
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this supplemental circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Datang Environment Industry Group Co., Ltd.***, you should at once hand this supplemental circular, together with the enclosed revised form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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Datang Environment Industry Group Co., Ltd.*

大唐環境產業集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1272)

SUPPLEMENTAL CIRCULAR TO THE CIRCULAR

DATED 29 MAY 2025 IN RELATION TO

**(1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
ABOLITION OF THE SUPERVISORY COMMITTEE;**

**(2) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR
SHAREHOLDERS' MEETINGS;**

**(3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR
BOARD MEETINGS; AND**

(4) SUPPLEMENTAL NOTICE OF 2024 ANNUAL GENERAL MEETING

This supplemental circular should be read in conjunction with the circular of the Company dated 29 May 2025 (the **"Original Circular"**).

The Company will convene the 2024 AGM at 2 p.m. on Friday, 27 June 2025 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC, as originally scheduled, notice of which is set out in the Original Circular. A supplemental notice of the 2024 AGM (**"Supplemental Notice"**) notifying the 2024 AGM to be held as originally scheduled and containing additional proposed resolutions is set out on pages Supp AGM-1 to Supp AGM-3 of this supplemental circular.

A revised form of proxy for the use at the 2024 AGM (the **"Revised 2024 AGM Proxy Form"**), containing the originally proposed resolutions and additional proposed resolutions in relation to the (1) proposed amendments to the articles of association and abolition of the supervisory committee; (2) proposed amendments to the rules of procedures for shareholders' meetings; and (3) proposed amendments to the rules of procedures for board meetings is enclosed herewith and are also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.dteg.com.cn). Whether or not you intend to attend the 2024 AGM, you are requested to complete and return the Revised 2024 AGM Proxy Form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the 2024 AGM or any adjournment thereof (as the case may be). Completion and return of the Revised 2024 AGM Proxy Form will not preclude you from attending the 2024 AGM and voting in person if you so wish and in such event, the Revised 2024 AGM Proxy Form shall be deemed to be revoked.

12 June 2025

* For identification purpose only

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DEFINITIONS

In this supplemental circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2024 AGM”	the 2024 annual general meeting of the Company to be held at 2 p.m. on Friday, 27 June 2025 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC, or any adjournment thereof (as the case may be) and the supplemental notice of which is set out on pages Supp AGM-1 to Supp AGM-3 of this supplemental circular
“Articles of Association”	the articles of association of the Company (as amended, supplemented or otherwise modified from time to time)
“Board”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this supplemental circular, Hong Kong, Macau Special Administrative Region and Taiwan
“Company”	Datang Environment Industry Group Co., Ltd.* (大唐環境產業集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1272)
“Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (as amended, modified or otherwise supplemented from time to time)
“controlling shareholder(s)”	has the meaning ascribed under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	the ordinary share(s) in the issued share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB by domestic investors and have not been listed on any stock exchanges
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company

DEFINITIONS

“Hong Kong” or “HK”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	6 June 2025, being the latest practicable date prior to the printing of this supplemental circular for the purpose of ascertaining information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedures for Board Meetings”	the Rules of Procedures for Meetings of the Board of Directors of the Company
“Rules of Procedures for Shareholders’ Meetings”	the Rules of Procedures for Shareholders’ Meetings of the Company
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent

In this supplemental circular, the English names of the PRC entities are translation of their Chinese names and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.

LETTER FROM THE BOARD



Datang Environment Industry Group Co., Ltd.*

大唐環境產業集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1272)

Executive Director:

Mr. Zhu Liming

Non-executive Directors:

Mr. Xu Chun

Mr. Pang Xiaojin

Mr. Xia Huaixiang

Mr. Chu Hongbo

Ms. Wang Mi

Independent Non-executive Directors:

Mr. Mao Zhuanjian

Mr. Suen Chun Hung, Benjamin

Ms. Hu Yunqing

Registered Office and Head Office in the PRC:

No. 120 Zizhuyuan Road,

Haidian District,

Beijing,

The PRC

Principal Place of Business in Hong Kong:

31/F, Tower Two, Times Square,

1 Matheson Street, Causeway Bay,

Hong Kong

12 June 2025

To the Shareholders

Dear Sir/Madam,

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR
DATED 29 MAY 2025 IN RELATION TO
(1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
ABOLITION OF THE SUPERVISORY COMMITTEE;
(2) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR
SHAREHOLDERS' MEETINGS;
(3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR
BOARD MEETINGS; AND
(4) SUPPLEMENTAL NOTICE OF 2024 ANNUAL GENERAL MEETING**

* For identification purpose only

LETTER FROM THE BOARD

I. INTRODUCTION

References are made to the Original Circular and the notice of the 2024 AGM (the “**Original Notice**”) both dated 29 May 2025, which set out the time and venue of the 2024 AGM and contain the resolutions to be proposed at the 2024 AGM for Shareholders’ consideration and approval.

This supplemental circular should be read in conjunction with the Original Circular. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Original Circular.

II. ADDITIONAL MATTERS TO BE RESOLVED AT THE 2024 AGM

The purpose of this supplemental circular is to give you details of the following supplemental resolutions to be considered at the 2024 AGM, and to give you a Supplemental Notice, which is set out on pages Supp AGM-1 to Supp AGM-3 of this supplemental circular.

1. Proposed Amendments to the Articles of Association and Abolition of the Supervisory Committee

A special resolution will be proposed at the 2024 AGM to consider and approve the proposed amendments to the Articles of Association and abolition of the Supervisory Committee.

On 29 December 2023, the amended Company Law was adopted and came into effect on 1 July 2024. On 28 March 2025, the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》) and the Rules for the General Meeting of Shareholders of Listed Companies (《上市公司股東會規則》) issued by the CSRC also came into effect.

The aforesaid updates and amendments in laws, regulations and other relevant requirements, include, without limitation, reforms to the corporate capital system and organisational structure, enhanced protection for minority shareholders’ rights and interests, strengthened responsibilities for controlling shareholders, directors, supervisors and senior management, the establishment of a new position of employee representative director, as well as permitting the replacement of the supervisory committee with an audit committee.

In January 2025, the Stock Exchange published the Consultation Conclusions on Proposals to Further Expand the Paperless Listing Regime and Other Rule Amendments (《建議進一步擴大無紙化上市機制及其他《上市規則》修訂的諮詢文件刊發諮詢總結》), which adopted the proposals on hybrid general meetings of shareholders and electronic voting, requiring issuers to ensure that their articles of association allow them to hold hybrid general meetings of shareholders and provide for electronic voting on or before the first annual general meeting held after 1 July 2025.

In view of the above, the Board proposes to amend the Articles of Association (the “**Proposed Amendments to the Articles of Association**”) and abolish the Supervisory Committee, for the purposes of, among others: (i) reflecting the latest provisions of the Company Law, particularly by replacing the Supervisory Committee with the audit committee of the Company (the “**Audit**”

LETTER FROM THE BOARD

Committee”), which involves abolishing the Supervisory Committee, with the Audit Committee exercising the relevant powers and functions of the Supervisory Committee as stipulated in the new Company Law; (ii) providing the Company with more flexibility in the manner of holding shareholders’ meetings by allowing them to be convened and held as physical meetings or hybrid meetings; (iii) consequential amendments to the provisions of the Articles of Association in accordance with changes in applicable laws and regulations; and (iv) other housekeeping and miscellaneous changes.

Except for the Proposed Amendments to the Articles of Association, other provisions of the Articles of Association remain unchanged. The English version of the Proposed Amendments to the Articles of Association is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

The Proposed Amendments to the Articles of Association are set out in Appendix I to this supplemental circular.

The Proposed Amendments to the Articles of Association shall be brought before the 2024 AGM to be convened by the Company and shall take effect only upon being considered and approved by the Shareholders by way of a special resolution at the 2024 AGM.

The Hong Kong legal advisers and the PRC legal advisers of the Company have confirmed that the Proposed Amendments to the Articles of Association comply with the relevant requirements of the Listing Rules and the PRC laws. The Company has confirmed that there is nothing unusual about the Proposed Amendments to the Articles of Association for a company listed in Hong Kong.

2. **Proposed Amendments to the Rules of Procedures for Shareholders’ Meetings**

In accordance with the new Company Law, the Guidelines for the Articles of Association of Listed Companies (revised in 2025) issued by the CSRC, the Rules for the General Meeting of Shareholders of Listed Companies (revised in 2025) issued by the CSRC and other laws and regulations, securities regulatory requirements, as well as the to align with the proposed amendments made to the Articles of Association as set out above and taking into consideration the actual circumstances of the Company, the Board proposed certain amendments to the Rules of Procedures for Shareholders’ Meetings (“**Proposed Amendments to the Rules of Procedures for Shareholders’ Meetings**”), details of which are set out in Appendix II to this supplemental circular.

Except for the Proposed Amendments to the Rules of Procedures for Shareholders’ Meetings, other provisions of the Rules of Procedures for Shareholders’ Meetings remain unchanged. The English version of the Proposed Amendments to the Rules of Procedures for Shareholders’ Meetings is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

LETTER FROM THE BOARD

The Proposed Amendments to the Rules of Procedures for Shareholders' Meetings shall be brought before the 2024 AGM to be convened by the Company and shall take effect only upon being considered and approved by the Shareholders by way of a special resolution at the 2024 AGM.

3. Proposed Amendments to the Rules of Procedures for Board Meetings

In accordance with the new Company Law, the Guidelines for the Articles of Association of Listed Companies (revised in 2025) issued by the CSRC and other laws and regulations, requirements for the supervision and regulation of state-owned securities, as well as the to align with the proposed amendments made to the Articles of Association and taking into consideration the actual circumstances of the Company, the Board proposed certain amendments to the Rules of Procedures for Board Meetings (the **"Proposed Amendments to the Rules of Procedures for Board Meetings"**), details of which are set out in Appendix III to this supplemental circular.

Except for the Proposed Amendments to the Rules of Procedures for Board Meetings, other provisions of the Rules of Procedures for Board Meetings remain unchanged. The English version of the Proposed Amendments to the Rules of Procedures for Board Meetings is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

The Proposed Amendments to the Rules of Procedures for Board Meetings shall be brought before the 2024 AGM to be convened by the Company and shall take effect only upon being considered and approved by the Shareholders by way of a special resolution at the 2024 AGM.

III. SUPPLEMENTAL NOTICE AND THE REVISED 2024 AGM PROXY FORM

Since the Original Notice and the original proxy form (the **"Original Proxy Form"**) sent together with the Original Circular do not contain the new resolutions as set out in this supplemental circular, the Supplemental Notice is set out on pages Supp AGM-1 to Supp AGM-3 of this supplemental circular. The Revised 2024 AGM Proxy Form is enclosed with this supplemental circular to include such new resolutions. The Revised 2024 AGM Proxy Form for the 2024 AGM, are also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.dteg.com.cn).

Whether or not you are able to attend the 2024 AGM, please complete and return the Revised 2024 AGM Proxy Form in accordance with the instructions printed thereon to the H Share Registrar or the Company's Board office in the PRC as soon as possible and in any event not later than 24 hours before the time appointed for holding the 2024 AGM or any adjournment thereof (the **"Closing Time"**). Completion and return of the Revised 2024 AGM Proxy Form will not preclude the Shareholders from attending and voting at the 2024 AGM or any adjournment thereof (as the case may be) if they so wish. Pursuant to the Listing Rules, voting by poll is required for any resolution put to vote at the 2024 AGM.

LETTER FROM THE BOARD

A Shareholder who has not yet lodged the Original Proxy Form with the H Share Registrar is requested to lodge the Revised 2024 AGM Proxy Form if he/she wishes to appoint proxy(ies) to attend and vote at the 2024 AGM on his/her behalf. In this case, the Original Proxy Form should not be lodged with the H Share Registrar.

A Shareholder who has already lodged the Original Proxy Form with the H Share Registrar should take note of the following:

- (i) subject to (iii) below, if no Revised 2024 AGM Proxy Form is lodged with the H Share Registrar, the Original Proxy Form will be treated as a valid form of proxy lodged by him/her if correctly completed and signed. The proxy so appointed by the Shareholder shall be required to vote in such manner as he/she may be directed under the Original Proxy Form and, in respect of the new resolutions as set out in the Supplemental Notice and the Revised 2024 AGM Proxy Form, the proxy will be entitled to vote at his/her discretion or to abstain from voting on such resolutions;
- (ii) if the Revised 2024 AGM Proxy Form is lodged with the H Share Registrar before the Closing Time, the Revised 2024 AGM Proxy Form, if correctly completed and signed, shall revoke and supersede the Original Proxy Form previously lodged by him/her. The Revised 2024 AGM Proxy Form will be treated as a valid form of proxy lodged by the Shareholder; and
- (iii) if the Revised 2024 AGM Proxy Form is lodged with the H Share Registrar after the Closing Time, or if lodged before the Closing Time but is incorrectly completed, the proxy appointment under the Revised 2024 AGM Proxy Form will be invalid. The proxy so appointed by the Shareholder under the Original Proxy Form, if correctly completed, will be entitled to vote in the manner as mentioned in (i) above as if no Revised 2024 AGM Proxy Form was lodged with the H Share Registrar.

Accordingly, the Shareholders are advised to complete the Revised 2024 AGM Proxy Form carefully and lodge the Revised 2024 AGM Proxy Form with (i) the H Share Registrar before the Closing Time (for holders of H Shares); or (ii) the Board office of the Company in the PRC (for holders of Domestic Shares) before the Closing Time.

IV. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the 2024 AGM must be taken by poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rules 13.39(5) and 13.39(5A) of the Listing Rules.

Pursuant to Article 71 of the Articles of Association, Shareholders (including proxies) exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one voting right upon voting at the general meeting, unless

LETTER FROM THE BOARD

individual shareholders are required to waive their voting rights in respect of individual matter in accordance with the laws, administrative regulations, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

V. RESPONSIBILITY STATEMENT

This supplemental circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this supplemental circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplemental circular misleading.

VI. RECOMMENDATION

The Board considers that the (1) proposed amendments to the Articles of Association and abolition of the Supervisory Committee; (2) Proposed Amendments to the Rules of Procedures for Shareholders' Meetings; and (3) Proposed Amendments to the Rules of Procedures for Board Meetings, are in the interests of the Company and the Shareholders as a whole, and accordingly, recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2024 AGM.

Yours faithfully,
By order of the Board
Datang Environment Industry Group Co., Ltd.*
Zhu Liming
Chairman

* For identification purpose only

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Articles of Association are written in Chinese. The English version is an unofficial translation of its Chinese version and is for reference only. In case of any discrepancies, the Chinese version shall prevail.

The Proposed Amendments to the Articles of Association are set out below:

Datang Environment Industry Group Co., Ltd.

Articles of Association

Chapter I General Provisions

Article 1 To safeguard the legitimate rights and interests of Datang Environment Industry Group Co., Ltd. (the “**Company**”), its shareholders, employees and creditors, and to regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), the Provisional Measures for the Administration of Overseas Offering and Listing of Securities by Domestic Enterprises, the Guidelines on Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), ~~the Reply of the State Council on Adjusting the Notice Period for the General Meeting of Shareholders and Other Matters Applicable to Companies Listed Abroad,~~ the Opinions of All-China Federation of Industry and Commerce on Strengthening the Construction of Employee Directors System and Employee Supervisors System of Incorporated Enterprises and other relevant regulations.

Article 2 The Company is a joint stock limited company incorporated pursuant to the Company Law and other relevant laws and administrative regulations of the People’s Republic of China (“**PRC**”).

The Company was registered with the Beijing Municipal Administration for Market Supervision~~Administration for Industry and Commerce~~ and was granted the Business License on June 26, 2015. The number of the Business License of the Company is: 100000000043855. The Unified Social Credit Code of the Company is: 91110000717830079A.

The Company’s promoters are China Datang Corporation Ltd. and China Datang Group Capital Holding Co., Ltd..

Article 3 The Company was approved by the China Securities Regulatory Commission (the “**CSRC**”) on October 19, 2016 for the initial issuance of 540,000,000 overseas-listed shares (H shares) with a par value of RMB1 each to overseas investors which were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on November 15, 2016; and the Company issued 27,542,000 ordinary H shares with a par value of RMB1 each under over-allotment.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- Article 4** The registered name of the Company:
Chinese name (in full): 大唐環境產業集團股份有限公司
English name (in full): Datang Environment Industry Group Co., Ltd.
- Article 5** Corporate Domicile: No. 120 Zizhuyuan Road, Haidian District, Beijing, PRC
Postcode: 100097
Telephone: 08-10-58389999
Facsimile: 08-10-58389810
- Article 6** The chairman of the Company is the legal representative of the Company.
- When the chairman of the Company resigns, he/she shall be deemed to resign from the position of the legal representative at the same time.
- If the legal representative resigns, the Company will determine a new legal representative within thirty days from the date of the legal representative's resignation.
- The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company. Restrictions imposed on the powers of the legal representative by the Articles of Association or by shareholders' meeting shall not be invoked against a bona fide counterparty.
- If the legal representative causes damage to others while performing his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming the civil liability, seek compensation from the legal representative at fault in accordance with laws or the Articles of Association.
- Article 7** The Company is a joint stock limited company in perpetual existence.
- The Company is an independent legal entity, owns independent properties of a legal entity, enjoys property rights of a legal entity, and possesses the civil rights and assumes the civil liabilities prescribed by law.
- Article 8** ~~All assets of the Company are classified as shares with same par value per share.~~
The shareholders shall assume liability based on their shares subscribed, and the Company is liable for its debts to the extent of its entire assets.
- Article 9** The Articles of Association shall come into effect from the date of approval at the shareholders' general meeting of the Company through special resolution. The Articles of Association will replace the original one registered and filed with the industrial and commercial administration authorities by the Company.
- From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 10 The Articles of Association are binding on the Company and its shareholders, directors, ~~supervisors~~, general manager and other senior management members, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

The Articles of Association are actionable by a shareholder against the Company; by the Company against shareholders, directors, ~~supervisors~~, general manager and other senior management members; by a shareholder against each other; and by a shareholder against directors, ~~supervisors~~, general manager and other senior management members of the Company.

The actions referred to in the preceding clause include court proceedings and arbitration proceedings.

Other senior management members referred to in the preceding clause include deputy general managers, chief accountant, chief engineer, secretary of the board of directors (the "**Board**") and other personnel appointed by the Board.

Article 11 The Company may, based on its business development requirements, establish subsidiaries or branches, representative offices, offices, etc. in foreign countries and such regions as Hong Kong, Macau Special Administrative Region and Taiwan.

Article 12 The Company may invest in other enterprise(s), but, shall not be liable to such enterprise(s) for their liabilities as their investor, unless otherwise stipulated by laws.

Article 13 In accordance with the provisions of the Constitution of the Communist Party of China (《中國共產黨章程》), the Company shall establish an organisation of the Communist Party of China ("**Party Committee**"). The Party Committee shall play a leading role, supervising its direction of development, overlooking the whole picture and facilitating implementation as well as discussing and resolving on major issues of the Company as stipulated by its rules and regulations. The Company shall establish a working body of the Party, equip with sufficient staffs to manage party affairs and provide sufficient working expenses according to the proportion of 1% of the total amount of staff salaries of the Company for the previous year.

Chapter II Purposes and Scope of Business

Article 14

The business purpose of the Company are: to persist in guiding the development of environmental protection and energy conservation business by technological innovation, to provide conventional energy, new energy and water resource in a clean and efficient manner through advanced technologies, quality products and reliable services, to build a domestic and international famous environmental industry group, and to seek for economic benefits, perform social responsibilities and maximum interests for shareholders.

Article 15

The business scope of the Company shall be based on the items approved by the market regulation authority.

The business scope of the Company includes: development of environmental protection projects, investment and operating management of environmental facilities; research and development, design, production, examination, sales and technical services of flue gas desulfurization catalysts; research and development, manufacture and sales of self-controlled system; development and testing of environmental protection technologies; production and sales of environmental protection equipment; design, construction and general contracting of environmental protection engineering; treatment of sewage and seawater; design and contracting of power engineering system; energy saving techniques as well as development and usage of new energy technology; design and contracting of material transportation system and corrosion prevention engineering system; building materials and chemical products (excluding hazardous chemicals); sales of machinery equipment, electronic products and hardware; contracting of overseas projects; import and export business; consultation services in relation to above businesses; development, investment, construction and management of new energy power generation and related energy storage projects, such as wind power generation, photovoltaic power generation, and solar thermal power generation; research and development, application and marketing of low carbon technologies; generation of power; repair and maintenance of power engineering; technology development and consulting services related to new energy such as wind power generation and solar power. (For the projects subject to approval pursuant to the laws, the operation of which shall be commenced upon approval by the relevant authority).

According to the domestic and international market needs and its own growth capability and business needs, the Company may change its business scope according to law.

Chapter III Shares, Share Transfer and Registered Capital

Article 16 The shares of the Company are evidenced by share certificates. All shares with par value issued by the Company are stocks with a par value of RMB1 each.

The Renminbi referred to in the preceding paragraph is the legal currency of the PRC.

Article 17 Shares of the Company shall be issued in an open, fair and just manner. Shares of the same class shall rank pari passu with each other.

For the same class of shares issued in the same tranche, each share ~~shall be~~is issued at same price and subject to same conditions. For the shares subscribed by any organisation or individual under the same offering, the price payable for each of such share ~~shall be~~is the same.

Article 18 Where the Company issues shares to domestic and foreign investors, it shall perform the procedures of registering or filing with the CSRC in accordance with the laws.

The foreign investors referred to in the preceding paragraph mean those investors from foreign countries and from the regions of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company. Domestic investors mean those investors within the territory of the PRC (excluding investors from the regions referred to in the preceding sentence) who subscribe for shares issued by the Company.

Article 19 Overseas-listed foreign invested shares issued by the Company and listed in Hong Kong shall be referred to as H shares for short. H shares refer to the shares approved to be listed on the Hong Kong Stock Exchange, denominated in Renminbi for par value, and subscribed and traded in Hong Kong dollar. Shares issued by the Company but not listed on any domestic or overseas stock exchanges shall be referred to as unlisted shares.

Article 20 The number of ordinary shares issued by the Company at the time of the Company's establishment totaled 1.2 billion shares, including 1,188 million shares subscribed and held by China Datang Corporation Ltd., representing 99% of total ordinary shares of the Company in issue; and 12 million shares subscribed and held by China Datang Corporation Capital Holding Co., Ltd., representing 1% of total ordinary shares of the Company in issue.

On June 30, 2015, the Company's share capital was increased by RMB1.2 billion to RMB2.4 billion. The shareholding structure of the Company comprised 2,376 million shares and 24 million shares subscribed and held by China Datang Corporation Ltd. and China Datang Corporation Capital Holding Co., Ltd., respectively, representing 99% and 1% of total ordinary shares of the Company in issue, respectively.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the authorisation at the ~~shareholders' general~~ meeting, the Board may, upon the determination of the number of unlisted shares and H shares placed or issued either separately or concurrently by the Company, appropriately adjust the number of the aforesaid shares within its scope of power.

Article 21

Subsequent to its establishment, the Company may issue not more than 1,182,857,142 H shares (including 154,285,714 shares upon the exercise of over-allotment option) upon approval by the securities regulatory authority under the State Council and other competent authorities, and the state-owned shareholders of the Company will transfer not more than 102,857,142 (or 118,285,714 if the over-allotment option representing 15% of the total new shares in issue is fully exercised) state-owned shares to the National Council for Social Security Fund of the PRC at the time of the issuance of the H shares pursuant to relevant PRC regulations regarding the disposal of state-owned shares.

Upon completion of the issuance of the H shares (including partial exercise of the over-allotment option) as aforementioned, the shareholding structure of the Company is as follows: 2,967,542,000 ordinary shares, of which 2,319,813,342 shares, 23,432,458 shares, 56,754,200 shares and 567,542,000 shares are held by China Datang Corporation Ltd., China Datang Corporation Capital Holding Co., Ltd., National Council for Social Security Fund and other public shareholders, respectively, representing 78.17%, 0.79%, 1.91% and 19.13% of the total share capital of ordinary shares of the Company, respectively.

Article 22

The registered capital of the Company is RMB2,967,542,000.

Article 23

The Company or its subsidiaries (including affiliates of the Company) shall not provide any financial assistance to ~~others~~ ~~purchasers or potential purchasers of the Company's shares~~ by way of donation, advance, guarantee, compensation or loans for the acquisition of shares of the Company or its parent company, except for the implementation of employee share ownership plan by the Company.

For the benefit of the Company, upon a resolution of the shareholders' meeting, or a resolution of the Board in accordance with the Articles of Association or the authorization of the shareholders' meeting, the Company may provide financial assistance to others for the acquisition of shares of the Company or its parent company, provided that the cumulative total of the financial assistance shall not exceed ten percent of the total issued share capital. Resolutions made by the Board shall be approved by more than two-thirds of all directors.

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Article 24

The Company may, based on its operation and development requirements, pursuant to the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, and subject to separate resolutions of the shareholders' ~~general~~ meeting, increase its capital in the following ways:

- (1) ~~public~~ issue of shares to unspecified parties;
- (2) ~~non-public~~ issue of shares to specific parties;
- (3) distributing bonus shares to its existing shareholders;
- (4) transferring capital reserve to share capital;
- (5) other means as permitted by laws and administrative regulations and those approved by the securities regulatory authorities of the State Council and other competent authorities.

The Company's increase of capital by issuing new shares shall, after being approved pursuant to the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

After increase of its capital, the Company shall file the change with the Company's original market regulation authority and make relevant announcement.

Article 25

Unless otherwise provided by laws, administrative regulations, the rules of the securities regulatory authorities of the place where the Company's shares are listed, the Hong Kong Stock Exchange or the Articles of Association, shares of the Company are freely transferable.

Article 26

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

Article 27

~~Shares of the Company held by the promoters shall not be transferred within one year from the date of the establishment of the Company.~~ Shares issued prior to the public offering of shares by the Company shall not be transferred within one year from the date the shares of the Company were listed on the stock exchange(s).

During their tenure, directors, ~~supervisors~~ and senior management members of the Company shall report to the Company their shareholdings in the Company and changes therein ~~and~~. The shares transferred each year during the term of office determined when they take office shall not be transfer more than 25% of the total number of shares of the same class held by them ~~per year~~. The shares held by them shall not be transferred within one year from the date on which the shares of the Company were listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the shares of the Company held by them within six months commencing from the termination of their service.

Article 28

Any gains from sale of shares of the Company or other securities with equity nature by any directors, ~~supervisors~~, senior management members or shareholders holding 5% or more of the shares of the Company within six months after their purchase of the same, and any gains from purchase of shares of the Company by any of the aforesaid parties within six months after sale of the same shall be disgorged to the Company. The Board shall forfeit such gains from the abovementioned parties. However, if a securities company holds 5% or more of shares by buying the remaining shares under an underwriting arrangement, the six-month limitation for selling the said shares shall not apply.

The shares or other securities with equity nature held by directors, ~~supervisors~~, senior management members and natural person shareholders as mentioned in the preceding paragraph shall include the shares or other securities with equity nature held by their spouses, parents, children, and those held in the accounts of others.

Should the Board does not observe the preceding paragraph, shareholders shall be entitled to request the Board to effect the same within 30 days. If the Board fails to do so within the aforesaid time limit, the shareholders may directly initiate court proceedings in their own name for the interests of the Company.

Should the Board fail to comply with the requirements set out in the first paragraph, the responsible director(s) shall assume joint and several liabilities under laws.

Chapter IV Reduction of Capital and Repurchase of Shares**Article 29**

The Company may reduce its registered capital. Where the Company reduces its registered capital, it shall be handled in accordance with the Company Law and other relevant provisions and procedures prescribed in the Articles of Association.

Article 30

The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten days from the date of the shareholders' meeting's resolution on reduction of its registered capital and shall publish an announcement in the newspaper as accepted by the stock exchange on which the shares of the Company are listed or in the National Enterprise Credit Information Publicity System within thirty days from the date of such resolution. A creditor has the right, within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five days from the date of the announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

If the Company reduces its registered capital, it shall reduce its capital contribution or shares in proportion to the shareholdings of its shareholders, unless otherwise provided by laws or the Articles of Association.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

If the Company still has a loss after making up for the loss in accordance with the relevant provisions under Article 135 of the Articles of Association, it may reduce its registered capital to make up for the loss. If the registered capital is reduced to make up for the loss, the Company shall not make any distribution to the shareholders, nor shall it exempt shareholders from the obligation to pay capital contributions or share payments.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 31 of the Articles of Association shall not apply, but an announcement shall be made in the newspaper or the National Enterprise Credit Information Publicity System within thirty days from the date of the shareholders' meeting's resolution to reduce the registered capital.

After the Company has reduced its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches fifty percent of the Company's registered capital.

Article 31

The Company shall not acquire its own shares, except in the following circumstances:

- (1) reducing the issued shares and registered capital of the Company;
- (2) merging with another company that holds shares in the Company;
- (3) using the shares for employee stock ownership plans or equity incentives;
- (4) acquiring the shares of shareholders (upon their request) who vote against any resolution adopted at any shareholders' general meeting on the merger or demerger of the Company;
- (5) using the shares for converting corporate bonds issued by the Company that are convertible into shares;
- (6) where it is necessary for the Company to preserve its value and the interests of shareholders;
- (7) other circumstances as stipulated by laws and regulations, and securities regulatory rules of the place where the Company's shares are listed.

Article 32

The Company may acquire its own shares through public centralized trading, or through other means recognized by the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

Where the Company acquires its own shares under any of the circumstances specified in the provisions set forth in subparagraphs (3), (5) and (6) of Article 31 of the Articles of Association, centralized trading shall be adopted publicly.

Article 33

If the Company acquires its own shares under the circumstances set forth in subparagraphs (1) and (2) of Article 31 of the Articles of Association, a resolution shall be passed at a ~~shareholders' general~~ meeting; if the Company acquires its own shares under the circumstances set forth in subparagraphs (3), (5) and (6) of Article 31 of the Articles of Association, a resolution shall be passed at a meeting of the Board attended by two-thirds or more of the directors.

If the Company acquires its own shares in accordance with Article 31 of the Articles of Association, in the case of subparagraph (1), the shares shall be cancelled within ten days from the date of acquisition; in the case of subparagraphs (2) and (4), the shares shall be transferred or cancelled within six months; in the case of subparagraphs (3), (5) and (6), the total number of shares of the Company held by the Company shall not exceed 10% of the total number of issued shares of the Company, and shall be transferred or cancelled within three years.

Notwithstanding the foregoing provisions of this Article, if the applicable laws, regulations and the securities regulatory rules of the place where the Company's shares are listed have other provisions on the aforementioned matters involving the repurchase of shares and treasury shares (whether as defined in the Company Law or the Listing Rules) of the Company, the Company shall comply with such provisions.

Chapter V Shareholders and Shareholders' General Meetings**Article 34**

The share certificates shall be signed by the Chairman of the Company. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by other senior management members, the share certificates shall also be signed by such senior management members. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The share certificates shall only be affixed with the Company's seal under the authorization of the Board. The signatures of the Chairman of the Company or other relevant senior management members on the share certificates may also be in printed form.

Article 35

Where the Company issues registered shares, it shall establish a register of members in accordance with the certificates-evidence provided by the securities registration and clearing authority. Where bearer shares are issued, the register of members shall be sufficient evidence of the shareholders' holding of the Company's shares. Shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

If the Company establishes a class of shares, such as preference shares, changes in the rights attached to the class of shares shall be resolved by a vote of the shareholders holding shares of the class of shares carrying the relevant rights, by at least two-thirds of the votes of the shareholders present at the shareholders' meeting of a class of shares and having the right to vote on the amendment of the rights of the class of shares.

Article 36

Transfer of shares shall be recorded in the register of members. A duplicate copy of the register of members of H shares shall be maintained at the Company's place of domicile. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of members of H shares at all times. The register of members maintained in Hong Kong shall be available for inspection by shareholders. However, the register of members may be closed on terms equivalent to those set out in section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Article 37

The Company shall maintain the register of shareholders and register the following particulars:

- (1) the name, address (residence), occupation or nature and residence of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid-up or payable in respect of shares held by each shareholder;
- (4) the serial numbers of the shares held by each shareholder;
- (5) the date on which a person registers as a shareholder;
- (6) the date on which a person ceases to be a shareholder.

The register of shareholders shall be the sufficient evidence for the shareholders' shareholding in the Company, except in cases with evidence to the contrary.

~~All acts or transfer of H shares will be recorded in the register of members of H shares which is kept in the place of listing in accordance with the requirements of the Articles of Association.~~

~~Where two or more than two persons are registered as joint holders of any share, they shall be deemed as joint owner of such share and subject to the following restrictions:~~

- ~~(1) the Company may not register more than four persons as joint shareholders of any share;~~
- ~~(2) all joint holders of any share are jointly and severally assume obligation for all amounts payable for relevant shares;~~
- ~~(3) if one of the joint holders dies, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. The Board of the Company shall have the right, for the purpose of making amendments to the register of shareholders, to demand a death certificate where it deems appropriate to do so;~~

- (4) ~~in case of any joint holders of shares, only the joint holder whose name appears first in the register of members is entitled to receive the share certificates of relevant shares and the Company's notices, and to attend and exercise voting rights at a general meeting of the Company. Any notice delivered to that person shall be deemed as having been delivered to all joint holders of the relevant shares.~~

Article 38

~~All fully paid-up H shares which are listed in Hong Kong are freely transferable pursuant to the Articles of Association; However, the Board may refuse to recognize any instrument of transfer without giving any reason, unless:~~

- (1) ~~a fee (for each instrument of transfer) of HK\$2.50 or such higher fees as agreed by the Hong Kong Stock Exchange has been paid to the Company to register the instrument of transfer of shares and other documents relating to or which may affect the ownership of such shares;~~
- (2) ~~the instrument of transfer involves only the H shares listed in Hong Kong;~~
- (3) ~~the stamp duty payable on the instrument of transfer has been paid;~~
- (4) ~~the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares have been provided;~~
- (5) ~~if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed four;~~
- (6) ~~the Company does not have any lien over the relevant shares;~~
- (7) ~~any share shall not be transferred to a minor or those with mental incompetence or those without capacity of civil conduct at law.~~

~~If it refuses to register any transfer of shares, the Company shall provide the transferor and the transferee of the shares with a notification of refusal in relation to registration of shares within two months from the application for registration.~~

Article 389

All transfers of H shares listed in Hong Kong shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board (including the standard transfer form or form of transfer as prescribed by the Hong Kong Stock Exchange from time to time); The instruments of transfer may only be signed by hand, or (where the transferor or transferee is a company) affixed with the common seal of the company. Where the transferor or transferee is a recognized clearing house (the “**Recognized Clearing House**”) as defined by relevant ordinances in force from time to time in accordance with Hong Kong laws or its nominee, the instruments of transfer may be signed by hand or in a machine-imprinted format.

All instruments of transfer shall be maintained at the legal address of the Company or such other places as the Board may specify from time to time.

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Article 4039 Where laws, administrative regulations and rules, departmental rules, normative documents and the relevant stock exchange or regulatory authority where the shares of the Company are listed stipulate on the period of closure of the register of members prior to the date of a shareholders' general meeting or the record date set by the Company for the distribution of dividends, such provisions shall prevail.

Article 410 Where the Company convenes a shareholders' general meeting, distributes dividends, liquidates or carries out other activities which would require ~~the determination of shareholdings~~ identification of shareholders, the Board ~~or the convenor of the shareholders' meeting~~ shall determine the date of registration ~~fix a date for ascertainment~~ of the shareholding. Upon the close of business on the record date, the registered shareholders ~~who remain on the register~~ shall be deemed as the shareholders entitled to relevant interests.

Article 421 Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of shareholders may, if his/her share certificates (hereinafter referred to as the “**Original Certificates**”) are lost, apply to the Company for a replacement share certificate in respect of such shares (hereinafter referred to as the “**Relevant Shares**”).

If a holder of the domestic non-tradable shares loses his/her share certificates and applies for their replacement, it shall be dealt with in accordance with relevant provisions of the Company Law.

If a holder of overseas-listed H shares loses his/her share certificates and applies for their replacements, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas-listed shares is maintained.

Chapter VI Rights and Obligations of Shareholders

Article 432 Shareholders of the Company shall have the following rights:

- (1) the right to dividends and other distributions in proportion to the number of share held;
- (2) the right to request, ~~convene, chair, attend and vote in person or appoint for~~ convening, chairing, attending and voting in person or appointing a proxy to attend and exercising corresponding rights to speak and vote ~~voting rights~~ at shareholders' ~~general~~ meetings in accordance with laws, unless they are required by the Listing Rules to abstain from voting on individual matters;
- (3) the right to supervise the Company's operations, and to put forward proposals and raise inquiries;

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- (4) the right to transfer, gift or pledge shares held in accordance with laws, administrative regulations, departmental rules and provisions of the Articles of Association;
- (5) the right to inspect and copy the Articles of Association, the register of members, ~~the Company's bond stubs,~~ minutes of the shareholders' general meetings, resolutions of the Board meetings ~~and meetings of the Supervisory Committee,~~ and financial and accounting reports announced and disclosed. Shareholders in compliance with the provisions may inspect the Company's accounting books and accounting certificates;
- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company according to the number of shares held;
- (7) the shareholders voting against the merger or demerger resolution passed at a shareholders' general meeting are entitled to request the Company to purchase their shares;
- (8) other rights conferred by laws, regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 443

Any shareholder requesting to inspect or copy the relevant information ~~or to obtain documents as set forth in the preceding paragraph~~ shall furnish with of the Company ~~written document evidencing the class and number of shares held in the Company and the Company shall, upon verification of the shareholder's identity, provide such information or documents at the shareholder's request~~ shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations.

Article 454

If a resolution passed at the Company's shareholders' general meeting or Board meeting violates the laws and administrative regulations, the shareholders shall have the right to submit a petition to the people's court to render the same as invalid.

If the procedures for convening, or the methods of voting at, a shareholders' ~~general~~ meeting or Board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall be entitled to submit a petition to the people's court to rescind such resolutions within sixty days from the date on which such resolution is passed. However, this shall not apply if the convening procedure or voting method of a shareholders' meeting or a Board meeting has only minor flaws which have no substantial impact on the resolution.

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If the Board, shareholders or other relevant parties have disputes over the validity of a resolution of a shareholders' meeting, they shall promptly file a lawsuit with a people's court. Before the people's court makes a judgment or ruling to revoke the resolution, the relevant parties shall execute the resolution of the shareholders' meeting. The Company, its directors and senior management shall fulfill their duties in good faith to ensure the normal operation of the Company.

If the people's court makes a judgment or ruling on the relevant matters, the Company shall fulfill its information disclosure obligations in accordance with the laws, administrative regulations, and the requirements of the CSRC and the securities regulatory authorities of the place where the Company's shares are listed, fully explain the impact and actively cooperate with the enforcement of the judgment or ruling after it has become effective. Where corrections to prior events are involved, they shall be handled in a timely manner and the corresponding information disclosure obligations shall be fulfilled.

Article 45

A resolution of the shareholders' meeting or Board's meeting of the Company shall be invalidated under any of the following circumstances:

- (1) failure to convene a shareholders' meeting or Board's meeting to make a resolution;
- (2) the shareholders' meeting or Board's meeting fails to vote on the resolution;
- (3) the number of persons attending the meeting or the number of voting rights held by them does not reach the number of persons attending the meeting or the number of voting rights held by them as stipulated in the Company Law or the Articles of Association;
- (4) the number of persons agreeing to the resolution or the number of voting rights held by them does not reach the number of persons attending the meeting or the number of voting rights held by them as stipulated in the Company Law or the Articles of Association.

Article 46

If a director or senior management other than a member of the Audit Committee violates the laws and regulations or the provisions of the Articles of Association in the performance of his/her duties with the Company and causes losses to the Company, the shareholders individually or jointly hold more than one ~~hundred~~ percent of the Company's shares for more than one hundred and eighty consecutive days shall have the right to request in writing the ~~Supervisory Committee-Audit Committee~~ Supervisory Committee to initiate proceedings in the people's court; if a member of the ~~Supervisory Committee-Audit Committee~~ Supervisory Committee violates the laws and regulations or the provisions of the Articles of Association in the performance of his/her duties with the Company and causes losses to the Company, the aforesaid shareholders shall be entitled to make a request in writing to the Board to initiate proceedings in the people's court.

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In the event that the ~~Supervisory Committee~~ Audit Committee or the Board refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within thirty days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, shareholders described in the preceding paragraph shall have the right to initiate proceedings in the people's court directly in their own names in the interest of the Company.

Shareholders described in the first paragraph of this Article may also initiate legal proceedings in the people's court in accordance with the preceding two paragraphs in the event that the lawful interests of the Company are infringed upon by any others.

If a director, supervisor or senior management of a wholly-owned subsidiary of the Company violates the laws, administrative regulations or the provisions of the Articles of Association in the performance of his/her duties and cause losses to the Company, or if others infringe upon the lawful rights and interests of a wholly-owned subsidiary of the Company and cause losses to the Company, the shareholders individually or jointly hold more than 1% of the Company's shares for more than one hundred and eighty consecutive days shall have the right, in accordance with the provisions of the preceding three paragraphs, to request in writing the supervisory committee or Board of a wholly-owned subsidiary to file a lawsuit with the people's court or directly file a lawsuit in their own name with the people's court.

Article 47

If any director or senior management member damages the shareholders' interests by violating any law, regulation or the Articles of Association, the shareholders may lodge a lawsuit in the people's court.

Article 48

Shareholders of the Company shall assume the following obligations:

- (1) to abide by the obligations stipulated in the laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (2) to pay subscription ~~amount~~ ~~monies~~ according to the number of shares subscribed and the method of subscription;
- (3) to assume liability based on their shares subscribed;
- (4) not to withdraw its share capital ~~divest the shares~~ other than as provided by laws or regulations;

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- (5) not to abuse their rights as shareholders to prejudice the interests of the Company or other shareholders; not to abuse the independence as a corporate body and the limited liabilities as shareholders to prejudice the interests of creditors of the Company;

Shareholders of the Company who abuse their rights as shareholders and thereby cause losses to the Company or other shareholders shall be liable for indemnity according to the law.

Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

- (6) other obligations imposed by laws, administrative regulations and the Articles of Association.

Article 49

A shareholder holding more than 5% of the Company's shares with voting rights shall report in writing to the Company from the date of occurrence of such fact if the shares held by him/her are pledged.

Article 50

The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfill their obligations in accordance with the laws and administrative regulations and the provisions of the CSRC and the stock exchange to safeguard the interests of the Company.

The controlling shareholders and de facto controllers of the Company shall ~~not utilize their affiliations to harm the interests of the Company, otherwise they shall make compensation for the loss incurred to the Company.~~ comply with the following requirements:

- (1) to exercise shareholders' rights in accordance with the law, and not to abuse the right of control or take advantage of connected relationships to jeopardize the legitimate rights and interests of the Company or other shareholders;
- (2) to strictly fulfill the public statements and commitments made and not to change or waive them without authorization;
- (3) to fulfill the information disclosure obligations in strict accordance with the relevant regulations, to actively and proactively cooperate with the Company in the information disclosure work, and to inform the Company in a timely manner of any material events that have occurred or are possibly occur;
- (4) not to occupy the Company's funds in any way;
- (5) not to force, instruct or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (6) not to utilize the Company's undisclosed material information for gain, shall not disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-term trading, market manipulation and other illegal and unlawful acts;
- (7) not to jeopardize the legitimate rights and interests of the Company and other shareholders through unfair connected transactions, profit distribution, asset reorganization, external investment and any other means;
- (8) to ensure the integrity of the Company's assets, staff independence, financial independence, organizational independence and business independence, and not to affect the independence of the Company in any way;
- (9) other provisions of the laws, administrative regulations, the regulations of the CSRC, the business rules of the stock exchange and the Articles of Association.

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

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

A controlling shareholder or a de facto controller who pledges the Company's shares held by him/her or at his/her actual disposal shall maintain the stability of the control of the Company and its production and operation.

If a controlling shareholder and a de facto controller transfer his/her shares in the Company, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, and the regulations of the CSRC and the stock exchanges, as well as the undertakings he/she has made in respect of the restriction on the transfer of shares.

~~The controlling shareholders and the de facto controllers of the Company have the duty to act in good faith to the Company and public shareholders of the Company. The controlling shareholders shall exercise its rights as a contributor in strict accordance with the laws; shall not jeopardize the legitimate rights and interests of the Company and the public shareholders through profit distribution, asset reorganization, external investment, fund appropriation or loan guarantee; and shall not take advantage of their controlling position to jeopardize the interests of the Company and the public shareholders.~~

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Article 51

In addition to obligations imposed by laws, administrative regulations or required by the stock exchange on which shares of the Company are listed, a controlling shareholder (as defined in the Article 52 herein) shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:

- (1) to exempt a director ~~or supervisor~~ from the duty to act in good faith in the best interests of the Company;
- (2) to authorize the directors ~~or supervisors~~ (for their own account or for the account of other parties) to deprive the Company of its assets in any manner, including, but not limited to, any opportunity favourable to the Company;
- (3) to authorize the directors ~~or supervisors~~ (for their own account or for the account of other parties) to deprive another shareholder of his personal interest, including, but not limited to, any allocation right, and voting right, but excluding any corporate restructuring proposal made at the shareholders' general meeting in accordance with the Articles of Association.

The controlling shareholders and de facto controllers of the Company shall not use connected relations to damage the interests of the Company; otherwise they shall make compensation for the loss incurred to the Company.

~~The controlling shareholder and the de facto controller of the Company have the duty to act in good faith towards the Company and public shareholders of the Company. The controlling shareholder shall strictly exercise its rights as a contributor in accordance with the laws and shall not take advantage of profit distribution, asset restructuring, external investment, capital appropriation and loan guarantee to the detriment of the interests of the Company and public shareholders. Nor shall he take the advantage of its controlling position to the detriment of the Company and public shareholders.~~

Article 52

For the purpose of the preceding Article, a controlling shareholder means a person who satisfies any one of the following conditions:

- (1) any person acting on his/her own or in concert with other parties has the power to elect not less than half of the directors;
- (2) any person acting on his/her own or in concert with other parties has the power to exercise or control the exercise of 30% or more of the voting rights of the Company;
- (3) any person acting on his/her own or in concert with other parties holds 30% or more of the outstanding shares of the Company;
- (4) any person acting on his/her own or in concert with other parties has actual control over the Company in any other manner.

The term of “acting in concert” referred to in this article represents an act that any of two or more persons obtains the voting right in a company by way of agreement thereon (whether in oral or in written), so as to realise or reinforce the purpose of controlling the Company.

Chapter VII Shareholders’ General Meeting

Article 53 The shareholders’ meeting of the Company shall consist of all shareholders. As the authority of the Company, the shareholders’ general meeting exercises its powers under the laws.

Article 54 The powers exercisable by the shareholders’ general meeting are as follows:

- (1) ~~to decide the Company’s operational guidelines and investment schemes;~~
- (21) to elect and replace directors ~~not being staff representatives~~ and to determine matters relating to the directors’ remunerations;
- (3) ~~to elect and replace supervisors not being staff representatives and to determine matters relating to the supervisors’ remunerations;~~
- (42) to consider and approve the reports of the Board;
- (5) ~~to consider and approve the reports of the Supervisory Committee;~~
- (6) ~~to consider and approve the Company’s annual financial budgets and final accounts;~~
- (37) to consider and approve the Company’s profit distribution plan and plan for recovery of losses;
- (48) to resolve on increases or reduction in the Company’s registered capital;
- (59) to resolve merger, demerger, dissolution, liquidation or change of corporate form of the Company;
- (6+10) to resolve on the issue of bonds and other securities by the Company and the listing proposal of the Company;
- (7+11) to resolve on the appointment and dismissal of the accounting firms that undertake the audit business of the Company;
- (8+12) to amend the Articles of Association;

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(913) to consider and approve the following external guarantee:

- (i) any guarantee to be provided by the Company and its controlled subsidiaries after the total amount of the external guarantees ~~reaches~~ ~~or exceeds~~ 50% of the latest audited net assets;
- (ii) any guarantee to be provided by the Company after the total amount of its external guarantees ~~reaches~~ ~~or exceeds~~ 30% of the latest audited total assets;
- (iii) the guarantee to be provided by the Company to others within one year in an amount exceeding 30% of the Company's latest audited total assets;
- (iiv) the guarantee to be provided to any entity with gearing ratio over 70%;
- (iv) the guarantee with a single amount exceeding 10% of the latest audited net assets;
- (vi) the guarantee to be provided to the Company's shareholders, de facto controllers and their connected parties.

(104) to consider and approve the purchases or sales of any material asset of the Company within a year the amount of which exceeds thirty percent of its latest audited total assets;

(115) to consider and approve the change of use of proceeds;

(126) to consider and approve the equity incentive scheme and employee share ownership plan;

(137) to consider the resolutions put forward by shareholders representing 1-3 percent (inclusive) or more of the Company's shares with voting rights (excluding treasury shares);

(148) other matters that should be considered at the shareholders' general-meeting as required by the laws, administrative regulations, departmental rules and the Articles of Association.

Subject to the laws, regulations and mandatory provisions of the listing rules in the listing place, the shareholders' general-meeting may authorize or delegate the Board to handle the matters authorized or delegated by it.

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Article 55 Except in exceptional circumstances, such as when the Company is in crisis, unless an approval by way of special resolution is obtained in a shareholders' general meeting, the Company shall not enter into any contract with any party (other than the directors, ~~supervisors~~, general manager and other senior management members) pursuant to which such party shall be in charge of management of the whole or any substantial part of the Company's business.

Article 56 A ~~shareholders' general~~ meeting shall either be an annual shareholders' general meeting or an extraordinary shareholders' general meeting. ~~The general meetings shall be convened by the Board.~~ The annual shareholders' general meeting shall be convened once a year and shall be held within six months after the close of the preceding financial year.

Article 57 The Company Board shall convene a shareholders' meeting within two months of the occurrence of any one of the following circumstances:

- (1) the number of directors is less than the quorum required by the Company Law or two-thirds of the number of directors specified in the Articles of Association;
- (2) when the unrecovered losses of the Company amount to one third of the total amount of its share capital;
- (3) where any shareholder holding severally or jointly 10% or more of the Company's ~~issued and outstanding~~ shares (excluding treasury shares) ~~carrying voting rights~~ requests in writing for the convening of a shareholder's meeting;
- (4) when deemed necessary by the Board ~~or when requested by the Supervisory Committee~~;
- (5) when proposed by the Audit Committee;
- (65) when proposed by more than half ~~one half or more~~ of independent non-executive directors;
- (67) other situations stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed or the Articles of Association.

Article 58 ~~Save for an electronic meeting,~~ The Company shall hold the shareholders' general meeting at the domicile of the Company or such other place as notified by the convener of the shareholders' general meeting.

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A shareholders' general meeting shall have a venue where it shall be held in the form of a physical meeting or simultaneously through electronic communication means. Subject to the laws, regulations and mandatory provisions of the listing rules in the listing place, the Company may also provide ~~online transmission or~~ other ways for the convenience of shareholders. Any Sshareholders who attend the shareholders' meeting in the aforesaid manners shall be deemed as present.

On the premise of the lawfulness and validity of shareholders' general meetings, the Company shall facilitate the participation of shareholders in shareholders' general meetings by various means and ways, with priority first given to the modern information technology means, such as an online voting platform, etc.

Article 59

A twenty ~~business~~ days' prior written notice for convening the annual shareholders' general meeting of the Company shall be given. A ~~ten business days or fifteen days' (whichever is longer)~~ prior written notice for convening the extraordinary shareholders' general meeting of the Company shall be given. ~~Business day refers to the day on which the Hong Kong Stock Exchange is open for securities trading.~~

The date of the shareholders' general meeting and the date when the notice is dispatched shall not be included in the calculation of the period for issuing such notice.

Article 60

When the Company convenes a shareholders' general meeting, the Board, the ~~Supervisory~~ Audit Committee and the shareholders either individually or collectively holding 31% or more of the Company's shares (excluding treasury shares) may put up ad hoc proposals.

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When the Company convenes a shareholders' general meeting, shareholders either individually or collectively holding 31% or more of the Company's shares (excluding treasury shares) have the right to put up ad hoc proposals in writing to the Company, and the Company shall include such ad hoc proposals into the agenda for such shareholders' general meeting if they are matters falling within the functions and powers of shareholders' general meeting.

The ad hoc proposals raised by shareholders shall satisfy the following requirements:

- (1) free of conflicts with the provisions of laws and regulations, and fall into the terms of reference of the shareholders' general meeting;
- (2) with definite topics to discuss and specific matters to resolve;
- (3) submitted or served to the convener Board in writing ten days prior to the date of the shareholders' general meeting.

Article 61

Notice of a shareholders' general meeting shall:

- (1) be in writing;
- (2) specify the place, date, way and time of the meeting, and set out the voting time and voting procedures of the meeting (if any) for the online voting or other means of voting;
- (3) set out the matters and proposals to be considered at the meeting;
- (4) set out the record date for shareholders who are entitled to attend the shareholders' general meeting;
- (5) provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but not limited to) where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal shall be properly explained;
- (6) disclose the nature and degree of the material interest of any director, supervisor, general manager and other senior management member in the matters to be considered. In case that the impact of the matters to be considered on such director, supervisor, general manager and other senior management member as a shareholder is different from that on other holders of a class of shares, the difference shall be clarified;

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- (7) set out the full text of any special resolution proposed to be passed at the meeting;
- (8) contain a striking statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his/her behalf and that a proxy need not be a shareholder;
- (9) specify the time and place for lodging proxy forms for the relevant meeting;
- (10) name and telephone number of the contact person;
- (11) other requirements stipulated in the laws, administrative regulations, departmental rules, the Listing Rules of the Hong Kong Stock Exchange, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The interval between the record date and the date of the meeting shall be no more than seven working days. Once the record date is confirmed, it shall not be changed.

Article 62

Notice of a shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting), by personal delivery or in the form of a notice in the manner provided in the Articles of Association to the address of the shareholders as shown in the register of shareholders. Notices of shareholders' general meetings of the Company can be given by way of public announcement (including publication on the website of the Company) to the extent permitted under all applicable laws and regulations and the listing rules in the place where the Company's shares are listed. For the holders of unlisted shares, notice of the shareholders' general meeting may also be given in the form of a notice in the manner provided in the Articles of Association.

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 notice shall not invalidate the meeting and the resolutions passed at the meeting.

The notice of a shareholders' general meeting served on the holders of H shares may be published through the websites of the Hong Kong Stock Exchange and the Company. Upon the publication of the announcement, all holders of H shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

Article 63

Any shareholder (including Recognized Clearing House) who is entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his/her behalf. Where a corporate shareholder appointed a representative to attend any meeting of the Company, it shall be treated as being present at any meeting in person. A proxy so appointed shall exercise the following rights pursuant to such authorization:

- (1) exercise such shareholder's right to speak at the shareholders' meeting;
- (2) the right to demand a poll alone or jointly with others;
- (3) unless otherwise required by applicable listing rules or other securities laws and regulations, the right to vote by a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll. Votes may be cast by such means, electronic or otherwise, as the chairman of the meeting may determine.

Where that shareholder is a Recognized Clearing House (or its nominees), it may authorise one or more persons as it thinks fit to act as its proxies at any shareholders' ~~general~~ meeting or creditors' meeting and those proxies must enjoy rights equivalent to the rights of other shareholders, including the right to speak and vote; However, if one or more persons are so authorised, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorised. The person(s) so authorised will be entitled to exercise the same power on behalf of the Recognized Clearing House (or its nominees) as if it was an individual shareholder of the Company.

Article 64

The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing; if the appointer is a legal entity or other organisations, either under seal or under the hand of a director or attorney duly authorized. The power of attorney shall state the number of shares represented by the said proxy; in the case that more than one proxy is appointed, the instrument shall state the number of shares respectively represented by each proxy of the shareholder.

Article 65

The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than 24 hours prior to the time appointed for the holding of the meeting or 24 hours prior to the time appointed for voting. Where the proxy form is signed by a person authorised by the appointer, the power of attorney or other authorisation instruments shall be notarised. The notarised power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice to the meeting.

Where the appointer is a legal entity or other organisations, its legal representative or other persons authorized by the resolutions of the Board or other decision-making organ to act as its representatives may attend the shareholders' ~~general~~ meeting of the Company as a representative of the appointer, and exercise the right to speak and vote at the meeting. The shareholder who has appointed a proxy to attend the shareholders' meeting shall be deemed to be present in person. A person duly authorised by the shareholder may execute a proxy form on behalf of the shareholder.

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The Company is entitled to require the proxy attending the shareholders' general meeting on behalf of a shareholder to produce his identification document.

If a shareholder of the legal entity or other organisations appoints its legal representative to attend the meeting, the Company is entitled to require the representative to present his own identification document and a notarially certified copy of the resolution or power of attorney authorized by the Board of such shareholder of the legal entity or other organisations or other competent authorities (except for the Recognized Clearing House or its proxies).

Article 66 Any form issued to a shareholder by the Board for appointing a proxy by him shall allow the shareholder to freely instruct the proxy to cast vote in favour of, against or abstain each resolution dealing with the businesses to be transacted at the meeting. Such a form shall contain a statement that, in default of instructions, the proxy may vote as he thinks fit.

Article 67 Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

Article 68 ~~When convening a shareholders' meeting, all~~ Where a shareholders' meeting requires ~~directors, supervisors and the secretary of the Board shall attend the meeting while the general manager and senior management members shall to~~ attend the meeting as non-voting participants, directors and senior management members shall so attend the meeting and accept any inquiries from shareholders unless there is reasonable ground.

Article 69 Chairman of the meeting should announce the number of shareholders and proxies present at the venue of the meeting and the total shares with voting rights held by them, and the number of shareholders and proxies present at the venue of meeting and the shares with voting rights held by them shall be subject to the register of the ~~general~~ meeting.

Article 70 Resolutions of shareholders' general meetings are classified as ordinary resolutions and special resolutions.

To adopt an ordinary resolution at the shareholders' meeting, ~~not less more~~ than one-half of the voting rights represented by the shareholders ~~(including proxies)~~ present at the meeting must be cast in favour of the resolution.

To adopt a special resolution at the shareholders' meeting, not less than two-thirds of the voting rights represented by the shareholders ~~(including proxies)~~ present at the meeting must be cast in favour of the resolution.

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Article 71

Shareholders (including proxies) exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one voting right upon voting at the shareholders' general meeting, unless individual shareholders are required to waive their voting rights in respect of individual matter in accordance with the laws, administrative regulations, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The shares held by the Company carry no voting rights and shall not be counted into the total number of shares with voting rights held by shareholders attending the meeting.

The Board, independent non-executive directors and shareholders who meet the relevant conditions may solicit the voting rights from shareholders. When soliciting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any limitation related to the minimum shareholding ratio on the solicitation of voting rights.

For connected transactions to be considered at a shareholders' general meeting, connected shareholders shall, as provided in the listing rules of the stock exchange where the Company's shares are listed, abstain from voting on such connected transactions and the number of shares they represent carrying voting rights shall not be counted into the valid votes.

Where any shareholder is, under the applicable laws and regulations, departmental rules and listing rules and regulatory provisions of the stock exchange place where the Company's shares are listed, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution at any shareholders' general meeting, any votes cast by such shareholder (or their proxies) in contravention of such requirement or restriction shall not be counted.

Voting at a shareholders' general meeting shall be conducted in the form of open ballot.

The Company shall provide the way of electronic voting, but the same vote may only be cast once on site, online or by other means, provided that if the same vote is cast more than once, only the first vote will be deemed valid.

Article 72

The cumulative voting system may be adopted for the election of directors ~~and supervisors~~ at the shareholders' general meetings according to the requirement of the Articles of Association or as resolved by the shareholders' general meeting. Cumulative voting shall be adopted for the election of more than two independent directors at a shareholders' meeting.

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If the cumulative voting system was adopted by the shareholders' ~~general~~ meeting for election of directors ~~and supervisors~~, the shareholders (including their proxies) will have the same number of votes which equals to the total number of directors to be elected. Shareholders may cast all their votes on a particular candidate or on multiple candidates with explanation as required.

Article 73

The following matters shall be resolved by ordinary resolutions at a shareholders' ~~general~~-meeting:

- (1) work reports of the Board ~~and the Supervisory Committee~~;
- (2) plans formulated by the Board for distribution of profits and for making up losses;
- (3) ~~appointment or removal of a non-employee representative director and a non-employee representative supervisor, and remuneration of the director and supervisor and the method of payment thereof;~~
- (4) ~~the Company's annual financial budgets and final accounts plan, balance sheets, income statements and other financial statements;~~
- (35) appointment or removal of members of the Board, and their remuneration and the method of payment thereof ~~the Company's annual report;~~
- (4) employment, dismissal or non-renewal of employment of accounting firms and their remuneration;
- (65) matters other than these required by the laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed or by the Articles of Association to be approved by special resolution.

Article 74

The following matters shall be resolved by special resolutions at a shareholders' ~~general~~-meeting:

- (1) increase or reduction of the registered capital of share capital, ~~repurchase of the Company's shares and issue of shares of any class, stock warrants or other similar securities;~~
- (2) ~~issuance of bonds or other securities by the Company;~~
- (23) demerger, merger, dissolution, liquidation or change of corporate form of the Company;
- (34) amendments to the Articles of Association;
- (45) equity incentive scheme;

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (56) ~~purchase or disposal of material assets or provisions of guarantees to others purchased or sold~~ within one year exceeding 30% of the latest audited total assets of the Company;
- (67) any other matter required by laws and regulations or the Articles of Association, as well as approved as an ordinary resolution at a shareholders' general meeting that may have material impact on the Company and is required to be approved by a special resolution.

Article 75

~~The minority shareholders who satisfied the requirements under the paragraph (1) of this Article 75 can add resolutions to meeting agenda of the extraordinary general meeting. The following procedures shall be followed by shareholders or the Supervisory Committee requesting for convening of extraordinary shareholders' general meetings:~~

- (1) ~~two or more than two~~ shareholders jointly holding not less than 10% of voting shares (excluding treasury shares) at such proposed meeting ~~or the Supervisory Committee may request the Board to convene an extraordinary shareholders' general meeting or class meeting by signing and submitting one or several written requests with the same format and contents and specifying the agenda of the meeting. An extraordinary shareholders' general meeting or class meeting shall be convened by the Board as soon as practicable upon receipt of the aforesaid written request. The aforesaid proportion of shareholding shall be calculated on the date on which the relevant shareholders submit the written request.~~
- (2) if the Board fails to make a response ~~despatch a notice of convening such meeting within thirty ten~~ days upon receipt of the aforesaid written request, shareholders individually or jointly holding 10 per cent or more of the shares carrying voting rights (excluding treasury shares) at the proposed meeting shall be entitled to propose to the Supervisory Audit Committee to convene an extraordinary shareholders' general meeting or class meeting, provided that such proposal shall be made in writing. If the Audit Committee agrees to convene the extraordinary shareholders' meeting, a notice of such meeting shall be issued within five days upon the receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders. If the Audit Committee fails to issue a notice of the shareholders' meeting within the specified period, it shall be deemed that the Audit Committee shall not convene and preside over the shareholders' meeting, and the shareholders individually or jointly holding 10% or more of the shares of the Company (excluding treasury shares) for more than 90 consecutive days may convene and preside over the meeting on their own. The Supervisory Committee may convene such a meeting within four months upon receipt of the request by the Board. If the Supervisory Committee fails to convene and preside over an extraordinary general meeting or a class meeting, the shareholders individually or jointly holding 10% or more of the shares of the Company for not less than ninety consecutive days may convene such a meeting by themselves. The procedures for convening such meeting should follow those for convening a general meeting of shareholders by the Board as closely as practicable.

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The following procedures shall be followed by the Audit Committee proposing to convene an extraordinary shareholders' meeting:

- (1) the Audit Committee shall propose to the Board to convene an extraordinary shareholders' meeting or class meeting in writing, specifying the agenda of the meeting. The Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, reply in written within ten days after receiving the proposal as for agreeing or disagreeing to convene the extraordinary shareholders' meeting or class meeting.
- (2) if the Board agrees to convene the extraordinary shareholders' meeting or class meeting, a notice of shareholders' meeting shall be issued within five days after the resolution made by the Board. Any changes to the original request in the notice shall be approved by the Audit Committee. If the Board does not agree to convene the extraordinary shareholders' meeting or class meeting, or fails to reply within ten days after receiving the proposal, it shall be deemed that the Board is incapable of performing or fails to perform the duty of convening a shareholders' meeting, in which case the Audit Committee may convene and preside over such meeting on its own.

All reasonable expenses incurred by shareholders ~~or the Supervisory Committee~~ arising from convening and holding the aforesaid meeting by shareholders due to the Board's failure to hold such meeting in response to the aforesaid request shall be borne by the Company. Such expenses shall be deducted from the amounts due by the Company to the director(s) who have neglected their duties.

Except for those matters in relation to business secrets of the Company which cannot be made public at the shareholders' general meeting, the Board ~~and the Supervisory Committee~~ shall make corresponding responses or statements in respect of inquiries and the suggestions of the shareholders.

Article 76

A shareholders' general meeting shall be convened and presided over by the Chairman of the Company. If the Chairman is unable to attend the meeting, the meeting shall be convened and chaired by a director nominated by a majority of the directors ~~the Board may designate a director to convene and take the chair of the meeting~~. If no chairman of the meeting has been so designated, shareholders present may elect one person to be the chairman of the meeting. If for any reason, the shareholders fail to elect a chairman, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

Where a shareholders' meeting is convened by the Audit Committee on its own, the meeting shall be presided over by the convenor of the Audit Committee. In the event that the convenor of the Audit Committee is incapable of performing or fails to perform his/her duties, the meeting shall be presided over by a member of the Audit Committee nominated by a majority of members of the Audit Committee.

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Article 77 If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, the chairman of the meeting shall have the votes counted immediately.

Article 78 Providing that the votes are counted at the shareholders' general meeting, the counting results shall be recorded into the minutes of the meeting.

The meeting minutes together with the signatures of shareholders and proxy forms shall be kept at the address of the Company. Above minutes, attendance lists and proxy forms shall not be destroyed within ten years.

Article 79 Copies of the meeting minutes shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him/her within seven days following the receipt of reasonable charges.

Chapter VIII The Board of Directors

Section 1 Director(s)

Article 80 Directors are natural persons who are not required to hold any shares in the Company. The directors of the Company include executive directors, non-executive directors and independent non-executive directors. Executive directors refer to the directors who hold internal management positions of the Company. Non-executive directors refer to directors who do not hold any internal management positions of the Company and are not independent from the Company according to laws. Independent non-executive directors refer to directors as prescribed in section 2 of Chapter VIII in the Articles of Association. Directors shall be qualified for their positions as provided in laws. The Company shall have a board of directors which shall consist of 9 directors, including 1 chairman, 3 independent non-executive directors and 1 employee representative director.

Article 81 Non-employee representative directors shall be elected at the shareholders' general meeting, and their positions may be dismissed at shareholders' meeting prior to the expiration of their terms of office. The to hold office for a term of office of a director is three years. Upon maturity of the term of office, a director shall be eligible to offer himself for re-election and reappointment.

Employee representative directors shall be democratically elected or removed by employees at the employee representative meeting, employee meeting or other means.

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The chairman shall be elected and removed by more than one half of the directors. The term of office of the chairman is three years, renewable upon re-election.

Article 82

A director may resign before expiration of his/her term of office. The directors who resign shall submit to the ~~Board~~ Company a written report in relation to their resignation.

In the event that a director resigns during his/her term of office, or the term of a director falls upon maturity whereas new member of the Board has not been re-elected in time, which results in the number of members of the Board falling below the quorum, the existing director shall continue to perform his/her duties in accordance with the laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association until the re-elected director assumes his office.

In case that the number of directors falls short of the quorum of the Board as a result of a director's resignation, the resignation report of the said director shall not become effective until the vacancy resulting from his resignation is filled up by succeeding director. The remaining directors shall convene an extraordinary shareholders' ~~general~~ meeting as early as possible to elect director and fill up the vacancy resulting from the said resignation.

In compliance with PRC laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, any person appointed by the directors to fill a casual vacancy on or as an addition to the Board shall hold office only until the first annual shareholders' ~~general~~ meeting of the Company after his appointment, and shall then be eligible for re-election.

Other than the circumstances referred to in the preceding paragraph, the resignation of a director becomes effective upon submission of his resignation report to the ~~Board~~ Company.

The shareholders' meeting may remove any director by a resolution, which shall come into effect from the date on which such resolution is made.

Article 83

The Company has established a resignation management system for director, clearly specifying the accountability and compensation measures for unfulfilled public commitments and other outstanding matters. When a director's resignation becomes effective or his/her term of office expires, he/she shall complete all handover procedures with the Board. His/her fiduciary duties to the Company and shareholders shall not automatically terminate at the end of his/her term of office, but shall remain valid within a reasonable period as stipulated in the Articles of Association. The responsibility that a director bears during their term of office due to the performance of his/her duties shall not be waived or terminated upon resignation. Upon submission of a resignation or maturity of the tenure, a director's His/her confidentiality obligations in respect of commercial secrets and other confidential information of the Company shall remain effective after his/her resignation or the termination of his/her tenure until such secrets have become open information.

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The specific period for a director to fulfill loyal duties after resignation or expiration of term of office shall be one year from the date when his/her resignation takes effect, or his/her term of service expires. Duration of other obligations shall be determined following the principle of fairness, depending on the length of time between the occurrence of the event and his/her resignation, and the circumstances and conditions under which his/her relationship with the Company terminates.

Article 84

No directors shall act, in their personal capacity, on behalf of the Company or the Board beyond provisions in the Articles of Association or without appropriate authorisation by the Board. A director shall, when acting in his personal capacity, state his standings and identities in advance if a third party has reasons to believe that the said director is acting on behalf of the Company or the Board.

Article 85

If a director causes damage to others while performing his/her duties for the Company, the Company shall be liable for compensation; the director shall also be liable for compensation if there is intentionality or gross negligence on his/her part. Any director who violates any laws, administrative regulations, rules from regulatory authorities or the Articles of Association during the performance of his/her duties and causes loss to the Company shall be liable for compensation to such loss.

Article 86

Any director who has withdrawn from his office without permission prior to the expiration of his/her term of office, and whereby a loss is incurred to the Company, shall be liable for compensation of such loss. Subject to the requirements of relevant laws, administrative regulations and the Listing Rules of Hong Kong Stock Exchange, the shareholders' ~~general~~ meeting may by ordinary resolution remove any director before the expiration of his/her term of office (but without prejudice to such director's rights to claim compensation based on any contract).

A ~~non-independent~~ director will be deemed to have failed to perform his/her duties if he/she cannot attend the meetings of the Board in person twice consecutively nor appointed other directors to attend the meetings on his/her behalf. The Board ~~may~~ shall make recommendations to shareholders' ~~general~~ meetings to replace such director.

Section 2 Independent Non-executive Director(s)

Article 87

The Company shall establish an independent non-executive director system. Independent non-executive directors are directors holding no posts other than that of directors in the Company, and having no relationship with the Company and its substantial shareholders as to hinder their independent and objective judgments.

The term of office for independent non-executive directors shall be three years, and renewable upon re-election and re-appointment, but shall not exceed nine years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed.

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Article 88

Independent non-executive directors shall satisfy the following fundamental requirements:

- (1) to be qualified for directors of a listed company as provided in laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed and other relevant regulations;
- (2) to comply with the requirements on independence as stipulated in the listing rules of the stock exchange where the Company's shares are listed;
- (3) to be in command of the basic knowledge of the operations of listed companies, and familiar with relevant laws, administrative regulations, and rules and regulations;
- (4) having at least five years of work experiences in legal or economic areas, or other experiences indispensable for performing the duties as independent nonexecutive directors;
- (5) having good personal character without major breach of trust or other adverse records;
- ~~(6)~~(5) other criteria as stipulated in the Articles of Association.

Article 89

The independent non-executive directors shall be vested with the following special functions and powers in addition to those vested by the Company Law and other relevant laws, regulations, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association:

- (1) to propose to the Board for the appointment or dismissal of accounting firms to independently engage an intermediary to audit, consult or verify specific matters of the Company;
- (2) to propose to the Board to convene extraordinary shareholders' ~~general~~ meetings;
- (3) to propose to convene the Board meetings;
- (4) to publicly solicit the rights of shareholders from shareholders in accordance with laws;
- (5) to express independent opinions on matters that may jeopardize the interests of the Company or small and medium-sized shareholders, or on other matters stipulated in the requirements of the securities regulatory authorities of the place where the Company's shares are listed and the Articles of Association, which shall at least include the requirements of the securities regulatory authorities of the place where the Company's shares are listed and the Articles of Association;

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(6) to exercise other functions and powers conferred by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

~~(4) upon unanimous consent of all independent non-executive directors, they may independently appoint external auditors or consultants for auditing and consultancy of specific matters relating to the Company, at the expenses of the Company.~~

~~Apart from the preceding subparagraph (4), to exercise the abovementioned powers, the~~ Where an independent non-executive director(s) exercises the powers and functions listed in subparagraphs (1) to (3) of the preceding paragraph, he/she shall obtain the approval by more secure the consent of not less than half of the ~~all independent non-executive directors of the Company.~~

The Company shall disclose in a timely manner any exercise of the powers and functions listed in the subparagraph (1) of the preceding paragraph by independent non-executive directors. In the event that the above proposals have not been accepted or above powers and functions can not be exercised in the normal course of business, the Company shall disclose the specific details and reasons relevant circumstance.

Article 90

The following matters shall be submitted to the Board for consideration after being approved by more than half of all independent non-executive directors of the Company:

- (1) connected transactions that shall be disclosed;
- (2) programs of the Company and related parties to change or waive commitments;
- (3) decisions made and measures taken by the board of directors of the acquired company in response to the acquisition;
- (4) other matters as specified by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's share are listed and the Articles of Association.

Article 910

Before expiry of their term, independent non-executive directors shall not be dismissed without proper reasons. In case of an independent director being dismissed before expiry of his/her term, the Company shall disclose it as a special discloseable matter.

Should an independent non-executive director fail to attend in person the Board meetings for three times in succession, the Board may propose to the shareholders' general ~~meeting~~ for replacing such director.

Article 921 All matters not prescribed in this section for the independent non-executive director system shall be subject to relevant laws, administrative regulations, rules from regulatory authorities and listing rules of the stock exchange where the Company's shares are listed.

Section 3 The Board

Article 932 The Board reports to shareholders' general meetings and exercises the following powers:

- (1) to convene the shareholders' general meetings and report its work to the shareholders' general meeting;
- (2) to implement the resolutions of the shareholders' general meetings;
- (3) ~~to decide on the Company's business plans, investment plans, detailed annual business objectives, and financing plans other than by ways of issue of corporate bonds or other securities and of listing;~~
- (4) ~~to formulate the Company's annual financial budgets and final accounts;~~
- (35) to formulate the Company's profit distribution plan and plan for recovery of losses;
- (46) to formulate plans for increases or reductions of the Company's registered capital, ~~and the issue of corporate bonds or other securities~~ or other securities and listing;
- (57) to ~~formulate draft~~ plans for material acquisition, ~~repurchase~~ acquisition of the Company's shares or the proposals for merger, demerger, dissolution, liquidation or change of corporate form of the Company;
- (68) to decide on the establishment of the Company's internal management structure and on the establishment or cancellation of the Company's branches and other sub-branches;
- (79) to elect a chairman of the Company; to nominate, appoint or dismiss the general manager of the Company;
- (84) pursuant to the nominations of the chairman of the Board to appoint or dismiss the secretary of the Board, to appoint or dismiss members of all special committees under the Board;
- (94) pursuant to the general manager's nominations to appoint or dismiss the senior management officers including the deputy general managers, chief accountant and chief engineering of the Company and fix their remuneration, bonus and punishment;

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

(10~~12~~)to formulate the Company's basic management system;

(11~~13~~)to formulate proposals for amendment to the Articles of Association;

(12~~14~~)to formulate share incentive scheme of the Company;

(13~~15~~)to manage the information disclosure of the Company;

(14~~16~~)to determine the establishment of special committees;

(15~~17~~)to decide on the Company's risk management system, including risk assessment, financial control, internal audit and legal risk control, and monitor its implementation;

(16~~18~~)to propose to shareholders' ~~general~~-meetings for the appointment or replacement of the auditors of the Company;

(17~~19~~)to hear the regular and non-regular work reports from the general manager of the Company or senior management members appointed by the general manager and to approve the work report of the general manager;

(18~~20~~)external guarantees provided by the Company other than those which shall be subject to approval by shareholders' ~~general~~-meeting as required by Articles of Association;

(19~~21~~)to decide on the external investment, acquisition and disposal of assets, charge or pledge on assets, external guarantee, trust asset management and connected transactions of the Company within the authorisation of the shareholders' ~~general~~-meeting;

(20~~22~~)to exercise other functions and powers conferred by laws, regulations, listing rules of the stock exchange where the Company's shares are listed, shareholders' ~~general~~-meetings and the Articles of Association.

Matters beyond the scope of authorization of the shareholders' ~~general~~-meeting shall be submitted to the shareholders' ~~general~~-meeting for consideration.

Except for the matters specified in subparagraphs (4~~6~~), (5~~7~~) and (11~~3~~) which shall be passed by two-thirds or more of the directors, the Board's resolutions in respect of any other aforesaid matters may be passed by half or more of the directors. The Board shall perform its duties in accordance with national laws, administrative regulations, the Articles of Association and resolutions of shareholders.

The Board shall make explanation to the shareholders' ~~general~~-meeting in respect of non-standard auditors' report issued by the certified public accountants regarding the financial statements of the Company.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 943

The Board shall make inquiries with the Party Committee of the Company before making decisions on major issues of the Company. The Company shall establish a legal governance mechanism with developed governance practices, compliant operation, standardised management, legal compliance and integrity and shall adopt the general counsel system. Where the matters to be considered by the Board involve legal issues, the general counsel shall present at such Board meetings and provide his legal opinion.

Article 954

The Board shall formulate the rules of procedure for the Board to ensure the Board to implement the resolutions approved at the shareholders' general meeting, improve efficiency and make scientific decisions. The rules of procedure for the Board, under which the convening and voting procedures of the Board meetings shall be specified, shall be prepared by the Board and approved at the shareholders' general meeting.

The Board shall establish ~~certain special committees such as the~~ Audit Committee; to exercise the functions and powers of the supervisory committee as stipulated in the Company Law.

The Audit Committee shall consist of three or more non-executive directors who do not hold senior management positions in the Company, with a majority of the members being independent non-executive directors. The convener shall be an independent non-executive director who is a professional accountant.

The Audit Committee shall be responsible for reviewing the financial information of the Company and the disclosure thereof, as well as supervising and evaluating internal and external audits and internal control. The following matters shall be submitted to the Board for consideration after being approved by a majority of all members of the Audit Committee:

- (1) disclosure of the financial information in financial and accounting reports and regular reports, and the evaluation report on internal control;
- (2) appointment or dismissal of an accounting firm which undertakes the audit work of the Company;
- (3) appointment or dismissal of the person in charge of the finance of the Company;
- (4) changes in accounting policies or accounting estimates or corrections of significant accounting errors due to reasons other than changes in accounting standards;
- (5) other matters as stipulated by the laws, administrative regulations, the regulations of the CSRC, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Audit Committee shall convene at least one meeting each quarter. An extraordinary meeting may be convened upon the proposal of two or more members or when the convenor deems it necessary. A meeting of the Audit Committee shall be convened only when more than two-thirds of the members are present.

Resolutions of the Audit Committee shall be approved by a majority of the members of the Audit Committee. When voting on a resolution of the Audit Committee, each member shall have one vote. Resolutions of the Audit Committee shall be recorded in meeting minutes in accordance with relevant regulations, and the members of the Audit Committee attending the meeting shall sign the meeting minutes. The working procedures of the Audit Committee shall be formulated by the Board.

The Board of the Company has established the Remuneration and Assessment Committee and Nomination Committee, and may establish a number of specialized committees such as the Strategic Committee to assist the directors in exercise their duties or provide consultation or advice for the Board in respect of its decisions under the leadership of the Board; the composition and rules of procedures for such committees shall be decided by the Board separately.

Article 965

Unless otherwise provided by laws, regulations and the listing rules of the stock exchange where the Company's shares are listed as well as the Articles of Association, the investments in other enterprises or guarantees provided by the Company shall be subject to the resolution of the Board. However, any guarantee to be provided by the Company in favour of shareholders or de facto controllers and its connected parties must be subject to the resolution of a shareholders' general meeting.

The shareholders referred to in the preceding paragraph or shareholders controlled by the de facto controllers referred to in the preceding paragraph shall abstain from voting in respect of the matters as specified in the preceding paragraph. Such matter shall be approved upon more than one-half of the voting rights held by other shareholders present at the shareholders' general meeting being cast in favour of it.

The Company shall establish a strict internal control system for external guarantees. All directors shall attach prudence to and exercise strict control on the debt risks resulting from external guarantees.

The other party shall provide risk precautionary measures such as counter-guarantee for the guarantees provided by the Company. The provider of the counter-guarantee shall be competent in accepting the liabilities.

The responsible director(s) shall assume joint and several liabilities for compensation to any loss caused to the Company for provision of external guarantees in violation of relevant laws, regulations, rules and the Articles of Association.

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Article 976

The chairman of the Board is entitled to the following functions and powers:

- (1) to preside over shareholders' ~~general~~ meetings and to convene and preside over the Board meetings;
- (2) to supervise and inspect the implementation of the resolutions of the Board and debrief relevant reports;
- (3) to supervise and organize formulation of rules and regulations on the operation of the Board, and to coordinate the operation of the Board;
- (4) to sign the share certificates, bonds and other marketable securities issued by the Company;
- (5) to sign important documents of the Board;
- (6) to sign important legally binding documents on behalf of the Company;
- (7) to exercise special disposal powers that are conferred compliant to the laws and regulations and benefits of the Company in the event of force majeure such as extraordinarily serious natural calamities or an emergency in which it is impossible to convene a Board meeting. A report shall be given to the Board after such event occurs;
- (8) to exercise any other powers and responsibilities as stipulated by laws, regulations or the Articles of Association or as granted by the Board.

Article 987

If the chairman of the Company is unable or fails to perform his/her duties, a director jointly elected by ~~no less~~ more than half of directors shall perform such duties.

Article 998

Meetings of the Board shall be held at least four times every year and convened by the chairman of the Board. Notice of the meeting shall be served on all directors fourteen days before the date of the meeting.

Extraordinary meetings of the Board shall be held in any of the following circumstances:

- (1) when proposed jointly by one-third or more of the directors;
- (2) when proposed by the Audit ~~Supervisory~~ Committee;
- (3) when proposed jointly by one half or more of the independent non-executive directors;
- (4) when deemed as necessary by the chairman of the Board;
- (5) when proposed by the shareholders representing one tenth or more of voting rights.

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Article ~~100~~99

Notice convening the Board meeting and extraordinary Board meeting shall be sent through phone, facsimile or email. The notice of Board meeting shall be dispatched fourteen days prior to the date of the meeting. The notice requirement is not applicable to extraordinary Board meetings.

The time and venue of a Board meeting can be determined by the Board in advance and recorded in the minutes. If such meeting minutes has been distributed to all the Directors at least fourteen days prior to the date of the next Board meeting, no further notice to the Directors is required for the convening of meeting.

Should a director attend a meeting, and does not raise an objection regarding non-receipt of notice of the meeting prior to or at the meeting, such notice shall be deemed as sent out to him/her.

Board meetings can be held by way of teleconference meeting or by virtue of similar telecommunication device. In such meetings, so long as the participating directors can hear and communicate with each other, all participating directors are deemed to participated in the meeting in person.

Article ~~101~~0

The Board meeting may not be held unless more than half ~~or more~~ of the directors (including directors attending the meeting as proxies pursuant to requirements) are present.

Each director has a ballot for voting. Except for circumstance provided in Article ~~103~~2 of the Articles of Association where the Board considers connected transactions, resolutions of the Board shall be passed by more than half of all directors.

The resolution signed respectively by all the directors and to which the affirmative opinions reaching the quorum stipulated by laws, regulations and the Articles of Association, shall be deemed as valid as resolutions passed at the Board meeting legally convened. Such written resolution may consist of documents in counterparts, each having been signed by one or more directors. A resolution signed by a director or with his/her signature and sent to the Company by mail, facsimile or by hand, for the purpose of this article, shall be deemed as a document signed by him.

Article ~~102~~1

A director shall attend the Board meetings in person, If a director are not able to attend the meeting due to certain reasons, he/she may appoint in written other directors to attend the meeting on his/her behalf. The name of the proxy, the matters for entrustment, the scope of authorization and the validity period shall be specified in the power of attorney which shall be signed and sealed by the appointer.

The appointed director attending the meeting shall only exercise the rights within the power of attorney. Should a director neither attend a Board meeting nor appoint another director to attend on his/her behalf, the said director shall be deemed as waiving his/her voting rights at the meeting.

Article ~~103~~2

If any director is associated with the enterprises or individuals that are involved

in the matters to be resolved by the Board meetings (serving as director or senior management members of the counterparty, or serving as director or senior management members of a legal entity directly or indirectly controlling the counterparty or directly or indirectly controlled by the counterparty), the director shall promptly report to the Board in writing. Such connected director ~~he~~ shall not exercise his/her voting rights for such matters, nor exercise voting rights on behalf of other directors. Such Board meetings shall be convened by a majority of the non-connected directors present thereat. Resolutions made at the Board meetings shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the Board meetings is less than three, such matters shall be submitted to the shareholders' ~~general~~ meeting for approval.

Article 1043

If a substantial shareholder (holding 10 percent or more shares (excluding treasury shares)) or a director has a material conflict of interest in a matter to be considered by the Board, the matter should be dealt with by way of the meeting of the Board (rather than by written resolution). Also, the independent non-executive directors who do not have material interest in such matter should attend the meeting.

Article 1054

The Board shall keep minutes of resolutions on matters discussed at meetings, on which directors present and the secretary of the Board (minutes taker) shall sign.

The directors shall be liable for the resolutions of the Board. If a resolution of the Board violates laws, administrative regulations or the Articles of Association, and results in the Company sustaining serious losses, the directors participating in the resolution are liable to compensate the Company. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted on, and that such objection is recorded in the minutes of the meeting, such director may be released from such liability.

The minutes of the Board shall record the following contents:

- (1) the date, venue and name of the convener of the meeting;
- (2) the names of the directors present at the meeting and names of the directors (proxies) present at the meeting on behalf of other director(s);
- (3) agenda of the meeting;
- (4) gist of directors' speech;
- (5) voting method and results on each resolution (the voting results shall state the number of affirmative votes, dissenting votes and abstention votes);
- (6) signatures of directors and the secretary of the Board (minutes taker).

The minutes of Board meetings shall be kept for a period of 10 years.

Article 1065 In respect of any matter which needs to be passed at an extraordinary Board meeting, if the Board has already sent out the written proposals to be resolved at such meeting (including through facsimile and email) to all directors and each director was ensured to fully express his/her opinions, resolutions of extraordinary meeting of the Board may be made by means of telecommunication and no on-site meeting of the Board is required. Such resolution is deemed effectively passed provided that the number of directors who sign and approve such a resolution satisfies the number of directors as required to make such decision under Article 932 of the Articles of Association.

Article 1076 In principle, the Board meetings shall be held at the legal address of the Company. However, it can be held at any other places inside or outside China as approved by a resolution of the Board.

Article 1087 The Company shall bear the reasonable expenses incurred when directors attend meetings of the Board. Such expenses may include costs for transportation to the venue of the meeting (if other than the residence location of directors), accommodation expenses and local transportation costs during the duration of the meeting.

Chapter IX Secretary of the Board

Article 1098 The Company shall have a secretary of the Board. As a senior management member of the Company, the secretary of the Board shall report to the Board.

Article 1109 The secretary of the Board shall be a natural person with the requisite professional knowledge and experience, and shall be appointed or dismissed by the Board. His/ her primary duties include:

- (1) to communicate and liaise between the Company and related parties and the stock exchange and other regulatory authorities; and to ensure that the Company prepare and deliver, in accordance with law, the reports and documents required by competent authorities;
- (2) to handle the Company's information disclosure affairs, urge the Company to formulate and implement Management Rules on Information Disclosure and Internal Material Information Reporting System, procure the Company and related parties to perform the disclosure obligation according to law, and disclose regular reports and extraordinary reports to the stock exchange in accordance with relevant regulations;
- (3) to coordinate the relationship between the Company and investors, receive visits of investors, reply to enquiries of investors and provide information disclosed by the Company to investors;

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- (4) to organize and prepare the Board meetings and shareholders' general meetings pursuant to statutory procedures, and prepare and deliver relevant meeting documents and materials;
- (5) to attend the Board meetings, prepare meeting minutes and sign thereon;
- (6) to be responsible for the confidentiality work related to information disclosure of the Company, formulate confidentiality measures, and procures the directors, ~~supervisors~~, general managers, other senior management members and relevant informed personnel to keep secret prior to disclosure of information and timely takes remedial measures as soon as insider information is revealed and report to the stock exchange;
- (7) to be responsible for keeping the Company's register of shareholders, name list of directors, shareholding particulars of substantial shareholders and directors, ~~supervisors~~, general manager and other senior management members, and resolutions, documents and minutes of shareholders' general meetings and Board meetings, to ensure that the Company has complete organisational documents and records; to ensure that persons entitled to access to the relevant records and documents are furnished with such records and documents without delay;
- (8) to assist the directors, ~~supervisors~~, general manager and other senior management members to apprehend provisions of relevant laws, regulations, rules, listing rules of the stock exchange, other regulations and the Articles of Association, and the content regarding their legal liabilities in the listing agreement;
- (9) to procure the Board to exercise its duties under the law; to remind directors present to express their opinions where resolutions made by the Board are in contravention of the laws, regulations, rules, listing rules of the stock exchange and other regulations or the Articles of Association; ~~and request supervisors present to express their opinions~~; to make a record of the opinions of relevant ~~supervisors and~~ persons in the minutes if the Board insists on making the aforesaid resolutions, and report to the stock exchange;
- (10) to perform other duties as provided in applicable laws, regulations, rules, listing rules of the stock exchange, other regulations and the Articles of Association.

Article 1110

The director or other senior management members (excluding the general manager and the chief accountant) of the Company may concurrently act as the secretary of the Board. The accountant(s) of the accounting firm appointed by the Company shall not act as the secretary of the Board.

Where the office of secretary of the Board is held concurrently by a director and an act is required to be done by a director and a secretary separately, the person who holds the offices of director and secretary may not perform the act in dual capacity.

Chapter X Party Committee**Article 112~~1~~**

The Company shall establish the Party Committee consisting of a secretary and several other members. Eligible members of the Party Committee may be considered and appointed as members of the Board, ~~the Supervisory Committee~~ and the management through legal procedures. Eligible members in the Board, ~~the Supervisory Committee~~ and the management who are members of the Communist Party of China may be considered and appointed as members of the Party Committee in accordance with relevant requirements and procedures. Meanwhile, the discipline inspection committee shall be established as required.

Article 113~~2~~

Pursuant to the Constitution of the Communist Party of China and other party rules, the Party Committee shall perform the following responsibilities:

- (1) to guarantee and supervise the implementation of guidelines and policies of the Party and the PRC government within the Company and implement the material strategic decisions of the Communist Party of China Central Committee and the State Council and make deployment for the relevant material works of the Party Committee of State-Owned Assets Supervision and Administration Commission of the State Council and the superior Party Committee;
- (2) to insist on the combination of the principles of management of cadres by the Party and the selection of operation managers by the Board according to laws as well as the right of employment by the operation managers. The Party Committee shall consider and suggest on the candidates proposed by the Board or the general manager, or recommend candidates to the Board or the general manager; and, together with the Board, conduct investigation on the proposed candidates and discuss jointly to provide opinions and suggestions thereon;
- (3) to study and discuss reform, development and stability of the Company, material operation and management matters and material matters with respect to the immediate interests of staff, and provide opinions and suggestions thereon;
- (4) to undertake the main responsibility to overall and strictly administer the party, lead the Company's ideological and political work, united front work, spiritual civilization construction, enterprise cultural construction and the work of organisations such as the labor union and the communist youth league, and lead the construction of the party conduct and of an honest and clean government and support the fulfillment of the supervision responsibility of the discipline inspection committee.

Chapter XI General Manager of the Company**Article 1143**

The Company shall have one general manager and certain deputy general managers, who assist the general manager in his work; as well as one chief accountant and one chief engineer. The general manger, deputy general managers, chief accountant and chief engineer shall be appointed or dismissed by the Board.

The term of office of each of the general manager and other senior management members shall be 3 years, renewable upon re-appointment.

Article 1154

General manager of the Company reports to the Board, and exercises the following functions and powers:

- (1) to preside over the production, operation and management of the Company and report to the Board;
- (2) to organise resources to implement resolutions of the Board;
- (3) to organise resources to implement the Company's annual business, investment and financing plans;
- (4) to propose plans for the establishment of the Company's internal management structure;
- (5) to propose plans for the establishment of branch companies and other branches of the Company;
- (6) to formulate the Company's basic management system;
- (7) to formulate specific rules and regulations for the Company;
- (8) to propose to the Board for appointment and removal of deputy general manager, chief accountant or chief engineer; and provide suggestions on remuneration;
- (9) to appoint or remove the management members (other than those required to be appointed or removed by the Board) and determine their appraisal, remuneration, awards and punishments;
- (10) to exercise other powers conferred by the Articles of Association or the Board.

Article 1165

The general manager of the Company shall attend the Board meetings as non-voting participant.

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Article 1176 The general manager of the Company shall, as required by the Board ~~or the Supervisory Committee~~, report to the Board ~~or the Supervisory Committee~~ on the execution and performance of material contracts entered into by the Company and utilisation of fund. The general manager shall ensure authenticity of such reports.

The general manager shall, when making decisions on such matters of vital interests of the employees of the Company as salaries, welfare, safe production, labour insurance, and dismissal (or disciplinary dismissal), shall consult the labour union and the meeting of staff representatives in advance.

Article 1187 The general manager of the Company shall formulate the work rule of the general manager and submit it to the Board for approval before implementation.

~~**Article 118**~~ In the exercise of his/her powers, the general manager shall observe laws, administrative regulations and the Articles of Association, and fulfill the obligation of integrity and diligence.

Chapter XII—Supervisory Committee

~~**Article 119**~~ The Company shall establish the Supervisory Committee.

~~**Article 120**~~ The Supervisory Committee comprises three supervisors. The term of office of supervisors shall be three years, renewable upon re-election and re-appointment.

~~The Supervisory Committee shall consist of one chairman. The appointment of the chairman of the Supervisory Committee shall be passed by more than a half of the members of the Supervisory Committee in voting.~~

~~**Article 121**~~ Supervisors who are not employee representatives shall be elected and removed by shareholders at general meetings, while supervisors as staff representatives shall be elected and removed democratically by employees at the employee representative meeting, employee meeting, or other means through democratic means. The number of supervisors as staff representatives of the Company shall not be less than one third of the number of all the supervisors.

~~**Article 122**~~ Directors, general manager and other senior management members of the Company shall not assume the position as supervisors.

~~**Article 123**~~ The Supervisory Committee shall convene at least two meetings each year and one meeting every six months, which shall be convened and presided over by the chairman of Supervisory Committee. The supervisors may propose convening of extraordinary meeting of the Supervisory Committee. Should the chairman of the Supervisory Committee be unable to, or fail to perform his/her duties, a supervisor elected by half or more of the supervisors shall preside over the meeting.

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Article 124

The Supervisory Committee shall be accountable to the general meeting and exercise the following powers in accordance with laws:

- (1) — to examine the Company's financial situation;
- (2) — to supervise acts of directors and senior management members during their performance of duties and to propose dismissal of directors and senior management members violating laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or resolutions of general meetings;
- (3) — to demand rectification from a director, the general manager or other senior management members when the acts of such persons are harmful to the Company's interest;
- (4) — to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' general meetings and, should any queries arise, to authorize, in the name of the Company, a re-examination by the certified public accountants and practising auditors;
- (5) — to propose the convening of an extraordinary general meeting and to convene and preside over the general meeting when the Board fails to perform such duties;
- (6) — to submit proposals to the general meeting;
- (7) — to represent the Company in negotiation with directors and senior management members or bringing an action against a director and senior management member;
- (8) — to propose convening of an extraordinary meeting of the Board;
- (9) — to exercise other powers specified in the Articles of Association.

Supervisors shall attend the Board meetings as non-voting participants.

Article 125

With legitimate grounds, supervisors are entitled to request the chairman of the Supervisory Committee to convene an extraordinary meeting of the Supervisory Committee. The notice shall be dispatched to all supervisors ten days prior to the date of meeting through phone or facsimile. The notice shall include the date and venue of meeting, duration of the meeting, topics of the meeting and the date on which the notice is served.

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~~The meeting of the Supervisory Committee may not be held unless two thirds or more of supervisors are present. Voting on resolution at a meeting of the Supervisory Committee may be conducted by registered poll. Each supervisor has a ballot of voting right. A supervisor shall attend the meetings of the Supervisory Committee in person, or appoint in written other supervisor to attend the meeting on his/her behalf if he/she is not able to attend the meeting due to certain reasons. The scope of authorities shall be specified in the power of attorney.~~

~~The resolutions of the Supervisory Committee shall be passed by more than a half of the members of the Supervisory Committee.~~

Article 126

~~The Supervisory Committee shall maintain minutes for each meeting. Supervisors are entitled to request to make descriptive statements for his speech at the meeting in the minutes, and the supervisors present and minutes taker(s) shall sign on the minutes.~~

~~The minutes of meetings of Supervisory Committee shall be kept by secretary of the Board as corporate archives. The minutes of the meetings shall be kept for a period of 10 years.~~

Article 127

~~The Supervisory Committee shall adopt a recording system for the implementation of the resolutions of the Supervisory Committee. Each resolution of the Supervisory Committee shall be implemented or supervised over its implementation by designated supervisor(s). The designated supervisor(s) shall record the implementation of each resolution, and file its final result to the Supervisory Committee.~~

Article 128

~~The supervisors and the Supervisory Committee shall not be liable for the resolutions of the Board. Should the Supervisory Committee be of opinion that a resolution of the Board violates the laws, regulations or Articles of Association or may result in serious losses to the interests of the Company, the Supervisory Committee may resolve to propose to the Board for re-consideration of the said resolution.~~

Article 129

~~In order to exercise its powers, the Supervisory Committee may engage experts such as lawyer, public certified accountants and practising auditors. The reasonable expenses arising therefrom shall borne by the Company.~~

~~Reasonable expenses incurred when supervisors attend meetings of the Supervisory Committee shall be borne by the Company. Such expenses may include costs for transportation to the venue of the meeting (if other than the residence location of supervisors), accommodation expenses, rental for the meeting venue and local transportation costs during the duration of the meeting.~~

Article 130

~~A supervisor shall carry out his/her duties honestly and faithfully in accordance with laws, administrative regulations and the Articles of Association.~~

Chapter XIII Qualifications and Obligations of Directors, ~~Supervisors~~, General Manager and Other Senior Management Members

Article ~~119~~34

A person in any of the following circumstances may not serve as the Company's director, ~~supervisor~~, general manager or other senior management member:

- (1) a person who does not have or who has limited capacity for civil conduct;
- (2) a person who has been sentenced for corruption, bribery, infringement of property or misappropriation of property or other crimes which destroy the social economic order, where less than a term of five years has lapsed since the sentence was served, or who has been deprived of his/her political rights and not more than five years have lapsed since the sentence was served, or who has been sentenced for a probationary suspension and nor more than two years have lapsed since the expiration of the probation period for parole;
- (3) a person who is a former director, factory manager or president of a company or enterprise which has been dissolved or put into liquidation and who was personally liable for the winding up of such company or enterprise, where no more than three years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise the business licence of which was revoked and ordered to close down due to violation of law and who is personally liable for such revocation, where no more than three years have elapsed since the date of the revocation of the business licence or the order of closure;
- (5) a person who holds a relatively large amount of debts which have fallen due and outstanding and is listed as a judgment defaulter by the people's court;
- (6) a person who has been prohibited from entering the securities market by the CSRC, where such prohibition period has not yet expired;
- (7) a person who has been publicly determined by a stock exchange to be unfit to serve as a director, senior management personnel of a listed company, and the period of such determination has not expired;
- (8) other circumstances as stipulated by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company's shares are listed.

Any election or appointment of directors ~~or supervisors~~ or employment of senior management in breach of this article shall be invalid. The Company will ~~shall~~ remove any directors, ~~supervisors~~ and senior management if they are involved in the circumstances stated in this article during their term of office and suspend their performance of duties.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Persons assuming offices other than directors and supervisors in the controlling shareholder and in the de facto controller shall not assume the offices of senior management of the Company.

Article 132

~~In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchanges where the Company's shares are listed, each of the Company's directors, supervisors, general manager and other senior management members owes a duty to each shareholder, in the exercise of the functions and powers entrusted by the Company to him/her: (1) not to cause the Company to exceed the scope of the business stipulated in its business license; (2) to act bona fide in the best interests of the Company; (3) not to expropriate in any guise the Company's property, including (but not limited to) usurpation of opportunities advantageous to the Company; (4) not to expropriate the individual rights of shareholders, including (but not limited to) rights to distribution and voting rights, but excluding a restructuring of the Company which have been submitted to, and approved at the general meeting in accordance with the Articles of Association.~~

Article 133

~~Each of the Company's directors, supervisors, general manager and other senior management member owes the duty that in the exercise of his/her powers or discharge of his obligations, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.~~

Article 12034

The directors shall comply with the requirements of the laws, administrative regulations and the Articles of Association, ~~and shall~~ faithfully perform their ~~following~~ obligations to the Company, and should take measures to avoid conflicts of interest between their personal interests and those of the Company, and shall not abuse their power to seek improper benefits.

The directors shall faithfully perform their following obligations to the Company:

- (1) not to abuse their positions to ~~accept~~ bribes or accept other illegal income, misappropriate the Company's funds or expropriate the Company's property ~~in any way, including (but not limited to) any opportunity which may benefit the Company;~~
- (2) not to deposit any assets or funds of the Company in any accounts under their names or in the names of other persons;
- (3) not to directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board or the shareholders' general meeting and obtaining the approval by resolutions of the Board or the shareholders' meeting in accordance with the provisions of the Articles of Association; ~~not to violate the Articles of Association and not to lend the funds of the Company to others or provide guarantee for others by charging the Company's property without approval of the general meetings or the board of directors;~~

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- (4) ~~not to enter into contracts or transactions with the Company in violation of the Articles of Association or without approval of the general meeting; not to exploit their position for seeking business opportunities that should belong to the Company for themselves or others, except when reported to the Board or the shareholders' meeting and approved by the shareholders' meeting, or where the Company is unable to take advantage of such business opportunities in accordance with laws, administrative regulations or the provisions of the Articles of Association;~~
- (5) ~~not to use their position to obtain business opportunities which should be available to the Company for themselves or others, or to run their own or others' business which is similar to the Company's business without reporting to the Board or the shareholders' meeting and obtaining the approval by resolutions of the shareholders' general meeting;~~
- (6) not to take as their own any commission for any transaction with the Company;
- (7) not to disclose the secrets of the Company without consent;
- (8) not to use their connected relationships to harm the interests of the Company;
- (9) to be bound by other duties of loyalty stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.

The Company shall be entitled to the income gained by the directors in violation of this Article. The director shall be liable for compensation for any loss incurred to the Company.

Article 12135

Directors shall fulfill the ~~following~~ obligations of diligence in accordance with the laws, administrative regulations and the Articles of Association. In performing their duties, they shall exercise reasonable prudence as a manager would generally exercise in the best interests of the Company.

Directors shall fulfill the following obligations of diligence:

- (1) to exercise the rights conferred by the Company with discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;
- (2) to treat all shareholders impartially;
- (3) to keep informed of the operation and management conditions of the Company;
- (4) to sign confirmation of opinions in written on regular reports of the Company and ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;

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- (5) to honestly provide the Audit Committee ~~Supervisory Committee~~ with relevant information and data, and not to prevent the Audit Committee ~~Supervisory Committee~~ or supervisors from exercising their functions and powers;
- (6) to fulfill other obligations of diligence stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

~~Paragraphs (4), (5) and (6) of this~~ The provisions of Article of Association regarding the obligations of loyalty and diligence of directors shall also apply to the senior management member.

Article ~~122~~36

Each director, ~~supervisor~~, general manager and other senior management member of the Company shall not cause the following persons or institutions (“**associates**”) to do what he/she is prohibited from doing:

- (1) the spouse or minor child of that director, ~~supervisor~~, general manager and other senior management member;
- (2) a person acting in the capacity of trustee of that director, ~~supervisor~~, general manager and other senior management member or any person referred to in paragraph (1) of this Article;
- (3) a person acting in the capacity of partner of that director, ~~supervisor~~, general manager or other senior management member or any person referred to in paragraphs (1) and (2) of this Article;
- (4) a company in which that director, ~~supervisor~~, general manager or other senior management member, alone or jointly with one or more persons referred to in paragraphs (1), (2) and (3) above or other directors, ~~supervisors~~, general manager and other senior management members of the Company have a de facto controlling interest; and
- (5) the directors, ~~supervisors~~, general manager and other senior management members of the controlled company referred to in paragraph (4) of this Article.

Article ~~137~~

~~The fiduciary duties of the directors, supervisors, general manager and other senior management members of the Company do not necessarily cease upon termination of their tenure. The confidentiality liability in relation to commercial secrets of the Company survives the termination of their tenures. Other liabilities 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.~~

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Article 12338

In addition to any rights and remedies provided by the laws and administrative regulations, where a director, ~~supervisor~~, general manager and other senior management members of the Company is in breach of his/her duties to the Company, the Company has a right to:

- (1) claim damages from the director, ~~supervisor~~, general manager and other senior management members in compensation for losses sustained by the Company as a result of such breach;
- (2) rescind any contract or transaction entered into by the Company with the relevant director, ~~supervisor~~, general manager and other senior management members or with a third party (where such third party knows or should know that there is such a breach of duties by such director, ~~supervisor~~, general manager and other senior management members);
- (3) demand the relevant director, ~~supervisor~~, general manager and other senior management members to surrender the profits made by him in breach of his/her duties;
- (4) recover any monies received by the director, ~~supervisor~~, general manager and other senior management members which should have been otherwise received by the Company, including (without limitation) commissions;
- (5) demand payment of the interest earned or which may have been earned by the relevant director, ~~supervisor~~, general manager and other senior management members on the monies that should have been paid to the Company;
- (6) take legal proceedings to claim the properties arising from the breach of duties by directors, ~~supervisors~~, general manager and other senior management members.

Chapter XIII Financial and Accounting System, Profit Distribution and Audit

Article 12439

The Company shall establish its financial and accounting system in accordance with the Accounting Law of the People's Republic of China and other laws and administrative regulations, as well as the regulations of the relevant state departments.

Article 12540

At the end of each fiscal year, the Company shall prepare a financial report which shall be audited by an accounting firm according to law.

The fiscal year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- Article ~~126~~41** The Board shall place before the shareholders at every annual shareholders' ~~general~~ meeting such financial reports which the relevant laws, administrative regulations and directives promulgated by competent regional and central governmental authorities require the Company to prepare.
- Article ~~127~~42** The Company's financial reports shall be made available for shareholders' inspection at the Company twenty days before the date of the annual shareholders' ~~general~~ meeting. Each shareholder has the right to receive such financial reports mentioned in this Chapter.
- A copy of the financial report, together with balance sheets (including each document as prescribed by applicable laws to be attached to the balance sheets) and profit and loss statement or statement of income and expenditure, or summary of the financial report shall be sent to each H shareholder by the Company at least twenty-one days prior to the convening of the shareholders' ~~general~~ meeting in the form of a notice specified in the Articles of Association. Notices of shareholders' ~~general~~ meetings of the Company can be given by way of public announcement (including publication on the website of the Company) to the extent permitted under laws, administrative regulations, and the listing rules in the place where the Company's shares are listed.
- Article ~~128~~43** The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards, or that of the place outside the PRC where the Company's shares are listed.
- Article ~~129~~44** Any interim results or financial information published or disclosed by the Company shall be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the place overseas where the Company's shares are listed.
- Article ~~130~~45** The Company shall publish its results announcements ~~financial reports~~ twice every fiscal year, that is, the interim results announcement ~~financial report~~ shall be published within two months ~~sixty days~~ after the expiration of the first six months of each fiscal year and the annual results announcement ~~financial report~~ shall be published within three months ~~one hundred and twenty days~~ after the expiration of each fiscal year.
- Article ~~131~~46** The Company shall not maintain accounts other than those provided by law. The Company's funds ~~assets~~ shall not be deposited in an account maintained in the name of any individual.
- Article ~~132~~47** The Company establishes the Board Fund, which shall be appropriated once a year and not exceed 0.1% of the profit before tax for the year. The Board Fund is mainly used for awarding directors, ~~supervisors~~, general manager, other senior management members and staffs with special contributions or as the source of risk fund for directors, ~~supervisors~~, general manager and other senior management members. The specific management method for the fund shall be otherwise formulated by the remuneration committee of the Board.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article ~~133~~48

Capital reserve fund shall include the following items:

- (1) premium received when shares are issued at a premium to their par value;
- (2) any other income required to be included in the capital reserve fund by the governing finance department of the State Council.

Article ~~134~~49

In distributing the current year's profit after taxation, 10% of the profit shall be allocated into the Company's statutory reserve fund. When the aggregate amount of the statutory surplus reserve has reached 50% of the Company's registered capital, further appropriations are not required.

When the statutory surplus reserve of the Company is not sufficient to cover its losses incurred in the previous years, the profit of the current year shall be used to make up for such losses before allocations are made to the statutory surplus reserve in accordance with the preceding paragraph.

After the Company has allocated statutory surplus reserve from its profit after taxation, it may also appropriate discretionary reserve fund from the profit after taxation upon approval at a shareholders' general-meeting.

The remaining profit after taxation after recovery of losses and appropriation of reserve fund shall be distributed to shareholders in proportion of their shareholdings unless it is stipulated in the Articles of Association that no profit distribution shall be made in accordance with shareholdings.

If the shareholders' general-meeting has, in violation of the preceding paragraph, distributed profit to shareholders before the Company has covered the losses and allocated statutory surplus reserve, the shareholders shall return to the Company the profit distributed in violation of regulations; and the shareholders and responsible directors and senior management personnel shall be liable for the compensation for losses caused to the Company.

No profit shall be distributed in respect of the shares held by the Company.

The reserve fund of the Company shall be used to make up the Company's losses, increase the production operation of the Company or increase the Company's capital.

When the reserve fund is used to make up for the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be utilized in priority; if the losses still cannot be made up, the capital reserve fund may be used according to relevant regulations.

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

After the profit distribution plan has been resolved at the shareholders' general meeting of the Company, or after the Board of the Company has formulated a specific plan based on the conditions and cap of next year's interim dividend approved at the shareholders' general meeting, the Board of the Company shall complete the distribution of dividends (or shares) within two months from the date of the shareholders' general meeting.

Article 1355~~0~~

The Company may distribute dividends by the following ways (or a combination of both):

- (1) cash;
- (2) stocks.

Dividends or other payments payable by the Company to holders of unlisted shares shall be denominated and declared in RMB and paid in RMB; dividends or other payments payable by the Company to H shareholders shall be denominated and declared in RMB and paid in foreign currency. The exchange rate adopted for conversion shall be the average closing exchange rate of relevant foreign currency against Renminbi as quoted by the People's Bank of China for the five business days prior to the declaration date. The foreign currency payable by the Company to H shareholders shall be subject to the relevant regulations on foreign exchange control in the PRC. The Board shall be authorised by way of an ordinary resolution at the shareholders' general meeting to implement dividend distribution of the Company.

Article 1365~~1~~

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

Article 1375~~2~~

The receiving agent appointed by the Company for holders of overseas-listed foreign-invested shares shall be a trust company registered under the Trustee Ordinance of Hong Kong. The receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas-listed foreign-invested shares.

The receiving agent appointed by the Company shall satisfy the requirements under the laws of the jurisdiction where the Company's shares are listed or the rules of relevant stock exchange.

Subject to the relevant laws and regulations of the PRC and the provisions of the Hong Kong Stock Exchange, the Company may exercise its right of forfeiture over unclaimed dividends, provided that such right cannot be exercised prior to the expiration of the applicable statute of limitation.

The Company has the right to terminate the despatch of dividend warrants to holders of overseas-listed foreign-invested shares by mail, provided that such right shall not be exercised until the dividend warrants have not been cashed for two consecutive occasions. However, where the dividend warrant is undelivered to the addressee and returned, the Company may also exercise such right.

In case of exercising general mandate to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms the physical loss of the original warrants.

The Company has the right to sell, in such manner as the Board thinks fit, any shares of a holder of overseas-listed foreign-invested shares who is untraceable, subject to and conditional upon:

- (1) the Company has distributed dividends for at least three times to such shares within twelve years, but none of such dividends was claimed;
- (2) the Company, after the expiry of twelve years, made the public announcement on newspaper(s), stating its intention to sell such shares, and notified the stock exchange on which such shares were listed.

Article 138~~53~~

The Company shall implement the internal audit system ~~with full-time auditors to conduct internal audit and supervision of the Company's financial income and expenditure and economic activities~~ which specifies the leadership system, responsibilities and authorities, staffing, funding security, use of audit results, and accountability in relation to internal audit work.

Article 139~~54~~

The internal audit system of the Company and the duties of the auditors shall be implemented upon approval by the Board. The person in charge of auditing shall be responsible to and report to the Board.

The internal audit department of the Company shall supervise and inspect the business activities, risk management, internal control, financial information and other matters of the Company.

The internal audit department of the Company is accountable to the Board. The internal audit department shall be subject to the supervision and guidance of the Audit Committee in the course of its supervising and inspecting the Company's business activities, risk management, internal control and financial information. The internal audit department shall immediately report directly to the Audit Committee upon discovering any relevant major issues or clues. The Audit Committee shall participate in the appraisal of the person in charge of internal audit.

Chapter XIV Appointment of Accounting Firm

Article 14055 The Company shall, by ordinary resolution, decide to engage an accounting firm that complies with the Securities Law and the listing rules of the place of listing for the purpose of auditing of accounting statements, verification of net assets and offering other related advisory services for a period of one year, which may be renewed.

Article 14156 The employment or dismissal of the accounting firm by the Company must be decided by the shareholders in shareholders' general-meeting, and the Board shall not appoint accounting firm before obtaining approval by the shareholders at shareholders' general-meeting.

Article 14257 The Company undertakes to provide true and complete accounting documents, accounting books, financial accounting reports and other accounting information to the appointed accounting firm, and shall not make any refusal, concealment or misrepresentation.

Article 14358 Before the convening of the shareholders' general-meeting, the Board may fill any casual vacancy in the office of the accounting firm, but while any such vacancy continues, other incumbent accounting firm of the Company, if any, may act.

Article 14459 The shareholders in shareholders' general-meeting may, by ordinary resolution, remove an accounting firm before the expiration of its term, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the accounting firm's right to claim, if any, for damages in respect of such removal.

Article 14560 The audit fee of an accounting firm shall be determined by the shareholders at the shareholders' general-meeting.

Article 14661 ~~The Company's appointment, removal of an accounting firm shall be resolved upon by shareholders in shareholders' general meeting.~~

Where a resolution at a shareholders' general-meeting is passed to appoint an accounting firm other than the incumbent accounting firm of the Company to fill a casual vacancy in the office of accounting firm, to reappoint an accounting firm that was appointed by the Board to fill a casual vacancy, or to dismiss an accounting firm before the expiration of its term of office, the following provisions shall apply:

- (1) A copy of the appointment or removal proposal shall be sent (before notice of shareholder's meeting is given to the shareholders) to the accounting firm proposed to be appointed or proposing to leave its post or the accounting firm which has left its post in the relevant fiscal year.

Leaving includes leaving by removal, resignation and retirement.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (2) If the outgoing accounting firm makes a written statement and requests the Company to notify its shareholders of such statement, the Company shall (unless the the written statement is received too late) take the following measures:
 - (i) in notice of meeting held for making the resolution, state the fact of the statement has been made by the outgoing accounting firm;
 - (ii) attach a copy of the statement to the notice and send it to the shareholders in the manner stipulated in the Articles of Association.
- (3) If the the Company fails to submit the statement of the accounting firm in accordance with subparagraph (2) of this Article, the accounting firm may require that the statement be read out at the shareholders' ~~general~~-meeting and may lodge further complaints.
- (4) The outgoing accounting firm shall be entitled to attend:
 - (i) the shareholders' ~~general~~-meeting at which its term of office would otherwise have expired;
 - (ii) the shareholders' ~~general~~-meeting at which it is proposed to fill the vacancy caused by its removal;
 - (iii) the shareholders' ~~general~~-meeting convened on its resignation.

The outgoing accounting firm shall have the right to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meetings in relation to matters concerning its role as the former accounting firm of the Company.

Article ~~147~~62

If the Company proposes to dismiss or not to continue the re-appointment of the accounting firm, it shall notify the accounting firm 15 days in advance, and the accounting firm shall be permitted to state its opinion when the shareholders' ~~general~~-meeting of the Company votes on the dismissal of the accounting firm.

If the accounting firm resigns, it should explain whether the Company has improper affairs to the shareholders' ~~general~~-meeting.

Chapter XVI Insurance

Article ~~148~~63

The Company shall take out the insurance as required by the applicable insurance laws of China upon discussion and decision by the Board.

Chapter XVII Labour System

- Article 1464** The Company may at its discretion employ and dismiss employees and enter into employment contracts with all employees based on the business development needs of the Company and in accordance with the requirements of the laws and regulations of the State.
- Article 1565** The Company shall determine the labour wages system and way of payment according to the relevant requirements of the State, the Articles of Association and the Company's profit status.
- Article 1566** The Company shall endeavour to improve the staff welfare, and continue to better the working and living conditions of the staff.
- Article 1567** The Company shall set aside staff medical, retirement and unemployment insurance funds, and set up labour insurance system in accordance with the relevant laws and regulations of the State.

Chapter XVIII Labor Union

- Article 1568** The Company's staff shall have the right to form a labor union and organize labor union activities to preserve their legal rights. The Company shall provide the labor union with necessary conditions for its activities.

Chapter XVIIIIX Merger and Demerger of the Company

- Article 1569** In the event of the merger or demerger of the Company, a plan shall be proposed by the Board and shall be approved in accordance with the procedures stipulated in the Articles of Association before relevant approval formalities are gone through with relevant authorities according to the law. Shareholders who oppose the plan for merger or demerger of the Company shall have the right to request the Company or the shareholders consenting such plan to purchase their shares at a fair price. A special document should be prepared in respect of the Company's resolution on the merger or demerger, for shareholders' inspection.
- The aforesaid document should also be dispatched to the H shareholders by mail. It also can be given by way of public announcement (including publication on the website of the Company) to the extent permitted under laws, administrative regulations and the listing rules in the place where the Company's shares are listed.
- Article 1570** The Company may be merged through merger by absorption or through the establishment of a newly merged entity.

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Where there is a merger of the Company, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and lists of property. The Company shall notify its creditors within ten days from the date of the Company's resolution on merger and shall publish an announcement in the newspaper or in the National Enterprise Credit Information Publicity System within thirty days from the date of such resolution. A creditor has the right, within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five days from the date of the announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

After the merger of the Company, claims and liabilities of parties to the merger shall be borne by the subsisting or newly established company.

If the consideration paid by the Company for merger does not exceed ten percent of the Company's net assets, it may not be resolved by the shareholders' meeting, unless otherwise stipulated in the Articles of Association. If the Company is merged in accordance with the provisions of the preceding paragraph without a resolution of the shareholders' meeting, it shall be resolved by the Board.

Article ~~156~~71

Properties of the Company under a demerger shall be divided accordingly.

Where there is a demerger of the Company, the parties to the demerger shall enter into a demerger agreement, and prepare its balance sheet and list of properties. The Company shall notify its creditors within ten days from the date of the Company's resolution on demerger and shall publish an announcement in the newspaper as accepted by the stock exchange on which the shares of the Company are listed or in the National Enterprise Credit Information Publicity System within thirty days from the date of such resolution.

Debts of the Company prior to the demerger are jointly assumed by the companies which exist after the demerger. Unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to such demerger.

Article ~~157~~72

In the merger or demerger of the Company, the Company shall make the change registered with the company registration authority according to law if a change occurs with any of the registered matters. If the Company is dissolved, the registration of the Company shall be cancelled according to law. If a new company is established, a company establishment registration shall be completed according to law.

Chapter XIX Dissolution and Liquidation of the Company**Article ~~158~~73**

The Company shall be dissolved and liquidated in accordance with relevant laws under situations as follows:

- (1) the term of business expires or other dissolution causes stipulated in the Articles of Association;
- (2) the shareholders' ~~general~~ meeting resolves to dissolve the Company;
- (3) dissolution is necessary as a result of a merger or demerger of the Company;
- (4) the business licence has been withdrawn, the Company has been ordered to close, or it has been wound up;
- (5) the Company has experienced material difficulties in operation and management, and the continuous operation would cause substantial loss to the interest of its shareholders. In the event that this cannot be solved by other methods, shareholders holding more than 10% of the voting rights of the Company may request the people's court to dissolve the Company;
- (6) other circumstances in which the Company is required to dissolve according to laws and regulations.

Where the dissolvment causes set forth in preceding paragraph occurs, the Company shall disclose them in the National Enterprise Credit Information Publicity System within ten days.

Article ~~159~~74

In case of occurrence of the circumstance described in paragraph (1) of Article ~~158~~73 of the Articles of Association, the Company may continue to subsist by amending the Articles of Association or resolutions of the shareholders' meeting.

Amendments to the Articles of Association or resolutions of the shareholders' meeting in accordance with the preceding paragraph shall be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting.

Article ~~160~~75

Where the Company is dissolved under subparagraphs (1), (2), (4) and (5) of Article ~~158~~73 of the Articles of Association, it shall be liquidated. As the liquidation obligor of the Company, directors a liquidation committee shall be formed to commence liquidation within fifteen days from the date on which the cause of dissolution arises.

The liquidation committee shall be composed of directors or persons determined at the shareholders' meeting, unless otherwise stipulated in the Articles of Association or the shareholders' meeting resolves to elect another person.

If the liquidation obligor fails to perform the liquidation obligation in time, causing losses to the Company or creditors, he/she shall be liable for compensation.

~~If the liquidation committee is not formed to carry out the liquidation after the expiration date, the creditor may apply to the people's court to designate relevant persons to form the liquidation committee to carry out the liquidation.~~

Article 16176

Where the Board decides to liquidate the Company for any reason other than the Company's declaration of its own bankruptcy, the Board shall include a statement in its notice convening a shareholders' ~~general~~ meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve months from the commencement of the liquidation.

Upon passing of the resolution on the liquidation of the Company by the shareholders in shareholders' ~~general~~ meeting, all functions and powers of the Board shall cease.

The liquidation committee shall act in accordance with the instructions of the shareholders' ~~general~~ meeting to make a report at least once every year to the shareholders' ~~general~~ meeting on the committee's income and expenses, the business of the Company and the progress of the liquidation and to present a final report to the shareholders' ~~general~~ meeting on completion of the liquidation.

Article 16277

The liquidation committee shall notify creditors within ten days from the date of its establishment and publish announcements in newspapers ~~or in the National Enterprise Credit Information Publicity System~~ within sixty days. The creditors may declare their claims to the liquidation committee within thirty days of the receipt of the above notice or within forty-five days after the announcements are made if no such notice is received. Claims shall be registered by the liquidation committee according to law. During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Article 16378

During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify creditors by sending a notice or by making an announcement;
- (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (4) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (5) to ascertain all claims and debts;
- (6) to dispose of the remaining assets of the Company after the repayment of debts;
- (7) to represent the Company in civil proceedings.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article ~~164~~⁷⁹

After it has sorted out the Company's assets and prepared a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a shareholders' general-meeting or to the people's court for confirmation.

After the shareholders' general-meeting resolves to dissolve the Company or the Company declares bankruptcy or has been ordered to close down in accordance with the law, no one shall dispose of the Company's assets without approval of the liquidation committee.

The assets of the Company shall be applied for liquidation in the following order: payment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts.

The remaining assets of the Company after repayment of its debts in accordance with the provisions above shall be distributed to the shareholders of the Company in proportion to their respective shareholdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities not relating to liquidation. The property of the Company will not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.

Article ~~165~~⁸⁰

If after sorting out the Company's assets and preparing a balance sheet and an inventory of assets ~~in connection with the liquidation of the Company due to its dissolution~~, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the people's court for a declaration of bankruptcy and liquidation.

After the Company's application for bankrupt is accepted by ~~declared bankrupt by a ruling of~~ the people's court, the liquidation committee shall transfer all matters arising from the liquidation to the bankrupt manager appointed by the people's court.

Article ~~166~~⁸¹

Following the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, and report it to the shareholders' general-meeting or the people's court for confirmation, and report it to the company registration authority for application for deregistration of the Company and announce the termination of the Company.

Article ~~167~~⁸²

The members of the liquidation committee have the duty of loyalty and diligence when performing liquidation duties~~perform their duties faithfully and fulfill their liquidation obligations in accordance with the law~~.

The members of the liquidation committee shall be liable for compensation for losses arising from their neglecting in performing their liquidation duties~~not take advantage of his/her position and power to accept bribes or other illegal income, and shall not encroach on the Company's property~~; Mmembers of the liquidation committee are liable to indemnify the ~~Company~~ or its creditors in respect of any loss arising from their willful or material default.

Article 16883

Where the Company is legally declared bankrupt, the bankruptcy and liquidation shall be implemented in accordance with the laws on corporate bankruptcy.

Chapter XXI Procedures for Amendments to the Articles of Association**Article 16984**

The Company may amend the Articles of Association according to the provisions of laws, administrative regulations and the Articles of Association.

The Board of the Company shall amend the Articles of Association in accordance with the resolutions of the shareholders' ~~general~~ meeting and the approval opinions of the competent authority.

The Company shall amend the Articles of Association under one of the following circumstances:

- (1) the Company Law or the relevant laws or administrative regulations are amended and the Articles of Association are in conflict with the amended laws or administrative regulations;
- (2) there is change to the Company which makes it not consistent with the Articles of Association;
- (3) it has been approved by the shareholders' ~~general~~ meeting to amend the Articles of Association.

Article 17085

The amendments to the Articles of Association shall be reported to the competent authorities for approval if the approval by the competent authorities is required. If there is any change relating to the registered particulars of the Company, application shall be made for alteration of registration in accordance with the laws.

Where disclosure of the revision of the Articles of Association is required under laws and regulations, it shall be announced in accordance with the relevant provisions.

Chapter XXII Notices**Article 17186**

The Company's notices may be delivered by the following means:

- (1) by personal delivery;
- (2) by mail;
- (3) by facsimile or email;
- (4) by publication on the website of the Company and websites designated by the Hong Kong Stock Exchange, to the extent permitted under the laws and regulations and the listing rules of the stock exchange in the place where the Company's shares are listed;
- (5) by public announcement;
- (6) by other ways as agreed in advance by the Company or the addressee or as accepted by the addressee after the notice is received;
- (7) by any other means as accepted by relevant regulatory authority in the place where the Company's shares are listed or as prescribed in the Articles of Association.

In respect of the manner in which the Company provides and/or distributes corporate communications to shareholders as required by the Listing Rules, subject to compliance with the relevant provisions of laws, regulations, normative documents and the securities regulatory rules in the place where the Company is listed, the Company is required to (1) send or otherwise make available the corporate communications to the relevant holders of its securities in electronic form, or (2) publish the corporate communications through the Company's website and the website of the Hong Kong Stock Exchange (the Company should indicate on its website how it adopts the manner described in (1) and/or (2) to publish the corporate communications).

Shareholders of the Company may also choose in written form to obtain a printed copy of the above corporate communications by post. The corporate communications include but not limited to: circular, annual report, interim report, notice of a shareholders' ~~general~~ meeting and other corporate communications set out in the Listing Rules.

Unless the context otherwise requires, the "announcement" referred to herein means the publication on the media that meet the conditions prescribed by the CSRC for the purpose of the announcement made to holders of domestic non-tradable shares or the announcement required to be published in the PRC according to the relevant provisions and the Articles of Association. In respect of the announcement sent to holders of overseas listed H shares of the Company or required to be sent in Hong Kong pursuant to relevant regulations and the Articles of Association, the announcement shall be issued in accordance with the requirements of the Listing Rules or other applicable regulations.

Chapter XXIII Supplementary Provisions

Article 17287 In the Articles of Association, the meaning of “not less than”, “within”, “not more than” includes the underlying number, while “over”, “more than”, “less than”, “beyond” does not include the underlying number.

Article 17388 Senior management members referred to in the Articles of Association include the general manager, deputy general managers, chief accountant, chief engineer, chief economist, secretary of the Board and other senior management members appointed by the Board. References to “general manager”, “deputy general managers” and “chief accountant” in the Articles of Association are to “manager”, “vice manager” and “financial controller” in the Company Law.

Article 17489 In the Articles of Association, the meaning of an accounting firm is the same as that of “auditors”.

The Articles of Association are written in Chinese. Whenever difference in meaning arises between the Articles of Association and the Articles of Association in other languages or inconsistencies in the meaning arise among different versions of the Articles of Association, the latest Chinese version approved/filed with competent authorities of market regulation shall prevail. The Articles of Association shall be interpreted by Board. Any matters not covered in the Articles of Association shall be proposed by the Board at the shareholders’ ~~general~~-meeting for approval.

**Datang Environment Industry Group Co., Ltd.
Rules of Procedures for Shareholders' General Meetings of Shareholders**

Chapter I General Provisions

Article 1 In order to regulate the behavior of Datang Environment Industry Group Co., Ltd. (the “Company”) and ensure that the shareholders' general-meeting exercises its powers and functions in accordance with the laws, the Rules are formulated according to the Company Law of the People’s Republic of China (the “Company Law”), ~~the Mandatory Provisions for the Articles of Association of Companies Listed Overseas,~~ the Guidelines on Articles of Association of Listed Companies, the Rules for the Shareholders' General Meeting of Shareholders of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other domestic and foreign regulatory laws and regulations, and the Articles of Association of Datang Environment Industry Group Co., Ltd. (the “Articles of Association”).

Article 2 The Company shall hold the shareholders' general-meeting strictly in accordance with the laws, regulations, normative documents, the Articles of Association and the Rules so as to ensure shareholders being able to lawfully exercise their rights. The Board of Directors shall earnestly perform its duties and organize the shareholders' general-meeting in a careful and timely manner. All the directors of the Company shall perform their due diligence obligations to ensure that the shareholders' general-meeting can be held in an orderly manner and its powers can be exercised in accordance with the laws.

Article 3 A shareholders' general-meeting is the organ of power of the Company and shall perform its functions and powers to the extent provided by the Company Law and other relevant laws, regulations, normative documents and the Articles of Association:

- (1) ~~to decide the Company’s operational guidelines and investment schemes;~~
- (2) to elect and replace directors ~~not being staff representatives~~ and to determine matters relating to the directors’ remunerations;
- (3) ~~to elect and replace supervisors not being staff representatives and to determine matters relating to the supervisors’ remunerations;~~
- (4) to consider and approve the reports of the Board;
- (5) ~~to consider and approve the reports of the Supervisory Committee;~~
- (6) ~~to consider and approve the Company’s annual financial budgets and final accounts;~~
- (7) to consider and approve the Company’s profit distribution plan and plan for recovery of losses;
- (8) to resolve on increases or reduction in the Company’s registered capital;
- (9) to resolve on the merger, demerger, dissolution, liquidation or change of corporate form of the Company;

- (106) to resolve on the issue of bonds and other securities by the Company and the listing proposal of the Company;
- (117) to resolve on the appointment or dismissal of the accounting firm undertaking the Company's auditing business;
- (108) to amend the Articles of Association;
- (139) to consider and approve the following external guarantee:
- (i) any guarantee to be provided by the Company and its controlled subsidiaries after the total amount of the external guarantees ~~reaches or exceeds~~ 50% of the latest audited net assets;
 - (ii) any guarantee to be provided by the Company after the total amount of its external guarantees ~~reaches or exceeds~~ 30% of the latest audited total assets;
 - (iii) the guarantee to be provided by the Company to others within one year in an amount exceeding thirty percent of the Company's latest audited total assets;
 - (iiv) the guarantee to be provided to any entity with gearing ratio over 70%;
 - (iv) the guarantee with a single amount exceeding 10% of the latest audited net assets;
 - (vi) the guarantee to be provided to the Company's shareholders, de facto controllers and their connected parties.
- (104) to consider and approve the purchases or sales of any material asset of the Company within a year, the amount of which exceeds 30% of its latest audited total assets;
- (151) to consider and approve the change of use of proceeds;
- (12) to consider and approve the equity incentive scheme and employee share ownership plan;
- (163) to consider the resolutions put forward by shareholders representing 31% or more of the Company's shares with voting rights (excluding treasury shares);
- (174) to resolve on any other matters as required by the laws, administrative regulations and the Articles of Association. Subject to the laws, regulations and mandatory provisions of the listing rules in the listing place, the shareholders' general-meeting may authorize or delegate the Board to handle the matters authorized or delegated by it.

Article 4 A shareholders' general-meeting shall either be an annual shareholders' general meeting or an extraordinary shareholders' general meeting. Annual shareholders' general meetings shall be held once every year and within six months from the close of the preceding financial year. The extraordinary shareholders' general meeting shall be convened from time to time. An extraordinary shareholders' general meeting shall be held within two months upon the occurrence of the circumstances where an extraordinary shareholders' general meeting should be held as stipulated in the Articles of Association.

Article 5 When holding a shareholders' ~~general~~ meeting, the Company shall engage lawyers to ~~witness the following issues~~ advise on the following matters and make an announcement:

- (1) whether the procedures for convening and holding the meeting are compliant with the laws, administrative regulations, the Articles of Association and the Rules;
- (2) whether the qualifications of the attendees and the convener are lawful and valid;
- (3) whether the voting procedures and results of the meeting are lawful and valid;
- (4) legal advice on other relevant matters at the request of the Company.

Chapter II Convening of Shareholders' General Meetings

Article 6 The Board of Directors shall convene shareholders' ~~general~~ meetings as scheduled within the time frame as prescribed in Article 4 of the Rules. With the approval of more than half of all independent non-executive directors, independent non-executive directors shall be entitled to make a proposal to the Board on holding an extraordinary shareholders' ~~general~~ meeting. For such a proposal, the Board shall give a written reply on whether to agree or not to hold an extraordinary shareholders' ~~general~~ meeting within 10 days upon receipt of the proposal in accordance with the laws, administrative regulations and the Articles of Association.

Where the Board agrees to hold an extraordinary shareholders' ~~general~~ meeting, a notice of shareholders' ~~general~~ meeting shall be given within 5 days after the resolution of the Board is made. Where the Board does not agree to hold such a meeting, its reasons shall be given and an announcement shall be made.

Article 7 The following procedures shall be followed by shareholders ~~or the Supervisory Committee~~ requesting for convening of extraordinary shareholders' ~~general~~ meetings ~~or class meetings~~:

- (1) ~~two or more than two~~ shareholders individually or jointly holding ~~not less than 10% or more~~ of voting shares (excluding treasury shares) at such proposed meeting ~~or the Supervisory Committee~~ may request the Board to convene an extraordinary shareholders' ~~general~~ meeting or class meeting by signing and submitting one or several written requests with the same format and contents and specifying the agenda of the meeting. An extraordinary shareholders' ~~general~~ meeting or class meeting shall be convened by the Board as soon as practicable upon receipt of the aforesaid written request. The aforesaid proportion of shareholding shall be calculated on the date on which the relevant shareholders submit the written request.
- (2) if the Board fails to provide its feedback within ten days upon receipt of the aforesaid written request, shareholders individually or jointly holding 10% or more of the shares carrying voting rights (excluding treasury shares) at the proposed meeting shall be entitled to propose to the Audit Committee to convene an extraordinary shareholders' meeting or a class meeting, provided that such proposal shall be made in writing. If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days upon receipt of the aforesaid written request. Any changes to the original request in the notice shall be approved by the relevant shareholders. If the Audit Committee fails to give the notice of the shareholders' meeting within the specified time limit, it

shall be deemed that the Audit Committee is not convening or presiding over the shareholders' meeting, in which case, the shareholders who individually or jointly holding 10% or more of the shares of the Company (excluding treasury shares) for more than 90 consecutive days may convene and preside over the meeting on their own.

The following procedures shall be followed by the Audit Committee proposing to convene an extraordinary shareholders' meeting:

- (1) the Audit Committee shall propose to the Board to convene an extraordinary shareholders' meeting or class meeting in writing, specifying the agenda of the meeting. The Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, reply in written form within ten days after receiving the proposal as for agreeing or disagreeing to convene the extraordinary shareholders' meeting or class meeting.
- (2) if the Board agrees to convene the extraordinary shareholders' meeting or class meeting, a notice of shareholders' meeting shall be issued within five days after the resolution made by the Board. Any changes to the original request in the notice shall be approved by the Audit Committee. If the Board does not agree to convene the extraordinary shareholders' meeting or class meeting, or fails to reply within ten days after receiving the proposal, it shall be deemed that the Board is incapable of performing or fails to perform the duty of convening a shareholders' meeting, in which case the Audit Committee may convene and preside over such meeting on its own.

~~If the Board fails to despatch a notice of convening such meeting within thirty days upon receipt of the aforesaid written request, shareholders individually or jointly holding 10% or more of the shares carrying voting rights at the proposed meeting shall be entitled to propose to the Supervisory Committee to convene an extraordinary general meeting or class meeting, provided that such proposal shall be made in writing. The Supervisory Committee may convene such a meeting within four months upon receipt of the request by the Board. If the Supervisory Committee fails to convene and preside over an extraordinary general meeting or a class meeting, the shareholders individually or jointly holding 10% or more of the shares of the Company for not less than ninety consecutive days may convene such a meeting by themselves. The procedures for convening such meeting should follow those for convening a general meeting of shareholders by the Board as closely as practicable.~~

~~If the Supervisory Committee~~ Audit Committee or the shareholders decide to convene a shareholders' general meeting on their own, it shall notify the Board in writing. All reasonable expenses incurred by shareholders or the ~~Supervisory Committee~~ Audit Committee arising from convening and holding the aforesaid meeting due to the Board's failure to hold such meeting in response to the aforesaid request shall be borne by the Company. Such expenses shall be deducted from the amounts due by the Company to the director(s) who have neglected their duties.

Article 8 With respect to a shareholders' general meeting convened by the ~~Supervisory Committee~~ Audit Committee or shareholders, the Board and the secretary of the Board shall give cooperation. The Board shall provide the register of members on the shareholding record date. The register of members offered to the convener(s) shall not be used for other purposes, except for the shareholders' general meeting.

Article 9 A shareholders' general meeting convened by the Board shall be presided over and chaired by the chairman of the Board. If the chairman is unable to attend the meeting for reasons, ~~the Board may designate a director to convene~~ a director jointly elected by more than half of the directors shall preside over the meeting and take the chair of the meeting in his/her stead. If no chairman of the meeting has been designated, shareholders present shall choose one person to be the chairman of the meeting. Where the shareholders fail to elect a chairman for any reasons, the shareholder (including his/her proxy) presents in person or by proxy who holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

Where a shareholders' meeting is convened by the Audit Committee on its own, the meeting shall be presided over by the convenor of the Audit Committee. In the event that the convenor of the Audit Committee is incapable of performing or fails to perform his/her duties, the meeting shall be presided over by a member of the Audit Committee nominated by a majority of members of the Audit Committee.

A shareholders' meeting convened by shareholders shall be presided over by the convenor or one representative nominated by the convenor.

Chapter III Proposals and Notifications of Shareholders' General Meetings

Article 10 The content of a proposal shall be within the scope of functions and powers of the shareholders' general meeting, which shall have definite topics to be discussed and specific matters to be resolved, and in accordance with relevant regulations as stipulated in the laws, administrative regulations and the Articles of Association. The proposal shall be submitted in writing or delivered to the Board.

Article 11 When the Company convenes a shareholders' general meeting, the Board, the ~~Supervisory Committee~~ Audit Committee and the shareholders either individually or collectively holding 31% or more of the Company's shares (excluding treasury shares) may put up proposals. When the Company convenes a shareholders' general meeting, shareholders either individually or collectively holding 31% or more of the Company's shares (excluding treasury shares) have the right to put up ad hoc proposals in writing to the Company, and the Company shall include such ad hoc proposals into the agenda for such shareholders' general meeting if they are matters falling within the functions and powers of shareholders' general meeting.

The ad hoc proposals raised by shareholders shall satisfy the following requirements: (1) free of conflicts with the provisions of laws and regulations, and fall into the terms of reference of the shareholders' general meeting; (2) with definite topics to discuss and specific matters to resolve; (3) submitted or served to the Board convenor in writing ten days prior to the date of the shareholders' general meeting. Save as provided in the preceding paragraph, the convenor shall not amend the proposals stated in or add new proposals to the notice of the shareholders' general meeting after sending the notice. No voting or resolution shall be executed or adopted at the shareholders' general meeting for proposals that have not been stated in the notice of the shareholders' general meeting or that do not comply with this Article 10 of the Rules.

Article 12 A ~~forty-five~~ twenty days' prior written notice for convening the annual shareholders' ~~general~~ meeting of the Company shall be given ~~to~~. A fifteen days' prior written notice for convening the extraordinary shareholders' meeting of the Company shall be given. The Company shall notify all shareholders whose names appear on the register of shareholders of the matters to be considered at and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his/her attendance at such meeting 20 days before the date of the meeting. In determining the time for issuing notice, the Company shall not include the date on which the meeting is held and the date on which the notice is issued.

Article 13 The Company shall, based on the written replies received 20 days before the date of the shareholders' general meeting, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches not less than one half of the Company's total voting shares, the Company may hold the shareholders' general meeting. If not, the Company shall within five days notify the shareholders again by notice of the matters to be considered, the place and the date of the meeting. The Company then may hold the meeting after publication of such notice. An extraordinary shareholders' general meeting shall not decide on any matter not stated in the notice of the meeting.

Article 14 Notice of a shareholders' general meeting shall:

- (1) be in writing;
- (2) specify the place, date, way and time of the meeting, and set out the voting time and voting procedures of the meeting (if any) for the online voting or other means of voting;
- (3) set out the matters and proposals to be considered at the meeting;
- (4) set out the record date for shareholders who are entitled to attend the shareholders' general meeting;
- (5) provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but not limited to) where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal shall be ~~properly~~ explained in detail;
- (6) disclose the nature and degree of the material interest of any director, ~~supervisor~~, general manager and other senior management member in the matters to be considered. In case that the impact of the matters to be considered on such director, ~~supervisor~~, general manager and other senior management member as a shareholder is different from that on other holders of a class of shares, the difference shall be clarified;
- (7) set out the full text of any special resolution proposed to be passed at the meeting;
- (8) contain a conspicuous statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his/her behalf and that a proxy need not be a shareholder;

- (9) specify the time and place for lodging proxy forms for the relevant meeting;
- (10) name and telephone number of the contact person;
- (11) other requirements stipulated in the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The interval between the record date and the date of the meeting shall be no more than seven working days. Once the record date is confirmed, it shall not be changed. The notice of the shareholders' general-meeting convened by the ~~Supervisory Committee~~ Audit Committee or shareholders in accordance with the Rules shall be subject to the provisions of this Article.

Article 15 Any notice and supplementary notice of shareholders' general-meetings shall sufficiently and completely disclose all the details of all proposals, as well as all the materials or explanations necessary for shareholders to make a reasonable judgment on the matters to be discussed. ~~If any matter to be discussed requires opinions of the independent non-executive directors, the opinions and reasons of the independent non-executive directors shall be disclosed together with the issuance of such notice.~~

Article 16 Where the election of directors ~~and supervisors~~ is proposed to be discussed at a shareholders' general-meeting, the notice of the shareholders' general-meeting shall sufficiently disclose the detailed information about the director ~~and supervisor~~ candidate(s), including at least the following contents:

- (1) personal information including education background, work experience and part-time job;
- (2) whether he/she is connected (related) with the Company or its controlling shareholders and actual controller;
- (3) his/her shareholding in the Company;
- (4) whether he/she has received any penalty from the CSRC and other relevant authorities.

In addition to the adoption of the accumulative voting system, election of every director candidate shall be conducted by a separate resolution.

Article 17 After the notice of the shareholders' general-meeting is issued, the shareholders' general-meeting shall not be postponed or cancelled, and the proposals set out in such notice shall not be cancelled without valid reasons. In case of postponement or cancellation, the convener shall publish a notice stating the relevant reasons at least two working days before the original date of the shareholders' general-meeting.

Article 18 Unless otherwise specified in the Articles of Association, for the notice delivered by the Company to the shareholders of overseas listed ~~H~~ foreign shares, if delivered by an announcement, the Company shall, through the electronic upload system of the Hong Kong Stock Exchange, submit an electronic version to it on the same day available for immediate publishing in accordance with the requirements of the listing rules of such place, to publish it on the website of the Hong Kong Stock Exchange. The announcement shall also be published on the Company's website at the same time, to facilitate that the shareholders are fully informed and have sufficient time to exercise their rights or act in accordance with the notice.

In respect of the manner in which the Company provides and/or distributes corporate communications to shareholders as required by the Hong Kong Listing Rules, subject to compliance with the relevant provisions of laws, regulations, regulatory documents and the securities regulatory rules in the place where the Company is listed, the Company is required to (1) send or otherwise make available the corporate communications to the relevant holders of its securities in electronic form, or (2) publish the corporate communications through the Company's website and the website of the Hong Kong Stock Exchange (the Company should indicate on its website how it adopts the manner described in (1) and/or (2) to publish the corporate communications).

The shareholders of overseas listed ~~H~~ foreign shares of the Company may choose in writing to receive the corporate communications from the Company in electronic way or by post, in Chinese version or English version or both. Such shareholders may also notify the Company at a reasonable time in advance to change the way to receive the above-mentioned information and in which language in accordance with appropriate procedures.

Unless the context otherwise requires, the "announcement" referred to herein means the publication on the media that meet the conditions prescribed by the CSRC for the purpose of the announcement made to holders of domestic non-tradable shares or the announcement required to be published in the PRC according to the relevant provisions and the Articles of Association. In respect of the announcement sent to holders of overseas listed H shares of the Company or required to be sent in Hong Kong pursuant to relevant regulations and the Articles of Association, the announcement shall be issued in accordance with the requirements of the Hong Kong Listing Rules or other applicable regulations.

Article 19 If a notice is delivered by post, it is only necessary to write down the address, prepay the post and put the notice into the envelope. The notice is deemed to be delivered when it is put into the mailbox and served in forty-eight hours afterwards. ~~For shareholders of domestic shares, the notice of the general meeting may also be given by way of announcement. Such announcement shall, within the period from forty-five to fifty days before the convening of a meeting, be published in one or more newspapers designated by the securities regulatory authorities of the State Council. Once such an announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the general meeting.~~

Article 20 Notwithstanding the preceding which specifies that the Company shall provide with and/or deliver the corporate communications (including notice of shareholders' general meeting) in writing to the shareholders, with regards to the way to provide with and/or deliver the corporate communications to shareholders as required by the Hong Kong Listing Rules, if the Company has obtained the shareholders' written or implied consent in advance in accordance with relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may deliver or provide with the corporate communications to the shareholders of the Company by electronic way or by way of announcement on the Company's website.

The corporate communications include but not limited to: notice of shareholders' general-meeting, circular, annual report, interim report, quarterly report and other types of corporate communications provided by the Hong Kong Listing Rules.

Article 21 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 notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 22 When considering a proposed resolution at a shareholders' general-meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposed resolution, for which the voting shall not proceed in such shareholders' general-meeting.

Chapter IV Holding of Shareholders' General-Meetings

Article 23 Save for an electronic meeting, ~~The~~ Company shall hold the shareholders' general-meeting at the domicile of the Company or such other place as notified by the convener of the shareholders' general-meeting. A shareholders' general-meeting shall have a venue where it shall be held in the form of a physical meeting or simultaneously through electronic communication means. Subject to the laws, regulations and mandatory provisions of the listing rules in the listing place, the Company may also provide ~~online transmission or~~ other ways for the convenience of shareholders. Any ~~S~~shareholders who attend the shareholders' meeting through the above means in the aforesaid manners shall be deemed as present. On the premise of the lawfulness and validity of shareholders' general-meetings, the Company shall facilitate the participation of shareholders in shareholders' general-meetings by various means and ways, with priority first given to the modern information technology means, such as an online voting platform, etc.

Article 24 Where a shareholders' general-meeting of the Company is held online or through other means, the voting time and voting procedures online or through other means shall be clearly stated in the notice of the shareholders' general-meeting. The commencing time of voting online or through other means of any shareholders' general-meeting shall not be earlier than 3:00 p.m. on the date preceding the convening of onsite shareholders' general-meeting and shall not be later than 9:30 a.m. on the convening date of onsite shareholders' general-meeting. Its conclusion time shall not be earlier than 3:00 p.m. on the conclusion date of onsite shareholders' general-meeting.

Article 25 The board of directors and other conveners shall take necessary measures to ensure the good order of the shareholders' general-meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles and infringing the legitimate rights and interests of any shareholder, and shall report in a timely manner such act to the relevant authority for investigation and punishment.

Article 26 All shareholders or their proxies whose names appear on the register of shareholders on the shareholding record date are entitled to attend the shareholders' general-meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association.

Article 27 Any shareholder (including Recognized Clearing House) who is entitled to attend and vote at a shareholders' general-meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his/her behalf. A proxy so appointed shall exercise the following rights pursuant to such authorization:

- (1) exercise such shareholder's right to speak at the meeting;
- (2) the right to demand a poll alone or jointly with others;
- (3) unless otherwise required by applicable listing rules or other securities laws and regulations, the right to vote by a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll. Votes may be cast by such means, electronic or otherwise, as the chairman of the meeting may determine.

Where that shareholder is a Recognized Clearing House (or its nominees), it may authorise one or more persons as it thinks fit to act as its proxies at any shareholders' general-meeting or any class meeting; however, if one or more persons are so authorised, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorised. The person(s) so authorised will be entitled to exercise the same power on behalf of the Recognized Clearing House (or its nominees) as if it was an individual shareholder of the Company.

Article 28 The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing; if the appointer is a legal entity or other organisations, either under seal or under the hand of a director or attorney duly authorized. The power of attorney shall state the number of shares represented by the said proxy; in the case that more than one proxy is appointed, the instrument shall state the number of shares respectively represented by each proxy of the shareholder.

Article 29 The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than 24 hours prior to the time appointed for the holding of the meeting or 24 hours prior to the time appointed for voting. Where the proxy form is signed by a person authorised by the appointer, the power of attorney or other authorisation instruments shall be notarised. The notarised power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice to the meeting. Where the appointer is a legal entity or other organisations, its legal representative or other persons authorized by the resolutions of the Board or other decision-making organs may attend the shareholders' ~~general~~ meeting of the Company as a representative of the appointer, and exercise the right to speak and vote at the meeting. The shareholder who has appointed a proxy to attend the shareholders' meeting shall be deemed to be present in person. A person duly authorized by the shareholder may execute a proxy form on behalf of the shareholder.

The Company is entitled to require the proxy attending the shareholders' ~~general~~ meeting on behalf of a shareholder to produce his identification document.

If a shareholder of the legal entity or other organisations appoints its representative to attend the meeting, the Company is entitled to require the representative to present his own identification document and a notarially certified copy of the resolution or power of attorney authorized by the Board of such shareholder of the legal entity or other organisations or other competent authorities (except for the Recognized Clearing House or its proxies).

Article 30 Any form issued to a shareholder by the Board for appointing a proxy by him shall allow the shareholder to freely instruct the proxy to cast vote in favour of, against or abstain each resolution dealing with the businesses to be transacted at the meeting. Such a form shall contain a statement that, in default of instructions, the proxy may vote as he/she thinks fit.

Article 31 A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of attendants (or names of organizations), identity card numbers (or registration number), residential addresses, the number of voting shares held or represented and names of appointers (or name of organizations).

Article 32 The convener and the lawyer shall jointly examine legality of the shareholders' qualifications according to the register of shareholders. The names of shareholders and the number of voting shares held 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 total number of voting shares held.

Article 33 Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

Article 34 ~~When convening a shareholders' meeting, all~~ Where a shareholders' meeting requires directors, supervisors and the secretary of the Board shall attend the meeting while the general manager and senior management members ~~shall to~~ attend the meeting as non-voting participants ~~unless there is reasonable ground,~~ directors and senior management members shall so attend the meeting and accept any inquiries from shareholders.

Chapter V Voting and Resolutions at Shareholders' General Meetings

Article 35 Resolutions of shareholders' general meetings are classified as ordinary resolutions and special resolutions. To adopt an ordinary resolution, ~~not less more~~ than one half of the voting rights represented by the shareholders (~~including proxies~~) present at the meeting must be cast in favour of the resolution. To adopt a special resolution, not less than two-thirds of the voting rights represented by the shareholders (~~including proxies~~) present at the meeting must be cast in favour of the resolution.

Article 36 Chairman of the meeting should announce the number of shareholders and proxies present at the venue of the meeting and the total shares with voting rights held by them, and the number of shareholders and proxies present at the venue of meeting and the shares with voting rights held by them shall be subject to the register of the shareholders' general meeting.

Article 37 Shareholders (including proxies) exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one voting right upon voting at the shareholders' general meeting, unless individual shareholders are required to waive their voting rights in respect of individual matter in accordance with the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 38 When the shareholders' general meeting considers material matters that affect the interests of small and medium-sized investors, the votes of the small and medium-sized investors shall be counted separately. The results of separate vote counting shall be publicly disclosed in a timely manner.

Article 39 The shares held by the Company carry no voting rights and shall not be counted into the total number of shares with voting rights held by shareholders attending the meeting.

The Board, independent non-executive directors and shareholders who meet the relevant conditions may solicit the voting rights from shareholders. When soliciting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any limitation related to the minimum shareholding ratio on the solicitation of voting rights except under statutory conditions.

In the event that a shareholder is connected with a matter to be considered at a shareholders' meeting ~~For connected transactions to be considered at a shareholders' meeting,~~ connected shareholders shall, ~~as provided in the listing rules of the stock exchange where the Company's shares are listed,~~ abstain from voting on such connected transactions and the number of shares they represent carrying voting rights shall not be counted into the valid votes.

Where any shareholder is, under the applicable laws and regulations, departmental rules and listing rules and regulatory requirements of the place stock exchange where the Company's shares are listed, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution at any shareholders' general meeting, any votes cast by such shareholder (or their proxies) in contravention of such requirement or restriction shall not be counted.

~~Article 38— Unless otherwise specified by applicable rules governing the listing of securities or other securities laws and regulations, a resolution shall be voted by a show of hands unless a poll is demanded (before or after a vote is announced to be carried out by a show of hands):~~

~~(1) — by the chairman of the meeting;~~

~~(2) — by at least two shareholders entitled to vote in person or proxies with voting rights; or~~

~~(3) — by one or more shareholders (including proxies) individually or jointly holding 10% or more of all shares carrying voting rights at such meeting. Unless otherwise specified by applicable rules governing the listing of securities or other securities laws and regulations or a poll is demanded according to the preceding provisions, a declaration by the chairman that a resolution has been passed on a show of hands and an entry to that effect in the minutes of meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution. The demand for a poll may be withdrawn by the person who demands the same.~~

~~Article 39— A poll demanded on such matters as the election of chairman or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman may decide, and the meeting may proceed to discuss other matters, while the results of the poll to be taken shall still be deemed to be a resolution of that meeting.~~

Article 40 In addition to the cumulative voting system, the shareholders' general meeting shall resolve on all the proposed resolutions separately; in the event of several proposed resolutions for the same issue, such proposed resolutions shall be voted on and resolved in the order of time at which they are submitted. Unless the shareholders' general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposed resolutions shall neither be put aside nor denied at the shareholders' general meeting.

Article 41 All shareholders registered on the record date of the shareholders' general meeting are entitled to exercise their voting rights through on-site voting or other voting methods in compliance with the regulations. The Company provides the means of electronic voting, but the same voting right can only be exercised in only one form of the on-site voting, internet or other voting methods. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

Article 42 Shareholders attending the shareholders' general meeting shall provide one of following opinions on proposals submitted for voting: for, against or abstain. Except for the case where the securities registration and clearing institution, as the nominal holders of shares subject to Mainland China-Hong Kong Stock Markets Connect Program, has made the declaration in accordance with the actual holder's intention. Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstain".

Article 43 Before the relevant proposed resolution is voted on at the shareholders' general meeting, two shareholders representatives shall be elected to take part in counting the votes and scrutinizing the conduct of the poll.

Any shareholder who is connected with the matter under consideration and such shareholder and his/her proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When votes are cast on proposals at the shareholders' general meeting, the lawyers; and shareholder representatives ~~and supervisors representatives~~ shall be jointly responsible for counting and scrutinizing votes and shall announce the voting results at the meeting. The voting result shall be recorded in the meeting minutes.

Shareholders of the Company or their proxies, who have cast their votes by online voting or other voting methods, shall have the right to check the voting results in the way in which they have cast their votes.

Article 44 The on-site meeting of a shareholders' general meeting shall end no earlier than the time of the network or other means, and the chairman of the meeting shall announce the voting status and result of each proposal at the on-site meeting and announce whether the proposal is passed or not based on the voting result.

Prior to the formal announcement of the voting results, the Company, the teller, the scrutineer, the ~~major~~ shareholders, the network service provider and other relevant parties involved in the on-site, online and other voting methods of the shareholders' general meeting shall be under an obligation of confidentiality with respect to the voting situation.

~~Article 45 On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his/her votes in the same way.~~

Article 45~~6~~ The list of candidates for directors ~~and supervisors who are not employee representative~~ shall be submitted to the shareholders' general meeting for voting by way of a proposal. The Board shall inform the shareholders of the biographies and basic information of the candidates for directors ~~and supervisors who are not employee representative~~ in the notice of the shareholders' general meeting. The cumulative voting system may be adopted for the election of directors ~~and supervisors who are not employee representative~~ at the shareholders' general meetings according to the requirement of the Articles of Association or as resolved by the shareholders' general meeting. Cumulative voting shall be adopted for the election of more than two independent non-executive directors at a shareholders' meeting.

The cumulative voting system referred to in the preceding paragraph means that when directors ~~or supervisors who are not employee representative~~ are elected at the shareholders' general meeting, each Share held by a shareholder (including its proxies) has the same number of voting rights as the number of directors ~~or supervisors to be elected who are not employee representative~~. The shareholders can cast all his/her votes to one person in a centralized manner, or they can cast his/her votes to several persons in a distributed manner, but the shareholders shall make an explanation on the allocation of the voting rights.

~~Article 47 In the case of equal affirmative and dissenting votes, whether on a show of hands or on a poll, the chairman of the meeting shall have cast one more vote.~~

Article ~~46~~8 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (1) work reports of the Board ~~and the supervisory committee~~;
- (2) annual profit distribution plans and loss recovery plans formulated by the Board;
- ~~(3) election or removal of directors who are not employee representative and supervisors who are not employee representative, the remuneration and payment methods for directors and supervisors;~~
- ~~(4) annual budgets and final accounts, balance sheets and profit and loss accounts and other financial statements of the Company;~~
- ~~(5) appointment and removal of members of the Board and the method of their remuneration and payment;~~
- ~~(4) employment, termination or non-reappointment of accounting firms and their remuneration;~~
- (5) matters other than those which require the approval by way of special resolution in accordance with the laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association.

Article ~~47~~9 The following matters shall be resolved by special resolutions at a shareholders' general meeting:

- ~~(1) increase or reduction of the registered share capital, repurchase of the Company's shares and issue of shares of any class, stock warrants or other similar securities;~~
- ~~(2) issuance of bonds or other securities by the Company;~~
- ~~(23)~~ demerger, merger, dissolution, liquidation or change of corporate form of the Company;
- ~~(34)~~ amendments to the Articles of Association;
- ~~(45)~~ equity incentive scheme;

- (56) material assets purchased or sold or the provision of guarantees to others by the Company within one year in an amount exceeding 30% of the latest audited total assets of the Company;
- (67) any other matter required by laws, administrative regulations or the Articles of Association, approved as an ordinary resolution at a shareholders' general-meeting that may have material impact on the Company and is required to be approved by a special resolution.

~~Article 50— The chairman of the meeting shall be responsible for determining whether a resolution has been passed at the shareholders' meeting. His/her decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes book.~~

Article 4851 At the annual shareholders' general-meeting, the Board ~~and the supervisory Committee~~ shall make a report to the shareholders' general-meeting on their work in the past year. Each independent non-executive director shall also make a report on his/her duties.

Article 4952 Directors, ~~supervisors~~ and senior management shall provide explanations and clarifications on shareholders' queries at the shareholders' general-meeting.

Article 503 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote, he/she may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder, who is present in person or by proxy and objects to the result announced by the chairman of the meeting, may, immediately following announcement of the result, demand that the votes be counted and the chairman of the meeting shall forthwith have the votes counted.

Article 514 If votes are counted at a shareholders' general-meeting, the result of the count shall be recorded in the minutes.

The minutes together with shareholders' attendance lists and proxy forms shall be kept at the Company's domicile. The aforesaid minutes, attendance lists and proxy forms shall not be destroyed for at least ten years.

Article 525 The contents of the resolutions of the shareholders' general-meeting shall comply with the laws, administrative regulations and the provisions of the Articles of Association. The authorized drafter of a resolution at a shareholders' general-meeting shall faithfully perform his/her duties to ensure that the contents of the draft resolution are true, accurate and complete, and shall not use expressions that may easily give rise to ambiguities.

Resolutions of a shareholders' general-meeting shall be announced in a timely manner, and the announcement shall set out the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by them and the proportion to the total number of shares with voting rights of the Company, the manner of voting, as well as the results of the voting on each of the motions and details of each of the resolutions passed.

Where a resolution is made on a shareholder's proposal, the name of the shareholder making the proposal, the proportion of shares held and the content of the proposal shall be set out. If a proposal is not passed, or if a resolution of the previous shareholders' general meeting is changed at this shareholders' general meeting, a special reminder shall be made in the announcement of the resolution of the shareholders' general meeting.

Article 536 The convenor shall ensure that the shareholders' general meeting is held consecutively until a final resolution is formed. In the event that a shareholders' general meeting is suspended or a resolution cannot be reached due to force majeure or other special reasons, necessary measures shall be taken to resume the convening of the shareholders' general meeting as soon as possible or to terminate the current shareholders' general meeting directly, and a timely announcement shall be made.

Article 547 Copies of the meeting minutes shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him/her within seven days following the receipt of reasonable charges.

~~Chapter VI—Special Procedures for Voting by Class Shareholders~~

Article 58—Shareholders who hold different classes of shares shall be classified as class shareholders. Class shareholders shall enjoy rights and assume obligations in accordance with the laws, administrative regulations and the Articles of Association. Where the capital of the Company includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares. Where the equity capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”.

Article 59—If the Company proposes to vary or abrogate the rights of class shareholders, it may do so only after such variation or abrogation has been approved by way of special resolution at the shareholders' meeting and at a separate shareholders' meeting convened by the affected class shareholders under the Rules of Procedures 62 to 66.

Article 60—The following circumstances shall be deemed to be variation or abrogation of the rights of certain class shareholders:

- (1)——to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having voting rights or rights to dividends or privileges equal or superior to those of shares of that class;
- (2)——to exchange all or part of the shares of that class for shares of another class, or to exchange all or part of the shares of another class for shares of that class or grant the rights to such conversions;
- (3)——to revoke or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of that class;
- (4)——to reduce or revoke preferential rights attached to shares of that class to receive dividends or the distribution of assets in the event that the Company is liquidated;

- (5) ~~to add, revoke or reduce share conversion rights, options, voting rights, transfer, or pre-emptive rights, or rights to acquire securities of the Company attached to shares of that class;~~
- (6) ~~to revoke or reduce rights to receive payments payable by the Company in particular currencies attached to shares of that class;~~
- (7) ~~to create a new class of shares having voting right, right to dividends or other privileges equal or superior to those of the shares of that class;~~
- (8) ~~to restrict the transfer or ownership of shares of that class or to increase additional restrictions attaching thereto;~~
- (9) ~~to issue rights to subscribe for, or to convert into, shares of that class or another class;~~
- (10) ~~to increase the rights or privileges of shares of another class;~~
- (11) ~~to restructure the Company in such a way so as to result in the disproportionate distribution of obligations between various class shareholders; and~~
- (12) ~~to vary or abrogate any provision of this chapter.~~

~~Article 61—The affected class shareholders, regardless of formerly having the right to vote at shareholders' meeting, have the right to vote at class meetings in respect of matters concerning items (2) to (8), (11) and (12) of Article 61, but the interested shareholders shall not be entitled to vote at such class meetings. The interested shareholders referred to in the preceding paragraph have the following meanings:~~

- (1) ~~In the case of a repurchase of its own shares by the Company by making offers to all shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 31 of the Articles of Association, "interested shareholder" shall refer to the controlling shareholder as defined in Article 59 of the Articles of Association;~~
- (2) ~~In the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 31 of the Articles of Association, "interested shareholder" shall refer to the shareholder to which the proposed agreement relates;~~
- (3) ~~In the case of a restructuring of the Company, "interested shareholder" shall refer to a shareholder within a class who bears liabilities less than the proportion burden imposed on other shareholders of that class or who has interests different from those held by shareholders of the same class.~~

~~Article 62—Resolutions at a class meeting shall be passed by votes representing more than two-thirds of the voting rights of class shareholders attending the class meeting who are entitled to vote thereat according to Article 47.~~

~~Article 63—When the Company convenes a class meeting, it shall issue a written notice 15 days prior to the date of such meeting informing all the shareholders who are registered as holders of that class in the register of shareholders of the matters to be considered at the meeting as well as the date and place of the meeting. The shareholders who intend to attend the meeting shall send a written reply to the Company for attending the meeting twenty days before the meeting is convened. If the number of shares represented by the shareholders who intend to attend the meeting and entitled to vote at the meeting reaches one-half or more of the total number of shares of that class entitled to vote at the meeting, the Company may convene a class meeting of shareholders; if it does not reach that number, the Company shall again notify the shareholders in the form of a public announcement of the matters to be considered at the meeting, as well as the date and place of the meeting within five days, and upon such notification, the Company may convene a class meeting of shareholders.~~

~~Article 64—Notices of class meetings need only be served on the shareholders entitled to vote thereat. Class meetings shall be conducted in a manner which is as similar as possible to that of shareholders' meetings. The provisions of the Articles of Association relating to the manner for convening shareholders' meetings are also applicable to class meetings.~~

~~Article 65—Apart from the holders of other classes of shares, the holders of the Domestic Shares and holders of Overseas Listed Foreign Shares shall be deemed to be different class shareholders.~~

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

- ~~(1)—where upon the approval by special resolution at a shareholders' meeting, either separately or concurrently once every 12 months, the Company issues Domestic Shares or Overseas Listed Foreign Shares separately or concurrently at each interval of twelve months, and the number of the proposed Domestic Shares and Overseas Listed Foreign Shares does not exceed 20% of the respective outstanding shares of such class;~~
- ~~(2)—where the Company's plan to issue Domestic Shares and Overseas Listed Foreign Shares at the time of its incorporation is completed within 15 months from the date of approval of the securities regulatory authority and competent regulatory authorities of the State Council; or~~
- ~~(3)—where the shares held by the domestic shareholders may be transferred to overseas investors, and such transferred shares may be listed or trade on an overseas stock exchange, subject to the approval of the securities regulatory authority and competent regulatory authorities of the State Council.~~

Chapter VI-VH Minutes of Shareholders' General Meetings

~~Article 5556 Minutes of the shareholders' general meetings shall be taken by the secretary of the Board. The minutes shall contain the following information:~~

- ~~(1) the time, place, manner, agenda and the name of the convenor of the meeting;~~
- ~~(2) the name of the presiding officer and, the directors, supervisors, secretary to the Board, general manager and other senior management attending or present at the meeting;~~

- (3) the number of shareholders and the shareholders' proxies attending the meeting, the total number of shares with voting rights held by them and the proportion to the total number of shares of the Company;
- (4) the deliberation process, main points of speeches and voting results of each proposal;
- (5) shareholders' comments or suggestions on the proposals and the corresponding replies or explanations;
- (6) the names of the legal advisors, the tellers and scrutineers of the votes;
- (7) other contents that should be included in the minutes of the meeting as stipulated in the Articles of Association.

The directors, the secretary of the Board, the convenor or his/her representative, and the presiding officer attending or present at the meeting shall sign the minutes of the meeting, and ~~The convenor shall ensure that the minutes are true, accurate and complete. The directors, supervisors, secretary of the Board, the convenor or his/her representative and the presiding officer of the meeting attending the meeting shall sign the minutes of the meeting.~~ The minutes shall be kept together with the register of signatures of shareholders attending the meeting on-site and the proxy form for proxy attendance, as well as the valid information on voting by internet and other means, for a period of not less than ten years.

Chapter ~~VII~~VIII Enforcement of Resolutions of Shareholders' General Meetings

Article ~~5667~~ Resolutions of the shareholders' general meeting shall be organized and implemented by the Board and assigned to the management of the Company in accordance with the contents of the resolutions and the division of responsibilities; ~~matters required to be handled by the supervisory committee pursuant to resolutions of the shareholders' meeting shall be directly organized and implemented by the supervisory committee.~~

Article ~~5768~~ The general manager shall report to the Board on the implementation of the resolutions of the shareholders' general meeting, and the Board shall report to the next shareholders' general meeting; ~~the supervisory committee shall report directly to the shareholders' meeting on matters relating to the implementation of the resolutions by the supervisory committee, and the supervisory committee may also notify the Board in advance if the supervisory committee deems it necessary to do so.~~

Article ~~5869~~ The chairman of the Board of the Company shall supervise and inspect the implementation of the resolutions of the shareholders' general meeting ~~other than those to be implemented by the supervisory committee~~, and may, if necessary, convene an extraordinary meeting of the Board to receive and consider reporting on the implementation of the resolutions of the shareholders' general meeting.

Article ~~5970~~ If a proposal for the election of directors ~~and supervisors~~ is adopted at a shareholders' general meeting, the new directors ~~and supervisors~~ shall take office on the date when the resolution of the shareholders' general meeting becomes effective.

Article ~~6074~~ In the event that the shareholders' general meeting approves a proposal for cash distribution, stock dividends or capitalization of capital surplus, the Company will implement the specific plan within 2 months after the shareholders' general meeting.

Article ~~61~~⁷² The controlling shareholders and actual controllers of the Company shall not restrict or hinder medium and small investors to exercise voting rights according to laws and harm the legitimate rights of the Company as well as medium and small investors.

Article ~~62~~⁷³ If the content of a resolution at a shareholders' general-meeting of the Company violates any laws or administrative regulations, such resolution is invalidated. If the procedure for convening, or the method of voting at, a shareholders' general-meeting violates any laws, administrative regulations or the Articles of Association, or if the content of a resolution breaches the Articles of Association, a shareholder may file a petition with the people's court to revoke such resolution within 60 days from the date on which the resolution was passed; however, this does not apply if there are only minor flaws in the meeting convening procedures or voting methods of the shareholders' meeting that have no substantial impact on the resolution.

In the event of disputes between the Board, shareholders and other relevant parties regarding the qualifications of the convenor, the convening procedures, the legality of the contents of the proposal, and the validity of the resolution of the shareholders' meeting, such disputes shall be brought to the people's court in a timely manner. Before the people's court makes a judgment or ruling to revoke the resolution, the relevant parties shall execute the resolution of the shareholders' meeting. The Company, its directors and senior management shall fulfill their duties and execute the resolution of the shareholders' meeting in a timely manner to ensure the normal operation of the Company.

Where the people's court has made a judgment or ruling on a relevant matter, the Company shall fulfill its information disclosure obligations in accordance with the laws, administrative regulations, the requirements of the CSRC and the stock exchange, fully explaining the impact and actively cooperating with the execution of the judgment or ruling after it has taken effect. Where corrections to prior events are involved, they shall be handled in a timely manner and the corresponding information disclosure obligations shall be fulfilled.

Chapter ~~VIII~~^{IX} Supplementary Rules

Article ~~74~~⁶³ The Rules, as an annex to the Articles of Association, shall come into effect upon consideration and approval at the shareholders' general-meeting and shall be implemented on the effective date, and shall become a legally binding document regulating the organization and conduct of the Company's shareholders' general-meeting, and regulating the rights and obligations of shareholders of the Company.

Article ~~64~~⁷⁵ The Company shall amend the Rules under any of the following circumstances:

- (1) in the event that the Company Law or relevant laws, administrative regulations or the Articles of Association are amended, the matters set out in the Rules conflict with the amended laws, administrative regulations or the provisions of the Articles of Association;
- (2) the shareholders' general-meeting decided to amend the Rules.

Article ~~65~~⁷⁶ The amendments to the Rules shall be determined at the shareholders' general-meetings and the draft amendments shall be prepared by the Board with authorisation granted by the shareholders' general meetings. The draft amendments are subject to the approval at the shareholders' general-meetings.

Article ~~66~~⁷⁷ The words “above” and “within” in the Rules include the underlying number; “over”, “exceeding”, “less than” and “more than” do not include the underlying number.

Article ~~67~~⁷⁸ The Rules shall be interpreted by the Board.

Article ~~68~~⁷⁹ For matters not covered in the Rules or inconsistent with the provisions of laws, administrative regulations, the listing rules of places where shares of the Company are listed and the Articles of Association, the provisions of the laws, administrative regulations, the listing rules of places where shares of the Company are listed and the Articles of Association shall prevail.

**Datang Environment Industry Group Co., Ltd.
Rules of Procedures for Meetings of the Board of Directors**

Chapter I General Provisions

Article 1 In order to ensure the standardized operation of Datang Environment Industry Group Co., Ltd. (the “Company”), improve the work efficiency and scientific decision-making level of the board of directors (the “Board”) according to law, standardize the composition, responsibilities, authority and operation procedures of the Board, and safeguard the Company’s interests and the legitimate rights and interests of shareholders, the Rules are formulated according to the Company Law of the People’s Republic of China, ~~the Mandatory Provisions for the Articles of Association of Companies Listed Overseas~~, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other domestic and foreign regulatory laws and regulations, and the Articles of Association of Datang Environment Industry Group Co., Ltd. (the “Articles of Association”).

Article 2 The Board shall be accountable to the shareholders’ general meeting in the principle of good faith and acting in accordance with the laws, ensure that the Company shall comply with the provisions of laws, administrative regulations and departmental rules, safeguard the interests of the Company and all shareholders, and earnestly perform its duties conferred by the Articles of Association and the shareholders’ general meeting, treat all shareholders equally and pay attention to the interests of other stakeholders.

Article 3 The Board consists of all independent non-executive directors of the Company. The Board exercises its powers and duties in accordance with the relevant provisions of the Articles of Association.

Article 4 The Company shall have a secretary of the Board who shall be responsible for daily affairs of the Board. The Company has an office of the Board to assist the secretary of the Board, and the Board office is set up at the securities capital department.

Article 5 The Board shall establish an Audit Committee, a remuneration committee and a nomination committee and may establish a strategy committee, an investment committee and other special committees, which shall, under the leadership of the Board, assist the Board in performing its functions and powers or provide advices or consulting opinions for the decision-making of the Board. the composition and the rules of procedures shall be determined separately by the Board.

Chapter II Convening and Notice of Meetings

Article 6 Board meetings

(1) The Board meetings include regular Board meetings and extraordinary Board meetings.

(2) The Board meetings shall be held at least four times every year and convened by the chairman of the Board. Notice of the meeting shall be served on all directors fourteen days before the date of the meeting.

(3) Extraordinary Board meetings shall be held in any of the following circumstances: (i) when proposed jointly by one-third or more of the directors; (ii) when proposed by the Audit Committee ~~Supervisory Committee~~; (iii) when proposed jointly by one half or more of the independent non-executive directors; (iv) when deemed as necessary by the chairman of the Board; (v) when proposed by the shareholders representing one tenth or more of voting rights; ~~(vi) when proposed by the general manager.~~

Article 7 Regular Board meetings shall include but not limited to:

(1) Board meeting for annual results

The meeting shall be held within three months subsequent to the end of the Company's financial year, primarily to review the Company's annual report and deal with any other relevant matters. The annual Board meeting shall be held to ensure that the annual report of the Company are dispatched to shareholders within the time frame required by relevant regulations and the Articles of Association, to ensure that preliminary annual financial results of the Company shall be announced within the time frame specified in relevant regulations, and that the annual shareholders' ~~general~~ meeting shall be held within six months subsequent to the end of the Company's financial year.

(2) Board meeting for half-yearly results

The meeting shall be held within two months subsequent to the end of the first six-month period of the Company's financial year, primarily to review the Company's half-yearly report and deal with any other relevant matters.

Article 8 The Board meetings shall be called by the chairman of the Board by dispatching notices of the meetings. If the chairman of the Board is unable to perform his/her duties or fails to perform his/her duties, a director jointly recommended by more than half of directors shall perform the duties, due to exceptional reasons, the chairman of the Board is not able to call a meeting, the meeting shall be called by a director as provided in the Articles of Association. ~~The chairman of the Board is not able to call a meeting, the meeting shall be called by a director as provided in the Articles of Association.~~ The convener shall be responsible for dispatching a notice of the meetings.

Article 9 Notice convening the Board meeting shall be sent through phone, facsimile or email. The notice of ~~regular~~ Board meeting shall be dispatched fourteen days prior to the date of the meeting. The notice requirement is not applicable to extraordinary Board meetings. The time and venue of a Board meeting can be provided by the Board in advance and recorded in the minutes. If such minutes of the meeting has been provided to all the directors at least fourteen days prior to the date of the next meeting, there is no need to despatch separate notice for the convening of meeting to the directors. Should a director attend a meeting, and does not raise a contention regarding nonreceipt of notice of the meeting prior to or at the meeting, such notice shall be deemed to have been given. Board meetings can be held by way of teleconference or by virtue of similar telecommunication device. In such meetings, so long as the participating directors can hear and communicate with each other, all participating directors are deemed as if they had participated in the meeting in person.

Article 10 Before a Board meeting is held, a notice of the meeting shall be dispatched to all directors, ~~all supervisors~~ and other non-voting attendees. A notice of the meeting shall generally include the following contents:

- (1) the time and venue of the meeting;
- (2) the duration of the meeting;
- (3) the agenda, subject matters, topics and relevant materials;
- (4) the date of dispatch of the notice;
- (5) the method of holding the meeting.

Chapter III Proposal of Meetings

Article 11 The proposal of the Board resolutions shall be based primarily on the following:

- (i) matters proposed by the directors;
- (ii) matters proposed by the Audit Committee ~~Supervisory Committee~~;
- (iii) proposals by the special committees of the Board;
- (iv) matters proposed by the general manager;
- (v) matters that are required to be decided by the Board in accordance with the Articles of Association.

Article 12 The secretary of the Board shall collect drafts of the resolutions to be proposed at the meeting, and those who propose the relevant resolutions shall submit the such resolutions together with the relevant explanatory materials twenty days before the meeting is held. After collating the relevant information, the secretary of the Board shall set out the time, venue and agenda of the Board meeting for submission to the chairman of the Board.

Article 13 The meeting proposal submitted to the Board shall meet the following conditions:

- (1) the contents shall not conflict with relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association, and shall fall within the scope of functions and powers of the Board as stipulated in the Articles of Association;
- (2) there shall be clear proposal contents and specific resolution matters, and the submitter shall make explanation on the relevant contents of the proposal when submitting the proposal;

- (3) it shall be submitted in writing. Material connected transactions, appointment or dismissal of accounting firms shall be approved by more than half of the independent non-executive directors before being submitted to the Board for discussion. After receiving the aforesaid written proposal and relevant materials, the office of the Board shall submit them to the chairman of the Board on the same day. If the chairman of the Board is of opinion that the content of the proposal is not clear or specific, or the relevant materials are insufficient, he/she may request the proposer to make amendment or supplement to them.

Article 14 During the period from the issuance of the meeting notice to the convening of the meeting, the secretary of the Board shall be responsible for, or organize and arrange, communication and liaison with all directors, in particular the independent non-executive directors, to obtain the directors' opinions or suggestions on the relevant proposals, and convey such opinions or suggestions to the proposers in a timely manner, to improve the relevant proposals proposed by them.

Chapter IV Convening of the Meeting

Article 15 The meetings of the Board shall, in principle, be held at the statutory address of the Company, but may be held at other places within or outside the PRC upon resolution of the Board.

Article 16 The meetings of the Board are divided into on-site meetings, written proposal meetings, meetings convened by means of communication (including but not limited to telephone and video), and meetings convened by a combination of the two or more of the foregoing means. The meetings of the Board shall be convened on-site in principle.

Article 17 A meeting of the Board may be held in the form of a conference call, video conference or with the aid of similar communication equipment, provided that the directors attending the meeting are able to hear and communicate with other directors, and that all the directors attending the meeting shall be deemed to have attended the relevant meeting in person. A meeting of the Board so convened shall be tape-recorded, and if the directors are unable to sign the resolutions of the meeting immediately at such meeting, oral voting should be adopted. An oral vote of a director shall have the same effect as a written signature, provided that a written confirmation thereof shall be signed afterwards.

Article 18 A meeting of the Board shall be held with the attendance of ~~least one-half~~ a majority of the directors (including the directors attending the meeting by proxy in accordance with regulations). A meeting of the Board shall be attended by the directors themselves. If a director is unable to attend for any reason, he/she may appoint another director in writing to attend on his/her behalf. The proxy form shall state the name of the proxy, the matters for which the proxy is acting, the scope of authorization and the period of validity, and shall be signed or sealed by the principal. The director who attends the meeting on behalf of another director shall exercise the rights of a director within the scope of authorization. A non-independent director who fails to attend the meeting of the Board in person and fails to appoint another director to attend for two consecutive times is deemed to be incapable of fulfilling his/her duties as a director, and the Board may propose to the shareholders' general-meeting that he/she shall be removed from the Board. If an independent non-executive director fails to attend the meeting of the Board in person for three consecutive times, the Board may propose to the shareholders' general-meeting that he/she shall be removed.

Article 19 Directors shall follow the following principles in delegating and attending the meeting of the Board:

- (1) when reviewing connected transactions, a ~~unrelated~~non-connected director shall not delegate a ~~related~~connected director to attend on his/her behalf; nor shall a ~~related~~connected director accept proxy from a ~~unrelated~~non-connected director;
- (2) an independent non-executive director shall not delegate a non-independent director to attend on his/her behalf, nor shall a non-independent director accept proxy from an independent non-executive director;
- (3) a director shall not delegate another director to attend on his/her behalf without stating his/her own intention to vote on the proposal, nor shall relevant director accept any discretionary proxy and other proxy with unclear authorization.
- (4) a director may not accept proxies from more than two directors, nor shall a director delegate a director who has already accepted proxies from two other directors to attend on his/her behalf.

Article 20 ~~Supervisors may attend meetings of the Board.~~ The general manager and the secretary of the Board who are not also directors shall participate in the meetings of the Board. The presiding officer of the meeting may notify other relevant persons to participate in the meeting of the Board if he/she deems it necessary. The person participating in the meeting of the Board must attend the meeting of the Board in person and may not delegate others to attend the meeting.

Article 21 A meeting of the Board shall be presided over by the chairman of the Board. If the chairman of the Board is unable to preside over the meeting, a director jointly elected by more than half of the directors shall preside over the meeting in accordance with the provisions of the Articles of Association. After the general election of the Board at the shareholders' general meeting, the director who receives the most votes of approval at the shareholders' general meeting (if there are more than one director, one of them shall be nominated) shall preside over the meeting and elect the chairman of the Board.

Chapter V Voting at the Meeting

Article 22 The presiding officer of the meeting shall announce the opening of the meeting at the scheduled time, and the meeting shall examine each proposal item by item under the presiding officer's chairmanship; if there is a need to change the order of the proposals set out in the notice of meeting, it shall be agreed by more than one-half of the directors present at the meeting. Unless a unanimous consent of all directors present at the meeting is obtained prior to the meeting, a meeting of the Board shall not vote on a proposal not included in the notice of meeting. If a director accepts the proxy of other directors to attend the Board meeting on behalf of him/her, he/she shall not vote on behalf of other directors on the proposals not included in the notice of meeting.

Article 23 When considering relevant plans, proposals and reports, the Board may, for the purpose of gaining a detailed understanding of their main points and process, request the head of the responsible department to attend the meeting for listening to and enquiring about the relevant circumstances, so as to facilitate the correct making of resolutions.

Article 24 When more than one-half of the directors or more than two independent non-executive directors at the meeting consider that a proposal is not clear or specific, or that they are unable to make a judgment on the matter due to other reasons such as insufficiency of meeting materials, the presiding officer of the meeting shall request the meeting to suspend the voting on the proposal. The director who proposes to suspend the vote shall make an explicit request for the conditions to be met for the proposal to be resubmitted for consideration.

Article 25 The independent non-executive directors shall express objective, fair and independent opinions on matters discussed at the meeting of the Board.

Article 26 When the Board considers a submitted proposal, all directors attending the meeting shall express their opinions in favor of, against or abstain from voting. A director attending a meeting on behalf of another director shall exercise his/her rights on behalf of the principal within the scope of authorization. A director who is not present at a Board meeting and has not appointed a proxy shall be deemed to have abstained from voting at that meeting.

Article 27 A meeting of the Board may vote by a show of hands or by signatures. Each director shall have one vote. A director who has a ~~related~~connected relationship with an enterprise involved in a resolution of a board meeting (i.e., serving as a director or senior management member of the counterparty, or being able to directly or indirectly control a legal entity of the counterparty, or serving as a director or senior management member of a legal entity (other than a company) that directly or indirectly controlled by the counterparty) shall not exercise voting rights on the resolution, nor shall exercise voting rights on behalf of other directors. Resolutions made at the Board meeting must be passed by more than half of the ~~unrelated~~non-connected directors. If the number of ~~unrelated~~non-connected directors present at the Board meeting is less than three, the matter shall be submitted to the shareholders' ~~general~~ meeting for consideration.

Article 28 After the directors present at the meeting have voted on the proposals, personnel of the Board office shall collect the votes cast by the directors, and deliver to the secretary to the Board for counting the votes under the supervision of ~~a supervisor or~~ an independent non-executive director. When the meeting is held on-site, the chairman of the meeting shall announce the voting result on the spot; in other circumstances, the chairman of the meeting shall request the secretary of the Board to notify the directors of the voting results before the end of the next working day following the specified time for voting. Where a director votes after the chairman of the meeting announces the voting result or after expiry of specified time limit, such voting results shall not be counted.

Chapter VI Resolutions of the Meeting

Article 29 Resolutions shall be made on the matters discussed at the Board meetings.

Article 30 Resolutions made by the Board shall be approved by a majority of all directors, except for the circumstances where the Board considers connected transactions as stipulated in the Articles of Association. In respect of any matter which needs to be passed at an extraordinary meeting of the Board, if the Board has already sent out the written proposals to be resolved at such meeting (including through facsimile and email) to all directors and each director was ensured to fully express his/her opinions, resolutions of extraordinary meeting of the Board may be made by means of telecommunication and no on-site meeting of the Board is required. Such resolution is deemed effectively passed provided that the number of directors who sign and approve the resolution satisfies the number of directors as required to make such decision under the Rules.

Article 31 Resolutions made by the Board with respect to the connected transactions of the Company shall not come into force unless they are signed by all independent non-executive directors. If a substantial shareholder (holding 10% or more shares (excluding treasury shares)) or a director has a material conflict of interest in a matter to be considered by the Board, the matter should be dealt with by way of the Board meeting (rather than by written resolution). Also, the independent non-executive directors who do not have material interest in such matter should attend the Board meeting. The opinions expressed by independent non-executive directors should be set out in the Board resolution.

Article 32 Any written resolution of the Board which has not been formed in accordance with statutory procedures, even if each director has expressed his/her opinions in different ways, does not have the legal effect of a resolution of the Board.

Article 33 The Board shall be responsible for the resolutions of the Board meetings. If any Board resolution violates the law, administrative regulations or the Articles of Association, and causes serious damage to the Company, the directors who voted in favor of the resolution shall be directly liable therefor (including liability for compensation). If it can be proven that a director had expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from such liability. A director who abstained from voting or was absent from the meeting without appointing a proxy to attend on his/her behalf shall not be released from such liability. A director who had expressly objected to the resolution during discussion but had not clearly voted against such resolution shall not be released from such liability. The Company may make appropriate insurance arrangements for the legal actions that each director may face.

Chapter VII Minutes of the Meeting

Article 34 The minutes of the Board meeting, which are the formal evidence for the resolutions of the Board, shall be recorded in detail. The minutes of a Board meeting shall specify:

- (1) the date, venue, names of the convener and chairman of the meeting;
- (2) the names of the attending directors, the names of appointers who appoint proxies to attend the meeting and the names of proxies;
- (3) the agenda of the meeting;
- (4) summaries of the speeches of the directors, which shall include any doubts raised or objections expressed by the directors (where a meeting is held by way of a written resolution, the directors' written feedback shall prevail);
- (5) voting method and results on each resolution (the voting results shall state the number of affirmative votes, dissenting votes or abstention votes);
- (6) signatures of directors and the secretary of the Board (minutes taker).

The secretary of the Board shall carefully organize the recording and organization of the matters discussed at the meeting. The minutes of each Board meeting shall be provided to all attending directors for review as soon as possible. Directors who make revisions or supplements to the minutes shall report their opinions in writing to the chairman within one week after receiving the meeting minutes. After the finalization of the meeting minutes, the attending directors, the secretary of the Board and minutes taker shall sign the meeting minutes, and the secretary of the Board shall promptly send a complete copy to each director.

Article 35 Meetings of the Board can be fully audio-recorded and video-recorded as necessary.

Article 36 The power of attorney, meeting minutes, meeting summaries, Board resolutions and other written and audiovisual materials of the Board meetings shall be organized and sorted by the secretary of the Board and kept as corporate records for a period of ten years.

Chapter VIII Execution and Feedbacks of Board Resolutions

Article 37 Subsequent to any resolution made by the Board, the resolutions that are required to be submitted to the shareholders' general meeting for review shall be submitted to the shareholders' general meeting for approval in a timely manner; matters falling within the terms of reference of the general manager or matters delegated to the general manager by the Board shall be organized and thoroughly implemented by the general manager.

Article 38 The chairman of the Board is entitled to appoint another director to inspect and supervise the execution of resolutions of the meetings.

Article 39 In each Board meeting, the management of the Company shall report to the meeting on the execution of matters resolved to be implemented at the previous Board meeting.

Article 40 Under the leadership of the Board and the chairman of the Board, the secretary of the Board shall take the initiative to keep himself informed of the progress of the execution of the Board resolutions, and shall also submit reports and suggestions concerning important matters of implementation to the Board and chairman of the Board regularly and in a timely manner.

Chapter IX Supplementary Provisions

Article 41 The terms “above” and “within” as stated herein shall include the given figure; and “more than” and “exceeding” shall not include the given figure.

Article 42 Any amendment to the Rules shall take effect upon consideration and approval by the shareholders’ ~~general~~-meeting of the Company.

Article 43 In case of any matters not covered herein or in conflict with the provisions of the laws, administrative regulations, other relevant normative documents and the Articles of Association promulgated from time to time, the latter shall prevail.

Article 44 The Board shall be responsible for the interpretation of the Rules.

Article 45 The Rules shall take effect and be implemented from the date of consideration and approval at the shareholders’ ~~general~~-meeting.

SUPPLEMENTAL NOTICE OF 2024 ANNUAL GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this supplemental notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this supplemental notice.



Datang Environment Industry Group Co., Ltd.*

大唐環境產業集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1272)

SUPPLEMENTAL NOTICE OF 2024 ANNUAL GENERAL MEETING

Reference is made to the notice (the “**Original Notice**”) of the 2024 annual general meeting (the “**2024 AGM**”) of Datang Environment Industry Group Co., Ltd.* (the “**Company**”) dated 29 May 2025. This supplemental notice (the “**Supplemental Notice**”) should be read together with the Original Notice.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the 2024 AGM will be convened at 2 p.m. on Friday, 27 June 2025 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC as scheduled. Terms used in this supplemental notice shall have the same meanings as those defined in the supplemental circular of the Company dated 12 June 2025 (the “**Supplemental Circular**”) unless otherwise specified.

In addition to the resolutions set out in the Original Notice, the following additional resolutions will be considered and, if thought fit, to be approved at the 2024 AGM:

Special Resolutions

- (10) To consider and approve the Proposed Amendments to the Articles of Association and Abolition of the Supervisory Committee;
- (11) To consider and approve the Proposed Amendments to the Rules of Procedures for Shareholders' Meetings; and
- (12) To consider and approve the Proposed Amendments to the Rules of Procedures for Board Meetings.

For details of the above new resolutions, please refer to the Supplemental Circular of the Company dated 12 June 2025.

SUPPLEMENTAL NOTICE OF 2024 ANNUAL GENERAL MEETING

This Supplemental Notice should be read in conjunction with the Original Notice. Apart from the amendments set out above, all the information contained in the Original Notice shall remain to have full force and effect.

By order of the Board
Datang Environment Industry Group Co., Ltd.*
Zhu Liming
Chairman

Beijing, the PRC, 12 June 2025

Notes:

- (i) Save as the resolutions newly proposed, there are no any other changes to the resolution set out in the Original Notice. For details of other resolutions and other related matters to be considered at the 2024 AGM, please refer to the notice and circular of the 2024 AGM issued by the Company on 29 May 2025.
- (ii) As the proxy form published by the Company on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.dteg.com.cn) on 29 May 2025 (the “**Original Proxy Form**”) does not contain the newly added resolutions set out in this supplemental notice, a revised proxy form containing the above newly added resolutions (the “**Revised 2024 AGM Proxy Form**”) has been prepared and is enclosed in this Supplemental Notice.
- (iii) Important: If a Shareholder of the Company has not yet lodged the Original Proxy Form with the H Share Registrar or the Board office of the Company in the PRC, such Shareholder is requested to lodge only the Revised 2024 AGM Proxy Form. A Shareholder who has lodged the Original Proxy Form with the H Share Registrar or the Board office of the Company in the PRC should note that:
 - (1) the duly completed Revised 2024 AGM Proxy Form will be treated as the valid proxy form lodged by such Shareholder;
 - (2) if such Shareholder fails to lodge the Revised 2024 AGM Proxy Form with the H Share Registrar or the Board office of the Company in the PRC, the lodged Original Proxy Form, if duly completed, will remain effective and applicable to the extent permissible. For the additional resolutions not set out in the Original Proxy Form, the proxy appointed under the Original Proxy Form shall have the right to vote at his/her discretion if no relevant instruction is received; and
 - (3) any Revised 2024 AGM Proxy Form which is lodged with the H Share Registrar or the Board office of the Company in the PRC after the Deadline (as defined below) shall be invalid. The Original Proxy Form previously lodged by such Shareholder shall not be revoked. The Original Proxy Form, if duly completed, will be deemed effective and applicable to the extent permissible. For the additional resolutions not set out in the Original Proxy Form, the proxy appointed under the Original Proxy Form shall have the right to vote at his/her discretion if no relevant instruction is received.
- (iv) Each Shareholder entitled to attend and vote at the 2024 AGM may, by completing the Revised 2024 AGM Proxy Form, appoint one or more proxies to attend and vote at the 2024 AGM on its behalf. A proxy need not be a Shareholder. With respect to any Shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- (v) The Revised 2024 AGM Proxy Form shall be signed by the appointer or his attorney duly authorised in writing or, in the case of a legal person, must be either executed under its common seal or under the hand of its directors or attorney duly authorised.

SUPPLEMENTAL NOTICE OF 2024 ANNUAL GENERAL MEETING

- (vi) To be valid, the Revised 2024 AGM Proxy Form must be lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the Company's Board office in the PRC at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC, 100097 (for holders of Domestic Shares) not less than 24 hours prior to the holding of the 2024 AGM or any adjourned meetings (the "**Deadline**"). If the Revised 2024 AGM Proxy Form is signed by another person under a power of attorney or other authorisation documents given by the appointer, such power of attorney or other authorisation documents shall be notarised. The notarised power of attorney or other authorisation documents shall, together with the Revised 2024 AGM Proxy Form, be deposited at the specified place at the time set out in such form. Completion and return of the Revised 2024 AGM Proxy Form will not preclude Shareholders from attending and voting in person at the 2024 AGM or any adjourned meetings should you so wish.

As of the date of this Supplemental Notice, the executive Director is Mr. Zhu Liming; the non-executive Directors are Mr. Xu Chun, Mr. Pang Xiaojin, Mr. Xia Huaixiang, Mr. Chu Hongbo and Ms. Wang Mi; and the independent non-executive Directors are Mr. Mao Zhuanjian, Mr. Suen Chun Hung, Benjamin and Ms. Hu Yunqing.

This Supplemental Notice is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.dteg.com.cn).

** For identification purpose only*