(5) be responsible for the confidentiality of the sensitive information on the Company's share price, and formulate effective confidentiality measures, take necessary remedial measures on the leakage of sensitive information of the share price of the Company should the leakage happens, in a timely manner explaining and clarifying accordingly, and inform overseas listing regulatory agencies and the China Securities Regulatory Commission.

(6) coordinate and organize the Company's domestic and overseas marketing events, receive visitors on such events, liaise with investors, intermediate agencies and media, coordinate and reply to public enquiries, to ensure that investors are able to receive timely information disclosed by the Company, Compile summary reports on such events and important visits, and report on relevant matters to the China Securities Regulatory Commission.

(7) be responsible for the maintenance of shareholders' register, directors' register, shareholdings of substantial shareholders and director share records as well as a name list of issued debenture holders of the Company.

(8) assist directors and general manager perform duty in accordance with domestic and foreign law, regulations, Articles of Association and other relevant regulations. When knowing that the Company is making or to make a resolution in violation of any relevant provisions, the secretary has an obligation to timely remind the Company and has the right to truthfully reflect the situation to the China Securities Regulatory Commission and other regulatory agencies.

(9) coordinate to provide information to the Company's board of supervisors and other regulatory agencies needed for performance of their supervisory functions, and assist the investigation relevant to the Company's chief accountant, directors and general manager on fulfillment of fiduciary.

(10) perform such other functions and powers assigned by the Board of Directors and other functions required by the law in the listing place of the Company or stock exchange.

**1**

Directors or other senior management members (except the chief account or general manager of the Company) may concurrently act as the secretary to the board of directors. No accountant(s) of the accounting firm that is pointed by the Company may concurrently act as secretary to the board of directors.

Provided that where the office of the secretary to the board is held concurrently by a director, and an act is required to be made by a director and the secretary to the board separately, the person who concurrently holds the offices of director and secretary to the board shall not perform the act in dual capacity.

**1**

The Company's directors, general manager and related departments shall support the secretary to the board to perform his/her duties in terms of institutional setup, staff deployment, funding etc. if required. All relevant departments of the Company shall actively cooperate with the secretary to the board.

**1**

**1**

The Company shall have one management team, who under the steering of the board of directors implements the decisions of the board of directors and supervises the Company's daily work operations. Responsibility system shall be run within the management team.

The Company shall have one general manager and several deputy general managers to assist the general manager, one chief accountant and one general counsel. The general manager, deputy general managers, chief accountant and general counsel shall be hired and dismissed by the board of directors.

**1 0**

The term of office of the general manager shall be three years and shall be eligible to offer himself/herself for reappointment.

The general manager can submit his resignation before the expiry of his term of office. The procedure and concerning the general manager's resignation shall be regulated by the employment contract between the general manager and the Company.

A director may concurrently take the post of general manager or deputy general manager.

**1 1**

The Company's general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

(1) lead the Company's production, operation and management, and report to the board of directors;

(2) organize resources to carry out the Board's resolutions;

(3) organize the implementation of the Company's annual business plan and investment plan formulated by the board of directors;

(4) draft plans for the establishment of the Company's internal management structure;

(5) draft the basic management system of the Company;

(6) formulate detailed rules and regulations of the Company;

(7) propose the appointment or dismissal of the Company's deputy general manager(s), chief accountant and the general counsel to the Board;

(8) appoint or dismiss other management members other than those required to be appointed or dismissed by the Board;

(9) exercise other powers conferred by the Articles of Association or the board of directors.

In determining the substantial operational and management issues of the Company, the management team of the Company shall first seek opinions from the Party Committee of the Company.

**1**

The Company's general manager shall attend the meetings of the board of directors. A non-director manager shall not have the right to vote at such meetings.

**1**

The general manager shall formulate the detailed working rules of the general manager, which shall be submit to the board of directors for approval.

The working rules of the general manager include the following:

(1) conditions, procedures and the number of participants for convening managers meeting;

(2) respective duties and division of labor among general managers and other senior management;

(3) limits of authority in using company funds and assets as well the signing of significant contracts, together with the reporting system to the board of directors and the board of supervisors;

(4) other matters considered necessary by the board of directors.

**1**

In the exercise of his/her functions and powers, the manager shall bear the duties of good faith and due diligence in accordance with the law, administrative regulations and the Company's Articles of Association.

**1**

**1**

The Company adopts a general counsel system to further exert the function of general counsel of the Company in legal review and supervision of operation and management, thereby facilitating the legal operation and compliance management of the Company.

The general counsel is a senior management member of the Company appointed by the board of directors and is the specific leader of the Company's rule of law efforts. The general counsel shall be responsible for legal affairs of the Company by coordinating and handling legal affairs in decision-making, operation and management of the Company. The general counsel reports directly to the general manager or chairman of the board of directors and is accountable to the board of directors.

**1**

Significant matter to be discussed and considered at a decision-making meeting of the Company which is subject to legal review and verification must be submitted to the general counsel for legal review in advance. If the general counsel considers that such matter involves material risks, submission to the decision-making meeting shall be deferred.

The general counsel shall attend the meetings of the party committee and the board of directors and participate in the general manager's work meetings to provide independent legal opinions on legal issues related to the matters under consideration.

**1**

**1**

**1**

The term of office of a supervisor shall be 3 years, renewable upon re-election and re-appointment.

**1**

A director, manager and other senior management cannot concurrently hold a post as supervisor.

**1**

When a supervisor's term of office expires while a new supervisor is not yet appointed, or when a supervisor resigns during his term of office, leading to the number of members in the board of supervisors falling below the statutory requirement, and before the newly appointed supervisor takes up his appointment, the original supervisor shall continue to perform his/her duties according to the law, administrative regulations and this Articles of Association.

**1 0**

A supervisor shall ensure that the information disclosure of the Company is true, accurate and complete.

**1 1**

A supervisor can be present at a board of director's meeting. He/she can also question or make suggestions concerning proposed resolutions at the meeting.

**1**

A supervisor shall not make use of his associated relationship to injure the Company's interests, any losses by whom caused to the Company, he/she shall bear the responsibility of compensation.

**1**

A supervisor shall faithfully perform his supervisory duties in accordance with the law, administrative regulations and the Company's Articles of Association.

If a supervisor contravenes the law, administrative regulations, departmental regulations or this Articles of Association while performing his duties and causing losses to the Company, he/she shall bear the responsibility of compensation.

**1**

The Company shall establish a board of supervisors.

**1**

The board of supervisors shall be composed of three (3) persons, one of whom shall be the chairman of the board of supervisors.

The appointment and dismissal of the chairman of the board of supervisors shall be passed by at least two-thirds (including two-thirds) of its members.

**1**

The board of supervisors shall compose of shareholders' representatives supervisors and employee representatives supervisors. The shareholders' representatives supervisors shall be elected and removed by the general meeting, and the employee representatives supervisors shall be no less than one third of the membership, and democratically elected and removed by the Company's employees.

**1**

The board of supervisors shall be accountable to the general meeting and exercise the following functions and powers according to the laws:

1. examine the Company's financial affairs;

2. supervise the directors and senior management during their performance of duties to the Company, and advise on the dismissal of directors or senior management who contravene the law, administrative regulations, this Articles of Association or resolutions of general meetings;

3. demand rectification from a director and any other senior management members when the acts of such persons are harmful to the Company's interest;

4. verify financial information such as financial reports, business reports and profit distribution plans, etc. to be submitted by the Board to the general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors to conduct a re-examination;

5. propose convening of extraordinary general meeting and to convene and preside over the general meeting when the Board fails to perform such duties;

6. submit proposals to the general meetings;

7. propose convening of extraordinary meeting of board of directors;

8. launch legal action against directors and senior management in accordance with the Company Law of People's Republic of China;

9. conduct investigations upon discovery of abnormality in the business operation and engage professional firms such as accounting firms and law firms to assist its work where necessary. The cost shall be borne by the Company;

10. any other duties as prescribed by the Articles of Association of the Company.

**1**

The meeting of a board of supervisors shall be held at least once every six (6) months, which shall be convened and preside over by the chairman. A supervisor may propose to convene an extraordinary meeting of the board of supervisors.

Where the chairman of the supervisory board is incapable of performing or fails to perform his/her duties, a supervisor elected by not less than half of the supervisors shall convene and preside over the supervisory board meeting.

**1**

The board of supervisors shall formulate the working rules for the board of supervisors in order to ensure working efficiency and the making of scientific decisions. The convening method and voting procedure stipulated in the working rules of the board of supervisors shall be drafted by the board of supervisors and approved by the general meeting.

**1 0**

A meeting of the supervisory board shall not be conducted unless it is attended by more than two-thirds of the supervisors. Voting at the meeting supervisory board shall be carried out by poll and each supervisor shall have one vote. A supervisor shall attend meetings of the supervisory board in person, or appoint in writing another supervisor to attend the meeting on his/her behalf due to his/her absence. The letter of authorization shall specify the extent of authorization.

Resolutions at the meeting of the board of supervisors shall be passed by more than two-thirds of the supervisors' votes.

**1 1**

The discussed issues shall be record in the minutes of the meeting of the board of supervisors. Supervisors attending the meeting shall sign on the minutes of meetings.

Supervisors are entitled to request that an explanation of their comments made at the meetings be noted in the minutes. Minutes of meeting of the board of supervisors shall be maintained as corporate archives for at least 10 years.

**1**

A notice of the meeting of board of supervisors to all supervisors shall be given 10 days prior to the convening of meeting in writing.

A notice to a board of supervisors meeting shall include the following contents:

(1) date, venue, and duration of the meeting;

(2) reasons and issues of discussion;

(3) date of issuance of notice.

**1**

The reasonable expenses incurred by the board of supervisors in the engagement of professionals such as lawyers, certified public accountant, practicing auditors, etc., to perform its (his) duties shall be borne by the Company.

**1**

The reasonable expenses incurred by a supervisor for attending meeting of board of supervisors, and such expenses include the non-local transport fees from the location of the supervisor to the meeting venue (if not at the location of the residence of such supervisor) and the accommodation and meal expense during such meetings.

**1** **,** **,**

**1**

A person may not serve as a Director, supervisor, general manager or any other senior management members of the Company if any of the following circumstances applies:

1. a person without capacity or with restricted capacity for civil acts;

2. a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;

3. a person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date the completion of the insolvency and liquidation of the company or enterprise;

4. a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license;

5. a person who has a relatively large amount of debts due and outstanding;

6. a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;

7. a person who is prohibited to enter the securities market by the CSRC and the aforesaid prohibition period has not yet expired;

8. a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction;

9. non-natural person;

10. other circumstances prescribed by the law, administrative regulations or departmental regulations or rules of security regulators and exchange(s) in the territory where the Company's shares are listed.

**1**

The validity of an act of a director or senior officer on behalf of the Company towards a vis-a-vis bona fide third party shall not be affected by any irregularity in his current office, election or any defect in his qualification.

**1**

In addition to the obligations imposed by laws, administrative regulations or listing rules of the securities exchange(s) on which shares of the Company are listed, the Company's directors, supervisors, manager and other senior management owes a duty to each Shareholder, in the exercise of the functions and powers of the Company entrusted to them:

1. not cause the Company to exceed the scope of business stipulated in its business licence;

2. act honestly in the best interests of the Company;

3. not expropriate in any guise the Company's property, including (without limitation) usurpation of opportunities advantageous to the Company; and

4. not deprive the shareholders of their individual rights or interests, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to Shareholders for approval in accordance with this Articles of Association.

**1**

Each of the Company's Directors, supervisors, general manager and other senior management members owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**1**

The Company's directors, supervisors, and senior management must, in the exercise of their duties, abide by the principles of good faith and shall not place themselves in a position where there is a conflict between their personal interests and their duties. This principle shall include (but not limited to) the fulfillment of the following obligations:

1. to act honestly in the best interests 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/her, not to allow himself/herself to be manipulated by another person and, not to delegate the exercise of his discretion to another party unless permitted by the law and administrative regulations or with the informed consent of the general meeting;

4. to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly;

5. not to conclude a contract or enter into a transaction or arrangement with the Company except as otherwise provided in this Articles of Association of the Company or with the informed consent of the general meeting;

6. not to use the Company property for his own benefit in any way without the informed consent of the general meeting;

7. not to exploit his position to accept bribes or other illegal income, misappropriate the Company's funds or expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company;

8. not to accept commissions in connection with Company's transactions without the informed consent of the general meeting;

9. to abide by the Articles of Association of the Company, perform his duties faithfully, and protect the interests of the Company and not to exploit his position and power in the Company to advance his own private interests;

10. not to seek for himself/herself or others the business opportunities originally belong to the Company, operate for himself or others business similar to the Company's and compete with the Company in any way without the informed consent of the general meeting;

11. not to misappropriate Company funds or deposit the Company funds or assets in an account under his own or other's name; and

12. not to, in violation of the provisions of this Articles of Association, lend funds to any other person or provide security for the Company's shareholders or other person with any properties of the Company, without the consent of the general meeting or board of directors;

13. not to harm the interests of the Company through use of his connected relationship;

14. not to disclose confidential information relating to the Company that was acquired by him or her during his or her office without the informed consent of the general meeting, and not to use such information except in the interests of the Company; however, such information may be disclosed to the court or other government authorities in any of the following circumstances:

    (1) provided by law;

    (2) required in the public interest; or

(3) required in the interest of such director, supervisor or senior officer of the Company.

The income gained in violation of the provisions of this Article by the persons mentioned herein shall belong to the Company; and for any losses caused to the Company as a result of such violation, the violating person shall be liable for compensation.

**1 0**

Each Director, supervisor, general manager or other senior management member of the Company shall not cause the following persons or institutions (" ") to do what he is prohibited from doing:

1. the spouse or minor child of such director, supervisor or senior management of the Company;

2. the trustee of a director, supervisor or senior management of the Company or of any person referred in Item (1) hereof;

3. the partner of a director, supervisor or senior management of the Company or of any person referred in Items (1) and (2) hereof;

4. the company over which a director, supervisor or senior management of the Company, alone or jointly with any person referred to in Items (1), (2) and (3) hereof or any other director, supervisor or senior management of the Company, has actual control; and

5. the director, supervisor or senior officer of a company being controlled as referred to in Item (4) hereof.

**1 1**

The fiduciary duties of the Directors, supervisors, general manager and other senior management members of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances under which the relationships between them and the Company are terminated.

**1**

Except for circumstances prescribed in Article 60 of the Articles of Association, a Director, supervisor, general manager and other senior management members of the Company may be relieved of liability for specific breaches of his duty by the informed consent of Shareholders given at a general meeting.

**1**

Where a Director, supervisor, general manager and other senior management members of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his/her service contract with the Company), he shall disclose the nature and extent of his interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal thereof is otherwise subject to the approval of the Board.

Except otherwise permitted by the listing rules and applicable laws and regulations of the places where the Company's shares are listed, a director shall not vote on a board resolution in respect of a contract, transaction or arrangement in which he/she himself/herself or any of his/her close associates has a material interest, or such director shall not be included in the quorum for a meeting.

Unless the interested director, supervisor or senior management of the Company has disclosed such interest to the board of directors as required under the preceding paragraph hereof and the matter has been approved by the board of directors at a meeting where he/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, except the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor or senior management concerned.

A director, supervisor or senior management of the Company shall be deemed to have an interest in any contract, transaction or arrangement in which a Connected Person of that director, supervisor or senior officer has an interest.

**1**

Where a director, supervisor or senior officer 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 due to the contents of the notice, he has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such director, supervisor or senior officer shall be deemed for the purposes of the preceding articles of this chapter to have declared his interest, insofar as attributable to the scope stated in the notice.

**1**

The Company shall not in any manner pay tax for or on behalf of its directors, supervisors or senior officers.

**1**

The Company shall not directly or indirectly provide a loan or loan security for a directors, supervisors or senior management of the Company or of the Company's parent company, or Connected Persons of the above-mentioned persons.

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

1. the provision of a loan or loan security by the Company for a subsidiary of the Company;

2. the provision of a loan or loan security or other funds by the Company to a director, supervisor or senior management of the Company under a service contract approved by the general meeting, so as to enable him pay the expenses incurred for the sake of the Company or for the performance of his Company duties; and

3. the provision of a loan or loan security by the Company to a relevant director, supervisor or senior management of the Company or to a Connected Person thereof on normal commercial terms, if the ordinary business scope of the Company includes the lending of money or the provision of loan security.

**01**

The Company shall enter into a contract in writing with every director and supervisor of the Company concerning his emoluments. Such contract shall be approved by the general meeting before it is entered into. The above-mentioned emoluments shall include:

1. emoluments in respect of his service as a director, supervisor or senior officer of the Company;

2. emoluments in respect of his service as a director, supervisor or senior officer of a subsidiary of the Company;

3. emoluments otherwise in connection with the management of the Company or any subsidiary thereof; and

4. funds as compensation for his loss of office or retirement to the aforementioned directors and supervisors.

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

In addition, the Company shall enter into a contract in writing with each director, supervisor and senior officer containing at least the following provisions:

(1) an undertaking by the director, supervisor or senior officer to the Company that he shall observe and comply with the Company Law, the Regulations, this Articles of Association and other regulations of the Hong Kong Exchange, and an agreement that the Company shall have the remedies provided in this Articles of Association and that neither the contract nor his/her office is assignable;

(2) an undertaking by the director, supervisor or senior officer to the Company that he shall act as an agent for each shareholder to observe and comply with his obligations to shareholders stipulated in this Articles of Association; and

(3) the arbitration clause as set out in Article 250 thereof.

**0**

The contract for emoluments entered into between the Company and its directors or supervisors should provide

**0**

The financial statements of the Company shall be prepared not only in accordance with PRC accounting standards, laws and regulations but also in accordance with international accounting standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes appended to such financial statements. For purposes of the Company's distribution of after-tax profits in a given fiscal year, the smaller amount of after-tax profits shown in the above-mentioned two kinds of financial statements shall govern.

**0**

Interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards, laws and regulations as well as international standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed.

**10**

The Company shall publish two financial reports each fiscal year, namely an interim financial report within 60 days after the end of the first six months of the fiscal year and an annual financial report within 120 days after the end of the fiscal year. Where the securities regulatory authority of the place where the company's shares are listed has other regulations, such regulations shall prevail.

**11**

The Company shall not maintain any account books other than statutory account books.

**1**

The common capital reserve shall include the following funds:

1. the premiums obtained from the issue of shares in excess of the par;

2. other revenue required by the State Council's department in charge of finance to be included in the capital common reserve.

**1**

Where a company distributes its after-tax profits of the current year, it shall draw 10 percent of the profits as the Company's statutory common reserve. The Company may stop drawing if the accumulative balance of the common reserve has already accounted for over 50 percent of the Company's registered capital.

If the accumulative balance of the Company's statutory common reserve is not enough to make up for the losses of the Company of the previous year, the current year's profits shall first be used for making up the losses before the statutory common reserve is drawn therefrom according to the provisions of the preceding paragraph.

After the Company draws the statutory common reserve from the after-tax profits, it may, upon a resolution made by the general meeting, draw a discretionary common reserve from the after-tax profits.

After the losses have been made up and common reserves have been drawn, the remaining profits shall be distributed to in light of the proportions of shares held by shareholders, unless it is not permitted in the Articles of Association to distribute profits according to the proportions of shares held by shareholders.

If the shareholders meeting distributes the profits by violating the provisions of the preceding paragraph before the losses are made up and the statutory common reserves are drawn, the profits distributed must be refunded to the Company.

No profit shall be distributed in respect of the Shares of the Company which are held by the Company.

**1**

The reserve of the Company is used to make up the Company's losses, increase the production operation of the Company or increase the Company's capital. However, capital reserve shall not be used to make up the Company's losses.

When legal reserve funds are converted into capital, the remaining balance of that reserve fund shall not be less than 25% of the registered capital of the Company before the conversion.

**1**

The Company may distribute dividends in one of the following forms (or in both forms):

1. cash;

2. shares.

As for cash dividends and other payments to domestic shareholders, the Company shall pay in RMB, and such payments to foreign shareholders will be RMB-denominated and declared and paid in foreign currency. The Company will, according to national provisions on foreign exchange management, deal with foreign currency matters for cash dividends and other payments to foreign shareholders.

Unless otherwise provided by the relevant laws and regulations, for the payment of cash dividends and other payments in foreign currency, the exchange rates shall apply the average closing price announced the People's Bank of China one calendar week before the declaration date of such cash dividends and other payments.

**1**

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

**1**

The Company shall appoint a receiving agent for holders of overseas listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of overseas listed shares.

The receiving agent appointed by the Company shall meet the requirements of the laws of the place(s), or the relevant regulations of the securities exchange(s), where the Company's shares are listed.

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

Under the premise in pursuant to relevant PRC laws and regulations, the Company may exercise the right to forfeit unclaimed dividends, but that power shall not be exercised until after the expiration of the applicable limitations period for the declaration of dividend distribution.

Where power is taken by the Company to cease sending dividend warrants by post, if such warrants have been left uncashed, it will not be exercised until such warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

Where power is taken by the Company, as with proper means determined by the board of directors, to sell the overseas listed foreign shares of a shareholder who is untraceable it will not be exercised unless:

(1) dividends on the related Shares have been delivered at least 3 times within 12 years and have not been claimed; and

(2) the Company place advertisements in one or more newspapers of the Company listing location after the 12 years have elapsed, stating its intention to sell the Shares and informing the Stock Exchange of such intention.

**1**

After the general meeting has resolved on the plan to allocate profits, the board of directors shall complete the distribution of dividends (or bonus shares) within 2 months of the meeting.

**1**

The Company will give full consideration to the interests of shareholders and make the implementation of a reasonable profit distribution policy according to business situation and market environment. The Company's profit distribution policy shall to the greatest extent maintain continuity and stability, and give priority to cash dividends, with the specific profit-sharing ratio to be passed with a resolution in accordance with relevant laws and regulations at the general meeting.

**1**

**0**

The Company shall employ an independent accounting firm that complies with relevant state regulations to audit the annual and other financial reports of the Company, and provide services such as accounting statement, net asset tests and relevant consultation.

The first accounting firm of the Company may be employed by the inaugural meeting prior to the first annual general meeting. Such accounting firm shall hold office until the conclusion of the first annual general meeting.

If the Company's establishment meeting does not exercise its power under the preceding paragraph, the board of directors shall exercise such power.

**1**

The term of employment of an accounting firm employed by the Company shall start from the end of the annual general meeting until the end of the next annual general meeting.

An accounting firm employed by the Company shall have the following rights:

1. the right of access at any time to the account books, records or vouchers of the Company and the right to require directors and other senior management of the Company to provide the relevant information and explanations;

2. the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;

3. the right to attend general meetings, receive a notice or other information concerning any meetings which shareholders have a right to receive, and to be heard at any general meetings on any matter which relates to it as the accounting firm of the Company.

If the position of accounting firm becomes vacant, the board of directors may appoint an accounting firm to fill such vacancy before a general meeting is held. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy still exists, such accounting firms shall continue to act.

The hiring of the accounting firm by the Company must be determined by the general meeting. The board of directors cannot hire an accounting firm before the decision by the general meeting.

The general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of employment, 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.

The remuneration of an accounting firm employed by the board of directors or the way to set the remuneration shall be determined by the board of directors.

The employment, dismissal or refusal of the renewal of the employment of an accounting firm shall be decided upon by the general meeting and reported to the State Council authorities in charge of securities for the record.

Where the Company is intended to pass a resolution at a general meeting to appoint a non-incumbent accounting firm to fill any vacancy of the position of the accounting firm, or to dismiss an accounting firm before the expiration of a term of office, such matters shall be dealt with the following provisions:

(1) Before the general meeting notice, the proposal on the appointment or dismissal shall be delivered to the accounting firm to be appointed or to leave its office or already retired in the relevant fiscal year. Leave herein shall include dismissal, resignation and retirement for an accounting firm.

(2) If the accounting firm to leave its office makes any statement in writing and requires the statement to be informed to shareholders by the Company, unless being too late for the receipt of such statement, otherwise the Company shall take the following measures:

    1. Making instructions on the notice to the resolution that the leaving accounting firm has made such a statement; and

    2. Copies of such a statement as the annex to the notice shall be sent to shareholders with the means set forth in this Articles of Association.

(3) Provided the Company failed to deliver such statement by the relevant accounting in accordance with the provisions in paragraph (2) of this article, the accounting firm concerned may require the statement to be read out at the general meeting and make further complaints.

(4) The accounting firm to leave is entitled to attend the following meetings:

    1. the general meeting at which its term of office shall expire;

    2. the general meeting at which its dismissal shall be to filled for the corresponding vacancy; and

    3. the general meeting convened for its initiative resignation.

The accounting firm to leave is entitled to receive all notices or other information related to the above meetings, and to speak at the aforementioned meetings on matters related to it as the former accounting firm of the Company.

Where the Company terminates or decides not to continue to appoint an accounting firm, it shall notify the accounting firm in advance. Where the general meeting votes on terminating the appointment of an accounting firm, the accounting firm is entitled to present its views. Where an accounting firm proposes its resignation, it shall explain to the general meeting whether there are any improper irregularities in the Company.

(1) The accounting firm may resign from its post through the place of resignation notice in writing at the legal address of the Company. Such notice shall take effect upon the date it is placed at the legal address of the Company or a later date as specified in the notice. And the notice shall include the following statements:

    1. that its resignation does not involve any announcement to shareholders or creditors of the Company; or

    2. any other such circumstances that shall be presented.

(2) Within 14 days upon the receipt of such notice in writing as referred in paragraph (1) of this article, the Company shall deliver a copy of the notice to the competent authorities. Provided that the notice contains statements as above mentioned in paragraph (1) 2., the Company shall prepare and place copies of such statement at the company for inspection by shareholders. The Company shall also deliver copies of such foregoing statements with postage prepaid mail to each overseas listed foreign shareholder by the address registered in the shareholders register, or, under the premise subject to applicable laws, regulations and listing rules, post such information at the company website or a site specified by the Exchange of the listing place of the Company's shares.

(3) If the accounting firm's resignation notice contains any statement referred in paragraph (1) 2. of this article, the accounting firm may request the board of directors to convene an extraordinary general meeting of shareholders to hear its explanations on the situation of its resignation.

**1 , ,**

**1**

The merger or division of the Company shall require the preparation of a proposal by the board of directors. After such proposal has been adopted in accordance with the procedures specified in the Articles of Association of the Company, relevant examination and approval procedures shall be carried out according to laws. Shareholders that oppose such proposal on the merger or division of the Company shall have the right to require the Company or shareholders that are in favor of such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders.

Holders of overseas listed shares of companies that are listed in Hong Kong or other territories shall be served copies of the above-mentioned document by post.

The merger of a company may be effected by way of merger or consolidation.

As for a corporate merger, both parties to the merger shall conclude an agreement with each other and formulate balance sheets and checklists of properties. The companies involved shall notify the creditors according to the Company Law, and shall make a public announcement on a newspaper recognized by the exchange of the place where the Company's shares are listed, and clear off its debts or provide corresponding guarantees as the creditors require.

In the case of a merger, the respective accounts payable and receivable will be inherited by the continuing company, or the newly formed company after the merger.

**0**

As for the split-up of a company, the properties thereof shall be divided accordingly.

Balance sheets and checklists of properties of the Company shall be worked out. The companies involved shall notify the creditors according to the Company Law, and make a public announcement on a newspaper recognized by the exchange of the place where the Company's shares are listed.

Debts owed by the Company prior to the division shall be assumed by the companies in existence after the division in accordance with the agreement reached.

**1**

Where any of the registered items is changed during the process of merger or split-up of a company, the Company shall go through modification registration with the Company registration authority. If it is dissolved, it shall be deregistered according to the law. If any new company is established, it shall go through the procedures for company establishment according to the law.

The Company shall be dissolved under any of the following circumstances:

(1) Any of the matters for dissolution as stipulated in this Articles of Association appears;

(2) The general meeting decides to dissolve it;

(3) It is necessary to be dissolved due to merger or split-up of the Company;

(4) The Company is declared bankrupt according to the law for being unable to pay its due debts;

(5) Its business license is canceled or it is ordered to close down or to be dissolved according to the law; or

(6) The Company has great difficulties in operation or management and cannot be solved by any other means, so that the interests of the shareholders will be subject to heavy loss if it continues to exist. The shareholders who hold ten percent or more of the voting rights of all the shareholders of the Company may plead the People's court to dissolve the Company.

Where the Company is dissolved according to the provisions of Article 232 (1), (2), (5) or (6) of this Articles of Association of Association, a liquidation group shall be formed within 15 days as of the occurrence of the causes of dissolution, to carry out a liquidation. The liquidation group shall comprise the directors or any other people as determined by the general meeting. Where no liquidation group is formed within the time limit, the creditors may plead the People's court to designate relevant persons to form a liquidation group.

Where the Company is dissolved according to the provisions of Article 232 (4) of this Articles of Association of Association, the People's court shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation.

If the board of directors decides that the Company shall be liquidated (except the liquidation as a result of company's declaration of bankruptcy), the notice of the shareholders' general meeting convened for such purpose shall include a statement to the effect that the board of directors has made full inquiry into the position of the Company and that the board of directors is of the opinion that the Company can pay its debts in full within 12 months after the commencement of the liquidation.

The functions and powers of the board of directors shall terminate immediately after the shareholders' general meeting has passed the resolution to carry out liquidation.

The liquidation committee shall take instructions from the shareholders' general meeting and shall make a report to the shareholders' general meeting on the committee's income and expenditure as well as the business of the Company and the progress of the liquidation at least annually. It shall make a final report to the shareholders' general meeting when the liquidation is completed.

The liquidation committee shall, within ten days as of its formation, notify the creditors, and shall, within 60 days, make a public announcement on newspapers recognized by the Exchange for the listing of shares of the Company. Creditors shall, within thirty days as of the receipt of the notice or within 45 days as of the publications of the public announcement in the case of failing to receiving the notice, declare credits against the liquidation committee.

To declare credits, a creditor shall explain the relevant matters and provide relevant evidential materials. The liquidation committee shall register the credits.

The liquidation committee shall not clear off any of the debts of any creditor during the period of credit declaration.

The liquidation committee exercises the following functions during the process of liquidation:

(1) liquidating the properties of the Company, and preparing balance sheets and asset checklists;

(2) informing creditors by notice or public announcement;

(3) disposing and liquidating the businesses of the Company that have not been completed;

(4) clearing off the outstanding taxes and the taxes incurred in the process of liquidation;

(5) clearing off credits and debts;

(6) disposing the residual properties; and

(7) participating in the civil litigation on behalf of the Company.

The liquidation committee shall, after liquidating the properties of the Company and preparing balance sheets and checklists of properties, make a plan of liquidation, and report it to the shareholders' general meeting or the People's court for confirmation.

The residual assets that result from paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed according to the proportions of equities held by the shareholders.

During the period of liquidation, the Company continues to exist, but may not carry out any business operation that is not for purpose of carrying out liquidation. Before the settlement of repayments as prescribed in the preceding article, the Company's property will not be distributed to shareholders.

In case of liquidation upon dissolution, if the liquidation committee notices that the properties of the Company is insufficient for clearing off the debts after liquidating the properties of the Company and preparing balance sheets and checklists of properties, it shall file an application to the People's court for bankruptcy.

Once the People's court declares the bankruptcy of the Company, the liquidation committee shall hand over the liquidation matters to the People's court.

Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, a revenue and expenditure statement and financial accounts in respect of the liquidation period and, after verification thereof by a CPA in China, submit the same to the shareholders' general meeting or the People's court for confirmation. And within 30 days from the date of the shareholders' general meeting's or the People's court's confirmation, the Company should submit the aforementioned documents to the Company registration authority to apply for company de-registration, and announce the Company's termination.

**0**

The members of the liquidation committee shall devote themselves to their duties and fulfill their obligations of liquidation according to the law.

None of the members of the liquidation committee may take any bribe or any other illegal proceeds by taking advantage of his position, nor may he misappropriate any of the properties of the Company.

Where any of the members of the liquidation committee causes any loss to the Company or any creditor by intention or due to gross negligence, he shall make corresponding compensations.

**0**

**1**

The Company may amend its Articles of Association in accordance with the law, administrative regulations and relevant provisions prescribed in this Articles of Association.

In any one of the following circumstances, the Company shall amend its Articles of Association:

(1) After amendment of the Company Law or relevant law or administrative regulations, the contents of the Articles of Association conflict with the law or administrative regulations;

(2) The circumstances of the Company have changed so that they are different from the contents of the Articles of Association; or

(3) The shareholders' general meeting decides that the Article of Association should be amended.

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

The board of directors shall amend this Articles of Association according to the resolutions of the shareholders' general meeting and the opinions of the relevant competent authority.

Notwithstanding the foregoing paragraph, in the following circumstances, the shareholders' general meeting may pass a resolution to authorize the board of directors to amend this Articles of Association in line with the following principles:

(1) Where as a result of the implementation of the shareholders' general meeting's resolution, there is the need to make necessary non-substantive modifications (as required in accordance with the resolutions of the shareholders' general meeting which involve amendments to the registered capital amount, shares capital, the company name and address in the Articles of Association), the board of directors shall has the right to modify this Articles of Association according to specific circumstances;

(2) If the shareholders' general meeting adopts this Articles of Association and files it to the competent institutions for approval, it is necessary to change the text or the order of articles, the board of directors is entitled to amend this Articles of Association in accordance with the requirements of the competent authority.

Any amendment to this Articles of Association which involves information to be disclosed as required by the law, regulations or the listing rules of the place where the Company's shares are listed, shall be publicly announced as required.

**1**

Notices of the Company may be served through means as follows:

(1) delivery by hand;

(2) by post;

(3) by fax or email;

(4) subject to the law, regulations and listing rules of the place where the Company's shares are listed, post at the Company's website or such website designated by relevant stock exchange;

(5) by public announcement;

(6) the prescribed means between the Company and the recipient or the confirmed means by such recipient; or

(7) other means approved by the relevant regulatory agency of the listing place or as set out in this Articles of Association.

Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.

Unless the context otherwise requires, "announcement" referred to in this Articles of Association shall refer to (i) if issued to domestic shareholders or within the PRC in accordance with relevant regulations and this Articles of Association, the announcement published in such Chinese newspapers as specified by the Chinese laws and regulations or the State securities regulatory agency; and (ii) if issued in Hong Kong to holders of H shares in accordance with the relevant provisions or this Articles of Association, announcement being published in Hong Kong newspapers specified in relevant listing rules. All notices or other documents required under Chapter 13 of the Listing Rules to be sent by the Company to shall be in the English language, or accompanied by a certified English translation.

Under the premise of the Company's observation to the relevant listing rules of the listing place, regarding the distribution of corporate communications to holders of the overseas listed shares, the Company may also electronically or at the company's website or such website of the stock exchange post such information so as to send out such information to such holders, instead of such delivery by hand or postage prepaid mail.

Unless otherwise provided in other articles of this Articles of Association, the notice means as set out in the above Article 239 may also be applicable to notices for shareholders' general meeting, meetings of board of directors or the supervisory committee.

If the notice is served by hand, the date of service is the date of acknowledgement of receipt by signature or affixed seal on the service return slip. If the notice is sent by post, the date of service is the fifth working days from the date of delivery at the post office. If the notice is made via facsimile, e-mail or website or other electronic means, the date of service is the date of transmission. If the notice is made by public announcement, the date of service is the date of the first publication of the public announcement.

Where relevant corporate documents must be in the English language and be accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the requirements of listing rules of the place where Company's shares are listed, in respect of shareholders who under proper arrangements by the Company confirm to receive such information only in English or Chinese version as well as to the extent of the applicable laws and regulations, the Company may send such documents in the English or Chinese version to relevant shareholders according to their prescribed wills.

**0**

The Company shall comply with the following rules in settling disputes:

(1) Whenever any disputes or claims arise from this Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company between (i) the Company and its directors or senior officers; and (ii) a holder of overseas listed foreign shares and a director or supervisor or the general manager or other senior officers of the Company, and a holder of domestic shares, the parties concerned shall resolve such disputes and claims through arbitration.

Where a dispute or claim described above is submitted for arbitration, the entire dispute or claim shall be resolved through arbitration; all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, if they are shareholders, directors, supervisors, general manager or other senior officers of the Company or the Company, shall submit to arbitration.

Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.

(2) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the party seeking the arbitration.

If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.

(3) The laws of PRC shall govern the arbitration of disputes or claims described in clause (1) above, unless otherwise provided by the law or administrative regulations.

(4) The award of the arbitral body is final and shall be binding on the parties thereto.

**1**

(1) In this Articles of Association, "acting in concert" means the act of two or more people that in form of agreement (whether oral or written) reaching a consensus that, through take-over of the Company's voting rights by any one of them to achieve the purpose of controlling the Company or to consolidate such control;

(2) An "actual controller" means a person, though not a shareholder, but through investment relationship, agreement, or other arrangement, can actually control the activities of the Company;

(3) "Associated relationship" is the relationship between the controlling shareholder, actual controller,