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# ARTICLES OF ASSOCIATION OF

**Beijing Jingneng Clean Energy Co., Limited**  
**北京京能清潔能源電力股份有限公司**

(Limited by Shares, Publicly Traded Company, and Listed)

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\* 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.

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## Chapter 1 General

### Article 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 “**Company**”) 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 Guidelines for Articles of Association of Chinese Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), and other relevant provisions.

### Article 2

The Company is a joint stock limited company duly incorporated in accordance with the Company Law the Securities Law 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.

### Article 3

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.

#### **Article 4**

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

#### **Article 5**

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

#### **Article 6**

The Company is a perpetual joint stock limited company.

#### **Article 7**

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.

#### **Article 8**

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.

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.

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).

## Article 9

## **Chapter 3 Shares, Registered Capital and Transfer of Shares**

### **Article 14**

The Company shall have ordinary shares at all times. It may have other kinds of shares as needed, upon fulfilling the registration or filing procedures with the securities regulatory authority of the State Council in accordance with the law.

### **Article 15**

The Company shares shall be in the form of share certificates.

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

The RMB mentioned in the preceding paragraph refers to the lawful currency of the PRC.

### **Article 16**

Company shares shall be issued based on the principles of openness, fairness and justice. Shares of the same class shall carry equal rights.

For the same class of shares of the same issuance, each share shall be issued at the same conditions and price. Any unit or individual shall pay the same price for any such shares subscribed.

### **Article 17**

The Company may issue shares to investors inside the PRC and investors outside the PRC upon fulfilling the registration or filing procedures with the securities regulatory authority of the State Council in accordance with the law.

For the purpose of the preceding paragraph, the term “investors outside the PRC” shall refer to investors from foreign countries or Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company. The term “investors inside the PRC” shall refer to investors inside the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.

### **Article 18**

The shares issued by the Company to investors inside the PRC for subscription in Renminbi shall be referred to as “domestic investment shares”. The shares issued by the Company to investors outside the PRC for subscription in foreign currency shall be referred to as “foreign investment shares”. The overseas listed foreign investment shares shall be referred to as “overseas listed shares”.

The term “foreign currency” in the preceding paragraph shall refer to the lawful currency freely convertible in other countries or regions (except for RMB), which is recognized by state foreign exchange authority and acceptable to pay for the shares.

The overseas listed share issued by the Company which is listed in Hong Kong is referred to as H shares, namely, the RMB-denominated shares approved by the Hong Kong Stock Exchange for listing whose subscription and trading are in Hong Kong dollars. Upon fulfilling the registration or filing procedures with the securities regulatory authority of the State Council or agencies authorized by the State Council in accordance with the law, and with the consent from Hong Kong Stock Exchange, the domestic investment shares can be converted into H shares.

Upon fulfilling the registration or filing procedures with the securities regulatory authority of the State Council in accordance with the law, 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.

~~Article 19~~ referred to as H



## **Article 20**

After the establishment of the Company, as approved by the Zheng Jian Xu Ke (2011) No. 635 issued by China Securities Regulatory Commission (the “CSRC”) 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.

## **Article 21**

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.

## **Article 22**

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

## **Article 23**

Unless otherwise provided in the law and administrative regulations, listing rules of the shares’ listing place, or this Articles of Association, the shares of the Company may be transferred according to law without any lien. The transferred share shall be registered in registration agency appointed by the Company.

## **Article 24**

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

## **Article 25**

The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. The shares issued before the Company publicly issues any shares shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange.

The directors, supervisors and senior officers of the Company shall report to the Company the shares held by them and the changes thereof. During the term of their office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company that he holds. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. If any of the aforesaid persons leaves from his post, he shall not transfer the shares of the Company that he holds within six months from such departure. If the listing rules of the listing venue of the shares of the Company provide otherwise on restrictions on transfers of H shares, such rules shall prevail.

## **Article 26**

If a director, supervisor or senior officer of the Company, or a shareholder holding 5% or more of the shares of the Company sells the shares of the Company within six months upon buying those shares, or buys the shares within six months after selling, all the gains arising thereof shall belong to the Company. Such gains shall be collected by the board of directors of the Company. But if a securities company underwrites unsold shares, thereby holding more than 5% of the shares, the sale of these shares shall not be subject to the said six month restriction.

The shares or other securities in the nature of equity held by directors, supervisors, senior management and natural person shareholders referred to in the preceding paragraph, include those held by their spouses, parents and children and those held using the accounts of others.

If the board of directors of the Company does not comply with the foregoing paragraph, the shareholders can request the board to do so within 30 days. If the board does not enforce such right within the said period, the shareholders are entitled to commence litigations in court in their own names for the interest of the Company.

If the board of directors of the Company does not comply with the first paragraph, the responsible directors shall be jointly and severally responsible in accordance with the law.

## **Chapter 4 Increase, Reduction and Repurchase of Shares**

### **Article 27**

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 be 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.

### **Article 28**

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.

### **Article 29**

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.

### **Article 30**

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.

### **Article 31**

The Company may repurchase its Shares through public centralized trading or other ways recognized by laws, administrative regulations and the China Securities Regulatory Commission. If the share purchase is made under the circumstances stipulated in Items (3), (5) and (6) of paragraph 1 of Article 30 of the Articles of Association, centralized trading shall be adopted publicly.

## **Article 32**

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.

## **Article 33**

Repurchase of the Company's shares in accordance with Article 30 (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 30 (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 30 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.

## **Article 34**

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.

## **Chapter 5 Share Certificates and Register of Shareholders**

### **Article 35**

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 depositary practice of the listing venue.

### **Article 36**

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.

### **Article 37**

The Company shall make a register of shareholders on the basis of the certificates provided by the securities registrar. The register of shareholders shall be the sufficient evidence proving the holding of the shares of the Company by the shareholders. The shareholders enjoy rights and assume obligations as per the class of shares they hold; the same class of shares represents the same rights and the same obligations.

### **Article 38**

Provisions provided by applicable laws, regulations and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited on the period of closure of register of members before the general meeting of shareholders or the reference date for the Company's distribution of dividends shall prevail.

### **Article 39**

When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the convener of the board of director or general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date, shall enjoy the relevant rights.

### **Article 40**

The Company or its subsidiaries (including affiliates of the Company) shall not, by way of a gift, advance, guarantee, compensation, loans or otherwise, provide any financial assistance to a person who acquires or intends to acquire shares of the Company.

## **Chapter 6 Rights and Obligations of Shareholders**

### **Article 41**

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.

In the circumstance of joint shareholders:

- (1) In case of death of one of the joint shareholders, only the other surviving joint shareholder(s) shall be deemed as owner of the shares, but for the purpose of revising the register of shareholder, the board of directors is entitled to demand the surviving shareholder(s) to provide a death certificate as the board thinks fit.

- (2) For joint shareholders of any share, the person whose name stands first in the register shall be entitled to receive share certificate of the relevant shares, receive notice from the Company, attend the general meetings, or exercise voting of relevant shares, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders.

Where one of the joint shareholders delivers receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as valid receipt from such joint shareholders to the Company.

## **Article 42**

Shareholders of the Company shall enjoy the following rights:

- (1) To receive dividends and other profit distributions on the basis of the number of shares held by them;
- (2) To request, convene, hold, participate or send proxy to attend general meeting and speak and exercise corresponding voting rights at the general meeting in accordance with the law;
- (3) To monitor, make suggestions or question the Company's operation;
- (4) To transfer, donate or pledge shares in his/her possession in accordance with the law, administrative regulations, listing rules in the territory where the Company's shares are listed, as well as provisions of this Articles of Association;
- (5) To inspect the Articles of Association, register of shareholders, bond stubs, minutes of general meetings, resolutions of board meetings, resolutions of the board of supervisors meetings, and financial and accounting reports;
- (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.

## **Article 43**

When a shareholder requests to have access to the information mentioned in the preceding article, 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.



#### **Article 44**

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.

#### **Article 45**

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.

#### **Article 46**

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.

#### **Article 47**

Shareholders 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.

#### **Article 48**

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 a duty of honesty towards the Company and public shareholders of the Company. The controlling shareholder shall strictly exercise his rights as a capital contributor. The controlling shareholder cannot make use of methods such as the distribution of profits, restructuring of assets, external investment, misappropriation of assets, borrowing or loan guarantee to damage the lawful interests of the Company and public shareholders. He shall not make use of his controlling position to damage the lawful interests of the Company and public shareholders.

### **Chapter 7 General Meeting**

#### **Section 1 General Provisions on General Meeting**

#### **Article 49**

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



- (18) Review other matters to be approved at the general meeting as prescribed by the law, administrative regulations, department regulations, listing rules of the local stock exchange where the Company's shares are listed or this Articles of Association.

### **Article 51**

The following external guarantees of the Company must be reviewed and passed at the general meeting:

- (1) Any external guarantee by the Company or its subsidiary and any subsequent external guarantee, whose total amount is equal to or more than 50% of the Company's audited net assets;
- (2) Any external guarantee by the Company and any subsequent external guarantee, whose total amount is equal to or more than 30% of the Company's latest audited total assets;
- (3) Any external guarantee by the Company within one year whose amount is equal to or more than 30% of the Company's latest audited total assets for the most recent period;
- (4) To provide external guarantee to entities with more than 70% debt equity ratio;
- (5) A single external guarantee whose amount exceeds 10% of the latest audited net assets;
- (6) To provide guarantee for shareholders, actual controller and its associates;
- (7) Other external guarantees which shall be passed at the general meeting as prescribed by the local stock exchange where the Company's shares are listed and this Articles of Association.

The term "external guarantees" in this article refers to the guarantees provided by the Company to others, excluding the guarantees provided by the Company to its subsidiaries.

### **Article 52**

Except when the Company is under a special circumstance such as a crisis, the Company shall not, without an approval by a special resolution at a general meeting, enter into a contract to handover all or part of the management of important matters of the Company to a person other than to a director, supervisor or other senior officer.

### **Article 53**

The general meetings shall include annual general meetings and extraordinary general meetings. Annual meetings shall be convened once a year and shall be held within six months from the end of the preceding fiscal year.

## **Article 54**

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.

## **Article 55**

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.

## **Section 2 Proposing and Convening of General Meeting**

## **Article 56**

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.

## **Article 57**

The board of supervisors is entitled to propose an extraordinary general meeting to the board of directors, which shall be made in writing. 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 of the decision. Any changes made to the original request in the notice shall be agreed by the board of supervisors.

If the board of directors disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, it shall be deemed as failing or not discharging its duties to convene the general meeting. The board of supervisors shall then be entitled to convene and hold the meeting itself.

## **Article 58**

Shareholders holding more than 10% of shares (individually or together with others) shall be entitled to request for an extraordinary general meeting according to the following procedures.

- (1) Upon signing one or several written requests with the same content and format, and stating the subject of the meeting, the aforesaid shareholders may request the board of directors to convene an extraordinary general meeting. 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. Shares held by the above shareholders shall be calculated as at the date of submitting the written request.
- (2) If the board of directors agrees to convene an extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon making the decision. Any changes made to the original request in the notice shall be agreed by the relevant shareholders.
- (3) If the board of directors disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, shareholders individually or together holding more than 10% of the shares of the Company are entitled to request the board of supervisors to hold an extraordinary general meeting in writing.
- (4) If the board of supervisors agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon making the decision. Any changes made to the original request in the notice shall be agreed by the relevant shareholders.

- (5) If the board of supervisors does not issue the notice of general meeting within the prescribed period, it shall be deemed as the board of supervisors not convening and not holding the general meeting. Then the shareholders who individually or together hold more than 10% of the shares for more than 90 days consecutively may convene and hold the meeting themselves. Before publicly announcing the resolution(s) of the general meeting, the convening shareholders shall hold no less than 10% of the shares of the Company. When the convening shareholder issues the notice for general meeting and publicly announces the resolution(s) of the general meeting, they shall submit the relevant proof materials to the CSRC sub-office at the Company's residence and the stock exchange.

## **Article 59**

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.

### **Section 3 Proposals and Notices of General Meeting**

## **Article 60**

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.

## **Article 61**

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 60 herein, no voting for decision should be held at the general meeting.

## **Article 62**

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.

## **Article 63**

The notice of a general meeting shall include the followings:

- (1) time, venue and duration of the meeting;



## **Article 64**

If a general meeting shall discuss the election of directors or supervisors, the notice of general meeting shall disclose full information of the candidates for directors and supervisors. It shall at least include the following:

- (1) Personal particulars such as: education background, work experience and other appointments;
- (2) Whether he/she has any connected relationship with the Company or the controlling shareholder and actual controller of the Company;
- (3) The number of shares of the Company he/she held;
- (4) Whether he/she is subject to any punishment by CSRC and other relevant securities regulatory authorities and sanctions by the stock exchange.
- (5) Other information subject to disclosure as required by the securities regulatory authorities and the listing rules of the places where the Company's shares are listed.

Each candidate of director or supervisor shall be individually proposed.

## **Article 65**

Notice of general meeting shall be served to any shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of members, or by publication on the Company's website or other website designated by stock exchange where the Company's shares are listed. For holders of domestic-invested shares, the notice of a general meeting may also be given by public announcement.

The public announcement referred to in the preceding paragraph shall be published on one or more newspapers or periodicals designated by the securities regulatory authority under the State Council 15 days or 10 clear business days (whichever is longer) (the extraordinary general meeting) or 20 clear business days (the annual general meeting) before the date of convening such meeting. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice of the general meeting of shareholders.

## **Article 66**

After issuance of the notice for the general meeting, the general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall make a public announcement giving reasons within 2 days before the scheduled date, unless otherwise prescribed in listing rules of the listing venue (if so, the latter shall prevail).

## **Article 67**

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

### **Section 4 Convening General Meeting**

## **Article 68**

All shareholders on the register of members on the shareholding record date shall be entitled to attend the general meeting, and vote in accordance with the provisions of relevant law, regulations and this Articles of Association.

Any shareholder entitled to attend and vote at a general meeting have the right to appoint one or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf.

Such proxies may exercise the following rights as entrusted by the shareholder:

- (1) The shareholder's right to speak at the general meeting;
- (2) The right to demand by himself or jointly with others, in demanding a poll;
- (3) Unless otherwise provided in the applicable listing rules or other securities laws and regulations, the right to vote may be exercised either by a show of hands or on a poll, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights on a poll.

## **Article 69**

An individual shareholder who attends the general meeting in person shall present valid proof which can confirm his shareholder's identity. If a proxy is appointed to attend the meeting, in addition to present the proxy's identity card, the proxy shall also present the shareholder's identity proof together with the authorization letter from the shareholder.

If a shareholder who is a legal person appoints its representative to attend the meeting, the Company has right to request the representative to present the identity proof for the shareholder and its representative, as well as any resolution or authorization letter from the board of directors of the shareholder who is a legal person or other authority as proof of the such authorization. If the legal person shareholder has appointed a representative to attend any meeting, such legal person shareholder is deemed to be present in person.

If a shareholder is a recognized clearing house (or its agent), the shareholder shall be entitled to appoint a person to serve as its representative at any general meeting. Such authorized person are entitled to attend the meeting on behalf of the recognized clearing house (or its agent) and are entitled to statutory rights equivalent to other shareholders, including rights to speak and vote.

## **Article 70**

The instrument appointing a proxy shall be in writing under the hand of the appointing Shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person, such instrument shall be under its seal or under the hand of its director or attorney duly authorized.

The instrument issued by the shareholder to authorize another person to attend the general meeting shall state the following contents:

- (1) Name of the proxy;
- (2) Whether the proxy has voting rights;
- (3) Indication of consent, objection or abstention concerning each proposal on the general meeting agenda;
- (4) Date of signing of instrument and term of validity;
- (5) Signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be affixed;
- (6) Specifying the number of shares represented by such proxy;
- (7) If more than one proxy is appointed, the instrument shall specify the number of shares represented by each proxy respectively.

## **Article 71**

Where the instrument is signed by another person authorized by the entrusting party, the authorization letter or other document authorizing the signatory shall be notarized. The notarized authorization letter or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Where the principal is a legal person, its legal representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's general meetings as the representative of such legal person.

## **Article 72**

The authorization letter shall state that if the shareholder does not give specific instructions, whether the proxy shall vote at his/her own discretion.

## **Article 73**

An registration record for attendants at the meeting shall be compiled by the Company. The registration record shall contain the names of attendants (or names of organizations), identity card numbers, residential addresses, the number of shares held or representing the voting rights and names (or name of organizations) of the proxies.

## **Article 74**

The convener shall examine legality of the shareholders' qualifications according to the register of members provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the shares held with voting rights.

## **Article 75**

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.

## **Article 76**

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.

#### **Article 77**

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.

#### **Article 78**

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, which shall include the performance of independent non-executive directors.

#### **Article 79**

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

#### **Article 80**

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.

## **Article 81**

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.

## **Article 82**

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.

## **Article 83**

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.



## **Article 87**

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), (17) and (18) in Article 50 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.

## **Article 88**

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 50 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.

## **Article 89**

The physical meetings of the shareholders' general meeting shall not end any earlier than that held through network or by any other means. The presider of the meeting shall declare the voting and result of each resolution at the meeting, and announce whether the resolution has been adopted in light of the voting result.

## **Article 90**

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.



## Chapter 8 Party Committee

### Article 91

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 can also join the Party Committee in accordance with the relevant rules and procedures.

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.

### Article 92

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 Supervision and Administration Commission and the Beijing Energy Holding Co., Ltd throughout the Company.
- (2) To adhere to the principles of the Party exercising leadership over officials, the selection of operating managers by the board of directors, and the exercise of power as regards to the right of officials' appointment by the operating managers in accordance with laws. The Party Committee of the Company shall recommend nominees to the board of directors or the general manager, or contemplate and/or give suggestions on the candidates nominated by the board of directors or the general manager. The Party Committee of the Company, together with the board of directors, shall observe the proposed candidates and discuss jointly to provide opinions and suggestions thereon. To perform the duty of exercising leadership over talents and proceed with the strategy of reinvigorating enterprises through human resource development.

- (3) To study and discuss the stable reform and development, substantial operational and management issues of the Company as well as material issues relating to the interests of the employees, and provide advice and recommendations.
- (4) To take full responsibility to comprehensively strengthen the Party's discipline, lead the Company's ideological and political work, united front work, spiritual civilization construction as well as corporate culture construction, and work of mass organizations such as the trade union and the Communist Youth League. Play a leading role in building a Party with a clean and honest image, support the Discipline Inspection Committee of the Company in fulfilling its responsibility of supervision in practice.

### **Article 93**

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.

### **Article 94**

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.

## **Chapter 9 Board of Directors**

### **Section 1 Directors**

### **Article 95**

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.

## **Article 96**

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.

## **Article 97**

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).

## **Article 98**

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.

## **Article 99**

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.

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.

## **Article 100**

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.

## **Article 101**

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.

## **Article 102**

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.

## **Section 2 Independent Directors**

### **Article 103**

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.

### **Article 104**

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.

## **Article 105**

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.

## **Article 106**

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.

## **Article 107**

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.

### **Section 3 Board of Directors**

## **Article 108**

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

## **Article 109**

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.

## **Article 110**

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 development strategies, medium and long term development plans, 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;
- (10) to decide on establishment of internal management organizations of the Company;
- (11) to determine the setup of the specialized committees under the board of directors, appoint or dismiss the chairman of such committees;
- (12) to appoint or dismiss general manager and secretary to the board of directors, and to decide on their remunerations, awards and punishment; in accordance with the nominations by general manager, to appoint or dismiss deputy general managers, chief accountant and general counsel and to decide on their remunerations, awards and punishment; to decide on employees' wages, benefits, awards and punishment;
- (13) to determine the basic management system of the Company;
- (14) to formulate proposals to amend this Articles of Association;
- (15) to formulate the stock option incentive plan and the employee stock ownership plan of the Company;
- (16) to consider the Company's external donations and sponsorships with a single amount of RMB3 million or more and less than 0.1% of the latest audited net assets included in the current period's profit and loss;
- (17) to manage information disclosure of the Company;

- (18) to propose to the board of directors on the appointment or replacement of the accounting firms which provide audit services to the Company;
- (19) to listen to work reports of the general manager and review his/her work;
- (20) to appoint or replace the directors or supervisors (other than the employee representative directors or supervisors) in the Company's wholly owned subsidiaries; nominate candidate directors or supervisors (other than the employee representative directors or supervisors) in the consolidated subsidiaries and associates of the Company; and recommend candidates for senior management in wholly owned subsidiaries and consolidated subsidiaries;
- (21) to review and approve the matters on the Company's external guarantee which are not covered by Article 51 for review and consideration at a general meeting;
- (22) other powers authorized by the laws, administrative regulations, and department rules, listing rules of the listing place where the Company's shares are listed, this Articles of Associations and the general meetings.

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. The substantial operational and management issues of the Company include but not limited to:

- a. Development strategies and medium-term and long-term development plans of the Company;
- b. the business plans and operation plans;
- c. principal and directional issues relating to financial restructuring, assets transfer, capital operation and substantial investments;
- d. the merger, division, change of control and dissolution of the Company;
- 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. Matters authorized by the board of directors to the management by the board shall be passed by more than two-thirds of the directors.

#### **Article 111**

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.

#### **Article 112**

The board of directors may set up specialized committees such as the Strategic Committee, Audit Committee, Remuneration and Nomination Committee and Legal and Compliance Management 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 Hong Kong 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 under the board of directors.

#### **Article 113**

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.

#### **Article 114**

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.

#### **Article 115**

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, specialized committee of the board of directors, 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 4 of this article, given that a proper notice shall be given to directors, supervisors and general manager.

#### **Article 116**

The notice of board meetings may be delivered in the manners as set out in Article 203 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.

#### **Article 117**

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.

#### **Article 118**

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.

## **Article 119**

Except for the consideration on the related party transactions by the board of directors as set out in Article 121, 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.

## **Article 120**

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.

## **Article 121**

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.

## **Article 122**

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.

## **Article 123**

The board of directors shall keep minutes of its decisions on the matters discussed at the meeting. The directors who attended the meeting and the recorder shall sign the minutes of that meeting.

The directors shall be responsible for the decisions of the board of directors. Where a resolution of the board of directors is in violation of the laws, administrative regulations or the Articles of Association, thereby causing serious losses to the Company, the directors who took part in the resolution shall be liable to the Company for damages. However, where a director can prove that he expressed his opposition to such resolution when it was put to the vote, and that such opposition was recorded in minutes of the meeting, the director shall be relieved from such liability.

The minutes of board meeting shall be kept as a company file for a period of no less than 10 years.

#### **Article 124**

The minutes of the Board shall consist of the following:

- (1) date and venue of the meeting and the name of the convener;
- (2) the name of the Director present and name of Director (attorney) being appointed to attend on the other's behalf;
- (3) the agenda;
- (4) the main points of Directors' speeches;
- (5) the voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).

#### **Article 125**

The expenses reasonably incurred by directors for attending the meeting of Board shall be borne by the Company. Such expenses include the non-local transport fees from the director's location to the meeting venue (assuming the director resides at a location other than where the meeting venue locates) and the accommodation during the meeting.

### **Chapter 10 Secretary to the Board of Directors**

#### **Article 126**

The Company shall have one (1) board secretary. The Secretary shall be a senior management member of the Company.

#### **Article 127**

The secretary to the board of directors shall be a natural person with the requisite professional knowledge and experience and shall be appointed by the board of directors.

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

## **Article 129**

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.

## **Chapter 11 General Manager**

### **Article 130**

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.

### **Article 131**

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.

### **Article 132**

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) propose employees' wages, benefits, awards and punishment plans and decide on the employees' recruitment and dismissal;
- (10) 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.

### **Article 133**

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.

### **Article 134**

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.

### **Article 135**

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.



## **Chapter 12 General Counsel**

### **Article 136**

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.

### **Article 137**

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.

## **Chapter 13 Board of Supervisors**

### **Section 1 Supervisors**

### **Article 138**

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

### **Article 139**

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

### **Article 140**

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.

### **Article 141**

A supervisor shall ensure that the information disclosure of the Company is true, accurate and complete, and sign the written confirmation in respect of periodic reports.

### **Article 142**

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.

### **Article 143**

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.

### **Article 144**

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.

## **Section 2 Board of supervisors**

### **Article 145**

The Company shall establish a board of supervisors.

### **Article 146**

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 more than one half of its members.

### **Article 147**

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.

## **Article 148**

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.

## **Article 149**

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.

## **Article 150**

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.

## **Article 151**

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 one half of the supervisors.

## **Article 152**

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.

## **Article 153**

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.

## **Article 154**

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.

## **Article 155**

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.

### **Chapter 14 Qualifications and Obligations of the Company's Directors, Supervisors and Other Senior Management**

## **Article 156**

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.

### **Article 157**

Directors shall comply with laws, administrative regulations, and this Articles of Association and, with the following duties of loyalty to the Company, directors:

1. shall not exploit his position to accept bribes or other illegal income, misappropriate the Company's property;
2. shall not misappropriate the Company's funds;
3. shall not deposit assets or funds of the Company into accounts held in their own names or in the name of any other individual;
4. shall not, in violation of this Articles of Association, lend Company funds to others or provide guarantee for others with Company assets without the consent of a general meeting or the board of directors;
5. shall not enter into contracts or transactions with the Company either in violation of these Articles of Association or without the consent of a general meeting;
6. shall not, without the consent of a general meeting, take advantage of his/her position to seek business opportunities that should belong to the Company for himself/herself or for any other person, or operate business similar to the Company's for himself/herself or for any other person;
7. shall not accept commissions for transactions with the Company as their own;
8. shall not disclose Company secrets without authorization;
9. shall not make use of their related-party relationship to damage the Company's interests;

10. shall have other duties of loyalty prescribed by laws, administrative regulations, departmental rules and the Articles of Association.

Any income obtained by a director in violation of this article shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.

### **Article 158**

Directors shall comply with laws, administrative regulations, and this Articles of Association, and, with the following duties of diligence to the Company, directors:

1. shall be prudent, scrupulous and diligent in exercising the authority conferred by the Company to ensure that the business activities of the Company comply with the laws, administrative regulations and various national economic policy requirements of the state, and that the business activities do not go beyond the scope of business activities specified in the Company's business license;
2. shall treat all shareholders equally;
3. shall keep abreast of the Company's business operation management status;
4. shall sign confirmation in writing for periodic reports of the Company, and ensure that the information disclosed by the Company is true, accurate, and complete;
5. shall provide accurate information and materials to the board of supervisors, and shall not interfere with the performance of duties by the board of supervisors or individual supervisors;
6. shall have other duties of diligence prescribed by laws, administrative regulations, departmental rules and these Articles of Association.

### **Article 159**

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.

## **Article 160**

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.

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.

## **Article 161**

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.



## **Article 162**

The senior management members of the Company shall carry out their duties honestly and faithfully, and protect the best interests of the Company and all of its shareholders as a whole. A senior management member of the Company shall be liable for compensation according to the law if he/she fails to perform his/her duties honestly and faithfully or in breach of his/her fiduciary duties, thereby causing damage to the interests of the Company and its public shareholders.

## **Article 163**

The person who holds an executive position other than that of a director or a supervisor in the controlling shareholder of the Company shall not become a senior management member of the Company.

The senior management members shall only receive remuneration from the Company and shall not be paid by the controlling shareholders.

## **Article 164**

The provisions of Article 157 of the Articles of Association on the duty of loyalty of directors and the provisions of item (4), (5) and (6) of Article 158 on the duty of diligence shall also apply to senior management.

## **Article 165**

Supervisors shall abide by the laws, administrative regulations and the Articles of Association, bear the obligations of loyalty and diligence to the Company, and shall not utilize their positions to accept bribes or other illegal incomes, nor shall misappropriate the Company's property.

## **Article 166**

The Company may establish a liability insurance system as needed for directors, supervisors and senior management in order to reduce the risks which may arise from the ordinary performance of duties by such personnel.

## **Chapter 15 Financial Accounting System and Distribution of Profits**

## **Article 167**

The Company shall formulate its own financial and accounting systems in accordance with provisions of the law, administrative regulations and relevant state departments.

## **Article 168**

The Company adopts the calendar year as its fiscal year, which shall begin in each year on 1 January and end on 31 December of the Gregorian calendar.

The Company shall prepare financial reports at the end of each fiscal year, and such reports shall be examined and verified according to laws.

## **Article 169**

The board of directors of the Company shall place before the shareholders at each general meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local government and the authorities-in-charge require the Company to prepare.

## **Article 170**

The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to an annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this chapter.

At least 21 days before the annual general meeting, the Company shall deliver the aforementioned reports to each holder of overseas listed foreign shares with the postage-paid mail or other means (including through posting at the Company website or other websites designated by the relevant stock exchange) permitted by the Stock Exchange for the listing of the Company's shares, with the address subject to the registered address in the shareholders register.

## **Article 171**

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.

## **Article 172**

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



## Article 176

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<sup>5</sup> (foreign sforeigntcloslr6w 0 -1.333 Td(with app( )de Tw s an

## **Chapter 16 Appointment of an Accounting Firm**

### **Article 180**

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.

### **Article 181**

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.

### **Article 182**

The Company shall commit to provide true and complete accounting evidences, books, financial and accounting reports and other accounting information to the accounting firm it employs without any refusal, withholding and misrepresentation.

### **Article 183**

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.

### **Article 184**

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.

### **Article 185**

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.

## **Chapter 17 Merger, Division, Dissolution and Liquidation**

### **Section 1 Merger and Division**

#### **Article 186**

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.

#### **Article 187**

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.

#### **Article 188**

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.

## **Section 2 Dissolution and Liquidation**

### **Article 189**

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.

### **Article 190**

Where the Company is dissolved according to the provisions of Article 189 (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 189 (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.

### **Article 191**

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.

## **Article 192**

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.

## **Article 193**

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.



## **Article 194**

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

## **Chapter 18 Amendment to Articles of Association**

### **Article 198**

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

### **Article 199**

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) 2 0 Td,ticles of Asso07nd r-ssociation; or

- (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.

## **Article 202**

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.

## **Chapter 19 Notice**

### **Article 203**

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 Hong Kong 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.

#### **Article 204**

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

#### **Article 205**

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.

#### **Article 206**

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.

## Chapter 20 Settlement of Disputes

### Article 207

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)

## Chapter 21 Supplementary Articles

### Article 208

#### Definition

- (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, directors, supervisors or senior officers, and enterprises directly or indirectly controlled by them, as well as other relationships which may possibly cause the transfer of the Company’s interests. However, enterprises owned by the State will not be regarded as having associated relationship only because they are owned by the State.

### Article 209

In this Articles of Association, the terms “not less than”, “within”, “not more than” and “previous” shall include the given figure, and the terms “more than half”, “under”, “beyond”, “exceeding”, “below”, “less than”, “not more than” and “more than” shall not include the given figure.

### Article 210

The term “accounting firm” as used in this Articles of Association shall have the same meaning as “auditor”.

### Article 211

This Articles of Association are in Chinese. If it conflicts with a version in any other language, the Chinese version which was most recently filed and registered at the company registration authority shall prevail.

### Article 212

The board of directors of the Company shall be responsible for the interpretation of this Articles of Association.