



馬 鞍 山 鋼 鐵 股 份 有 限 公 司

Maanshan Iron & Steel Company Limited

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

(Stock Code: 00323)

Articles of Association

Note: The Articles of Association is drafted in Chinese and English translation is for your reference only. In case of any inconsistencies between the Chinese and the English version, the Chinese version shall prevail.

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Chapter 1 General Provisions

Article 1

The Articles of Association are formulated in accordance with “The Company Law of the People’s Republic of China” (hereinafter referred to as the “Company Law”), “The Securities Law of the People’s Republic of China” (hereinafter referred to as the “Securities Law”), “Guidelines on the Articles of Association for Listed Companies” (hereinafter referred to as the “Guidelines on the Articles of Association”), “Standards of Corporate Governance for Listed Companies” and other relevant State laws, administrative regulations and regulatory documents, in order to safeguard the legitimate rights and interests of Maanshan Iron & Steel Company Limited (hereinafter referred to as the “Company”), its shareholders, employees and creditors, regulate the organization and conduct of the Company, fully implement the important requirement of “Two-consistency” principle, and uphold and strengthen the Party’s comprehensive leadership.

Pursuant to the approval (Ti Gai Sheng (1993) No. 138) of the State Commission for Economic Reform, the Company was established by way of promotion on 31 August 1993 and obtained a corporate business license (No. 14894785-8) after registration with the Anhui Provincial Administration of Industry and Commerce on 1 September 1993. On 16 May 1994, the Company was granted with the “Certificate of Approval for Foreign-invested Enterprise of the People’s Republic of China” by the Ministry of Foreign Trade and Economic Cooperation of the People’s Republic of China. On 30 June 1994, the Company was re-registered as a “Sino-foreign Joint Stock Limited Company” with business license No. 000970. On 17 June 2008, the business license No. was changed to 340000400002545. In December 2015, the business license number was changed to the Uniform Social Credit Code as 91340000610400837Y.

Article 2

The promoter of the Company was Maanshan Iron & Steel Company (renamed as Maanshan Magang Holding Company and Magang (Group) Holding Company Limited on 1 September 1993 and 18 September 1998, respectively).

Registered name of the Company: Maanshan Iron & Steel Company Limited.

- Article 3 Address of the Company: No.8 Jiu Hua Xi Road, Maanshan City, Anhui Province, the People's Republic of China; Postal Code: 243003.
- Article 4 The chairman represents the Company in the execution of its affairs and acts as its legal representative.
- Where the chairman resigns, he/she shall be deemed to have simultaneously resigned as the legal representative.
- Upon the resignation of the legal representative, the Company shall appoint a new legal representative within thirty (30) days from the date of his/her resignation.
- Article 5 The Company is a limited company which has perpetual existence.
- Article 6 The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company.
- The restrictions on the functions and powers of the legal representative by the Articles of Association or the shareholders' meeting shall not be used against any bona fide counterparty.
- Where the legal representative causes damage to others in the performance of his/her duties, the Company shall bear civil liability. After the Company has borne civil liability, it may, in accordance with laws or the provisions of the Articles of Association, claim compensation from the legal representative at fault.
- Article 7 Each shareholder shall be liable to the Company to the extent of the shares as subscribed for by such shareholder, while the Company shall be liable for its debts to the extent of all of its assets.
- Article 8 The Articles of Association shall, subsequent to the passage by the shareholders' meeting and upon the date of registration with the administration for market regulation, replace the Articles of Association that the Company has originally registered with the market supervision administration.
- The Articles of Association shall, from its effective date, constitute a legally binding document regulating the Company's organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders.

Article 9 The Articles of Association are legally binding on the Company and its shareholders, directors and senior management officers of the Company. The aforementioned persons may raise any claims relating to the affairs of the Company in accordance with the Articles of Association.

Pursuant to the Articles of Association, shareholders may take action against each other; shareholders may take action against the Company's directors and senior management officers; shareholders may take action against the Company; and the Company may take action against its shareholders, directors and senior management officers.

Article 10 The Company may invest in other enterprises. However, the Company shall not become an investor that assumes joint and several liabilities for the invested enterprise's debts unless it is otherwise stated in the laws.

Article 11 The Company shall establish an organisation under the Party to carry out the Party's activities, establish working organs of the Party, allocate sufficient and competent staff to deal with Party affairs and ensure sufficient funds to operate the Party organisation.

Chapter 2 Business Objectives and Scope

Article 12 The business objective of the Company is to utilise capital in the country and overseas, to develop iron and steel business by means of the enhanced level of technology and management so as to be a world-class iron and steel enterprise, and to obtain the best economic benefits for all shareholders.

Article 13 The Company's scope of business is as follows:

Ferrous metal smelting and its rolling processing, coke and coal coking products, refractories, power, gas production and marketing; Steel and iron related businesses such as wharf, storage, transportation and trade; Extended processing of steel products, production and sales of metal products; Steel structure, equipment manufacturing and installation, auto repair and scrap car recycling and dismantling (limited to the company waste car recycling); Housing and civil engineering construction, building installation, building decoration (with qualification certificate to carry out business activities); technical, advisory and labour services.

The Company may, in the light of its developing capacity and for the purpose of its business development, legally adjust its business scope and operational mode, and set up domestic and foreign branches and offices.

Chapter 3 Shares and Registered Capital

- Article 14 The capital of the company shall be divided into shares, which shall be issued in the form of share certificates. The Company shall have ordinary shares at all time. The Company may issue other types of shares subject to its needs and the approval of the responsible company approval authority as authorised by the State Council.
- Article 15 The Company shall issue shares under the principles of openness, fairness and impartiality, and each share of the same class shall carry equal rights. Shares of the same class issued at the same time shall have identical terms and price each; subscribers shall pay the same amount for each of the shares they subscribed for. All the par value shares issued by the Company shall be denominated in Renminbi, with the nominal value of one Renminbi each.
- Article 16 Upon the registration or filing with the securities regulatory authority of the State Council, the Company lawfully issues shares to investors inside the PRC and investors outside the PRC.
- The aforementioned investors outside the PRC refer to investors in foreign countries, Hong Kong, Macau and Taiwan regions who subscribe for shares of the Company. Investors inside the PRC refer to investors in the PRC, excluding the aforementioned regions, who subscribe for share of the Company.
- Article 17 Shares issued by the Company to investors inside the PRC and subscribed for in Renminbi are referred to as Domestic Shares. Shares issued by the Company to investors outside the PRC and subscribed for in foreign currency are referred to as Foreign Shares. Foreign shares which are listed overseas are referred to as Overseas-Listed Foreign Shares. However, unless otherwise provided by applicable laws, regulations and/or relevant listing rules, Domestic Shares and Foreign Shares will not be regarded as different classes of shares.

The Domestic Shares of the Company shall be centralised and held in custody by the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited. The Overseas-Listed Foreign Shares of the Company shall be held in custody by Hong Kong Securities Clearing Company Limited.

Article 18 As approved by the Company's supervising authorities mandated by the State Council, the total number of ordinary shares issued by the Company is 7,775,731,186 shares.

Upon the repurchase and cancellation of 28,793,200 shares in 2023 and the repurchase and cancellation of 46,256,800 shares in 2025, the total number of ordinary shares of the Company is 7,700,681,186 shares.

Article 19 The share capital structure of the Company is: 7,700,681,186 ordinary shares, among which 5,967,751,186 shares are Domestic Shares, representing 77.50% of the total ordinary shares of the Company, and 1,732,930,000 shares are Overseas-Listed Foreign Shares, representing 22.50% of the total ordinary shares of the Company.

Article 20 The registered capital of the Company is RMB7,700,681,186.

Article 21 Unless otherwise provided in laws and administrative regulations, shares in the Company may be freely transferred without any lien.

Chapter 4 Increase, Deduction and Repurchases of Shares

Article 22 The Company may increase capital depending on the needs of its operation and development and in accordance with the provisions of laws and regulations in any of the following manners upon resolution by the shareholders' meeting:

- (1) offering of shares to unspecific investors;
- (2) offering of shares to specific investors;
- (3) placing new shares to existing shareholders;
- (4) a bonus issue of shares to existing shareholders;

- (5) conversion of capital common reserve to share capital;
- (6) any other methods prescribed by laws, administrative regulations and the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”).

The Company shall not issue preference shares that are convertible to ordinary shares.

In increasing the capital of the Company through an issue of new shares, the Company shall, after obtaining approvals in accordance with the requirements of the Articles of Association, implement the same in accordance with the procedures prescribed by relevant laws and administrative regulations.

Article 23 The Company may reduce its registered capital in accordance with the provisions of the Articles of Association.

Article 24 Where the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of the shareholders’ meeting’s adopting the resolution to reduce its registered capital and shall publish an announcement of the resolution in newspapers or on the National Enterprise Credit Information Publicity System within 30 days of the said date. Creditors shall, within 30 days of receiving a written notice or within 45 days of the date of the public announcement for those who have not received a written notice, be entitled to require the Company to pay its debts in full or to provide a corresponding guarantee for repayment.

Unless otherwise provided by laws or the Articles of Association, where the Company reduces registered capital, the capital contributions or shares shall be reduced proportionately according to the proportion of shares held by shareholders..

Article 25 If the Company still has losses after making up for losses in accordance with the provisions of paragraph 2 under Article 194 of the Articles of Association, it may reduce its registered capital to cover the losses. If the registered capital is reduced to cover losses, the Company shall not make distributions to 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 preceding paragraph, the provisions of paragraph 2 under Article 24 of the Articles of Association shall not apply, but an announcement of the resolution shall be published in newspapers or on the National Enterprise Credit Information Publicity System within 30 days of the shareholders' meeting's adopting the resolution to reduce its registered capital.

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

Article 26 Where the registered capital is reduced in violation of the Company Law and other relevant provisions, shareholders shall return the funds received, and any reduction or exemption of shareholders' capital contributions shall be restored to their original state; if losses are caused to the Company, shareholders and the responsible directors and senior management officers shall be liable for compensation.

Article 27 When the Company issues new shares to increase its registered capital, shareholders shall not have preemptive subscription rights, unless otherwise provided in the Articles of Association or resolved by the shareholders' meeting that shareholders shall have such pre-emptive subscription rights.

Article 28 The Company shall not repurchase its shares except for any of the following circumstances:

- (1) to reduce the Company's registered capital;
- (2) to merge with another company which holds the Company's shares;
- (3) the shares are to be used for employee share ownership plans or equity incentives;
- (4) the shareholders object to a resolution at a shareholders' meeting that relates to a merger or division of the Company and the shareholders require the Company to repurchase their shares;

- (5) the shares are to be used to convert corporate bonds issued by the listed company that can be converted to shares;
- (6) it is necessary for the Company to maintain corporate value and shareholders' equity;
- (7) other circumstances permitted by laws or administrative regulations.

The circumstance referred to in item (6) of the preceding paragraph shall meet one of the following conditions:

- (1) the closing price of the shares of the Company is lower than its net assets per share of the latest period;
- (2) the cumulative decline in the closing price of the shares of the Company over a period of 20 consecutive trading days reaches 20%;
- (3) the closing price of the shares of the Company is lower than 50% of the highest closing price for the latest year;
- (4) other conditions as prescribed by the China Securities Regulatory Commission.

The Company shall not engage in transactions of selling and purchasing its shares save for the circumstances specified hereinabove.

Article 29

The Company may repurchase its shares upon the approval granted by the relevant supervisory authorities of the State in any one of the following manners:

- (1) to make a repurchase offer to all shareholders in equal proportion to their shareholdings;
- (2) to repurchase the shares in open trading on a recognized stock exchange;
- (3) to repurchase the shares by way of agreement other than through a recognized stock exchange.
- (4) other ways approved by relevant competent authorities of the State.

If the Company acquires the Company's shares in circumstances specified in items (3), (5) and (6) in the first paragraph of Article 28 of the Articles of Association, it shall be conducted by way of open and centralized trading.

Article 30

If the Company shall repurchase its shares in circumstances specified to Subclauses (1) and (2) of Article 28 of the Articles of Association, a resolution by the shareholders' meeting is required. If the Company shall repurchase the Company's shares in circumstances as specified items (3), (5) and (6) of Article 28 of the Articles of Association, it shall be resolved by a resolution of a board meeting attended by more than two-thirds of the directors.

If the situation under paragraph 1 under Article 28 follows after the Company repurchases its shares, the shares shall be cancelled within ten days after they are repurchased or they shall be transferred or cancelled within six months in the case of Sub-clauses (2) and (4). The total number of shares of the Company held by the Company shall not exceed 10% of the total number of shares issued by the Company and shall be transferred or cancelled within three years in the case of Sub-clauses (3), (5) and (6).

Article 31

After the registered capital is increased or reduced or the shares repurchased by the Company are cancelled according to the laws, the Company shall apply to the authority for companies' registration with which it was originally registered to amend the registration as to registered capital, and make an announcement in newspapers or on the National Enterprise Credit Information Publicity System to this effect.

The aggregate value of the cancelled shares must be deducted from the Company's registered capital.

Chapter 5 Financial Assistance for the Acquisition of Shares of the Company

Article 32 The Company or its subsidiaries shall not at any time provide any financial assistance in the form of gifts, advances, guarantees, loans or otherwise to any person for the purpose of acquiring shares of the Company or its parent company, except for the implementation of employee share ownership plans by the Company.

For the benefit of the Company, financial assistance may be provided to any person for the purpose of acquiring shares of the Company or its parent company upon resolution by the shareholders' meeting, or by the Board of Directors in accordance with the authorisation granted under the Articles of Association or by the shareholders' meeting, provided that the aggregate amount of such financial assistance shall not exceed 10% of the total issued share capital. Any resolution of the Board of Directors in this regard shall be passed by more than two-thirds of all directors.

Article 33 In this Chapter, "financial assistance" includes (but is not limited to) assistance by way of:

- (1) gift;
- (2) guarantee (including the provision of any undertaking or property to secure the performance of obligations by the obligor), indemnity (other than an indemnity in respect of the Company's default), release or waiver;
- (3) provision of loans, or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party to the agreement, or the change of, or the assignment of rights under, such loan(s) or agreement;
- (4) financial assistance given in any other manner where the Company is unable to pay its debts, has no net assets or in situations where its net assets would be reduced by a material extent.

In this Chapter, "incurring a liability" includes liabilities incurred by changing one's financial position by making an agreement or joint arrangement (whether enforceable or otherwise and whether made on one's own account or with any other person) or by any other means.

Chapter 6 Share Certificates and Register of Shareholders

Article 34 A share certificate is a certificate issued by the Company to prove the shareholding held by the shareholders.

Share certificates of the Company shall be in registered form. The Company shall issue its share certificates either by way of book entries, or by issuing physical share certificates in accordance with relevant requirements at the place of issue or listing of shares.

In addition to those provided in the Company Law, share certificates of the Company shall also contain any other items required to be specified by the stock exchange on which the shares of the Company are listed.

Article 35 The physical share certificates issued by the Company shall be signed by the chairman of the Board of Directors. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by other senior management officers, the share certificates shall also be signed by such senior management officers. The share certificates shall take effect after being affixed or printed with the seal of the Company. The share certificates shall only be affixed with the company seal with the authorisation of the Board. The signatures of the chairman of the Board of Directors or other relevant senior management officers on the share certificates may also be in printed form.

Article 36 The Company shall keep a register of shareholders containing the following particulars:

- (1) the name (or title), address (or domicile) of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the share certificate numbers of the shares held by each shareholder;
- (4) the date on which each shareholder was registered in the register as a shareholder;
- (5) the date on which any shareholder ceased to be a shareholder.

The Company shall establish a register of shareholders in accordance with the certificates provided by the securities registration and clearing organisation. The register of shareholders shall be the sufficient evidence of the shareholders' shareholding in the Company, unless there is evidence to the contrary.

Article 37

The Company may, in accordance with the mutual understanding and agreements made between the competent securities authorities of the State Council and overseas securities regulatory authorities, maintain its register of holders of Overseas-Listed Foreign Shares outside the PRC and appoint overseas agent(s) to manage such register. The original register of holders of Overseas-Listed Foreign Shares listed in Hong Kong shall be maintained in Hong Kong.

A duplicate of the register of holders of Overseas-Listed Foreign Shares shall be made and maintained at the Company's domicile. The appointed overseas agent(s) shall ensure at all times that the original and the duplicate registers of holders of Overseas-Listed Foreign Shares are consistent.

In the case of inconsistencies between any information recorded in the original register of holders of Overseas-Listed Foreign Shares and that of the duplicate register, the original register shall prevail.

Article 38

The Company shall have a complete register of shareholders.

The register of shareholders shall comprise the following parts:

- (1) a register of shareholders maintained at the Company's domicile, which shall be the register of all shareholders other than those registered in accordance with paragraphs (2) and (3) of this Article;
- (2) a register of holders of Overseas-Listed Foreign Shares maintained at the stock exchange of the place of overseas listing;
- (3) such registers of shareholders maintained in such other places as the Board of Directors may deem necessary for listing purposes.

Article 39

Different parts of the register of shareholders shall not overlap. No transfer of shares registered in one part of the register of shareholders shall, during the continuance of the registration of those shares, be registered in any other parts of the register of shareholders.

Alteration or rectification of each part of the register of shareholders shall be made in accordance with the laws of the place where that part of the register of shareholders is kept.

All fully paid up Overseas-Listed Foreign Shares listed in Hong Kong are freely transferable in accordance with the Articles of Association, but the Board of Directors may refuse to recognise any instrument of transfer without providing any reason thereof unless the same meets the following conditions:

- (1) a fee of HK\$2 or such higher amount as agreed by the Hong Kong Stock Exchange has been paid to the Company for the registration of the instrument of transfer or other documents relating to or which will affect the ownership of the shares;
- (2) the instrument of transfer only deals with Overseas-Listed Foreign Shares which are listed in Hong Kong;
- (3) the stamp duty payable for the instrument of transfer has been paid;
- (4) the relevant share certificates and such other evidence as reasonably requested by the Board of Directors for evidencing the authority of the transferor to transfer the relevant shares are provided;
- (5) in the event of transfer to joint holders, the number of joint holders shall not be more than 4; and
- (6) the relevant shares shall be free of any lien on the Company.

All Overseas-Listed Foreign Shares listed in Hong Kong shall be transferred by an instrument in writing in any usual or common form or any other form which the Board of Directors may approve. The instrument of transfer of any share may only be executed by hand, or if the assignor or the assignee is the recognised clearing house or its nominee, the share transfer form may be executed by hand or in mechanically-printed form. All instruments of transfer must be placed at the domicile of the Company or in other places as the Board of Directors may be specified at any time.

- Article 40 Where the relevant laws, rules, regulations, standardization documents, the securities regulatory authorities of the place where the shares in the Company are listed and the stock exchange have other requirements on the change in the register of members period of closure of the register of shareholders prior to a shareholders' meeting or the reference date set by the Company for the purpose of distribution of dividend, such requirements shall be followed.
- Article 41 When the Company convenes a shareholders' meeting, distributes dividends, goes into liquidation or carries out other activities which require the confirmation of shareholdings, the Board of Directors shall decide a day to be the record date for the purpose of determining shareholdings, and a shareholder whose name is in the register of shareholders at the end of the record date shall be a shareholder of the Company.
- Article 42 Any person who has objection in relation to the register of shareholders and seeks to register his name (or title) on the register of shareholders or to delete his name (or title) from the register of shareholders may in each case apply to a court of competent jurisdiction to rectify the register of shareholders.
- Article 43 Any shareholder who is registered on the register of shareholders or any person who seeks to register his name (or title) on the register of shareholders may, if he has lost his share certificate (the “**original certificate**”), apply to the Company for a new share certificate in respect of the shares (the “**relevant shares**”) represented by the original certificate.
- A holder of Domestic Shares who has lost his/her share certificate and applies for a replacement certificate to be issued shall comply with the provisions of Article 164 of the Company Law.
- A holder of Overseas-Listed Foreign Shares who has lost his share certificate and applies for a replacement certificate to be issued may do so in accordance with the laws, the rules of the stock exchange or other relevant requirements of the place where the register of holders of Overseas- Listed Foreign Shares is maintained.

A holder of Overseas-Listed Foreign Shares of the Company listed in Hong Kong who has lost his share certificate and applies for a replacement certificate to be issued shall comply with the following requirements:

- (1) The applicant shall submit an application in the form prescribed by the Company accompanied by a notarial certificate or a statutory declaration, the contents of which shall include the grounds upon which the application is being made, the circumstances of the loss of the share certificate and evidence thereof; and a statement that no other person is entitled to request for the registration as a shareholder in respect of the relevant shares.
- (2) The Company must, prior to the issue of a replacement share certificate, ensure that no other declaration has been received from any person other than the applicant seeking to be registered as a shareholder in respect of the relevant shares.
- (3) If the Company is prepared to issue a replacement share certificate to the applicant, it shall make a public announcement of such intention in newspapers as prescribed by the Board of Directors. The period of public announcement shall be 90 days during which such public announcement shall be published at least once every 30 days.
- (4) Prior to publication of the public announcements of the intended issue of replacement share certificate, the Company shall deliver to the stock exchange on which the relevant shares are listed a copy of such announcement. The announcement shall be published after the receipt of a reply from such stock exchange confirming that the announcement proposed to be published has been exhibited on such stock exchange. The period for exhibiting such announcement in such stock exchange shall be 90 days.

In the case of an application for the issue of a replacement share certificate made without the consent of the registered holder of the relevant shares, the Company shall send to such registered shareholder by post a copy of the announcement proposed to be published.

- (5) If, by the expiration of the 90-day period of the public announcement and exhibition referred to in Paragraphs (3) and (4) of this Article, the Company has not received any objection to the issue of the replacement share certificate, the Company may issue a replacement share certificate for the relevant shares to the applicant pursuant to the application.
- (6) When the Company issues a replacement share certificate under this Article, it shall forthwith cancel the original certificate and enter the details of the cancellation and replacement issue in the register of shareholders.
- (7) All expenses of the Company relating to the cancellation of the original certificate and the issue of a replacement share certificate shall be borne by the applicant. The Company is entitled to refuse to take any action before reasonable security is provided by the applicant.

Article 44 After the Company has issued a replacement share certificate in accordance with the Articles of Association, the name (or title) of a bona fide purchaser who obtains the new share certificate or a person (if a bona fide purchaser) whose name (or title) is subsequently entered in the register of shareholders in respect of the relevant shares shall not be removed from the register of shareholders.

Article 45 The Company shall not be liable for any damages suffered by any person by reason of the cancellation of an original certificate or the issue of the replacement share certificate, unless the claimant proves that the Company has acted fraudulently.

Chapter 7 Share Transfer

Article 46 The Company's shares shall be transferred in accordance with the laws. The Company shall not accept the Company's shares as a pledge right object.

Article 47 Shares issued by the Company before public offering shall not be transferred within one year from the date of the shares of the Company are listed on the stock exchanges.

The directors and senior management officers shall declare to the Company the number of the Company's shares held by them and the transfer of such shares. During the term of office determined upon their appointment, they shall not transfer for more than 25% of the total number of the Company's shares they held for a year and they shall not transfer any shares of the Company within one year from the date of the Company's shares are listed. Within six months of their leaving, the aforesaid personnel shall not transfer the Company's shares held by them.

Article 48

If the directors are in possession of any price-sensitive information, they are prohibited from dealing in any of the Company's securities in any event.

A director must not deal in any securities of the Company on any date on which its financial results are published and:

- (1) during the period of sixty days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (2) during the period of thirty days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.
- (3) during the period of 5 days immediately preceding the publication date of the estimated results or preliminary results.

The period during which the directors are not allowed to deal in securities stated hereinabove shall cover any period of delay in the publication of a results announcement.

Article 49

If the directors and senior management officers of the Company and any shareholders who hold 5% or more shares of the Company, sell his shares in the Company or other equity securities within six months of his purchase, or purchases the shares again within six months of the sale, the profits thus made shall accrue to the Company and the Board of Directors shall collect all such profits. Except for a securities company, however, as the underwriter, purchases all the unsold shares and therefore holds more than 5% of the shares, and other circumstances specified by the CSRC.

The shares or other equity securities held by the director, senior management officers, or a natural person shareholder as mentioned in the preceding paragraph shall include the shares or other equity securities held by his or her spouse, parents, and children or held through any other person's account.

If the Board of Directors refuses to comply with Paragraph (1) of this Article, the shareholders have the right to request the Board of Directors to do so within thirty days. The shareholders have the right to initiate litigation in the People's Court directly in their own name for the interests of the Company if the Board of Directors fails to comply with the provision within the period specified hereinabove.

If the Board of Directors refuses to comply with Paragraph (1) of this Article, the directors at fault shall assume joint and several liabilities in accordance with the laws.

Chapter 8 General Rules of Shareholders

Article 50 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name (or title) is entered in the register of shareholders.

A shareholder shall enjoy the rights and assume the obligations attached to the class and number of shares held; shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.

Article 51 The holders of ordinary shares of the Company shall enjoy the following rights:

- (1) to claim dividends and distribution of profits in any other form in proportion to the number of shares held;
- (2) to request, convene for the holding of, preside over, attend or appoint proxy to attend shareholders' meeting and to exercise voting right in accordance with the laws and the Articles of Associations;
- (3) to supervise and to put forward proposals or make enquiries relating to the business operations of the Company;

- (4) to transfer, donate or pledge their shares in accordance with the laws, administrative regulations and the Articles of Association;
- (5) to inspect and make copies of the Articles of Association, the register of shareholders, minutes of shareholders' meetings, resolutions of board meetings and financial accounting reports, in which case, shareholders who meet the prescribed requirements may inspect the Company's accounting books and accounting vouchers;
- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company according to the number of shares held by them;
- (7) to require the Company to repurchase the shares due to the shareholders' objection to the resolution at a shareholders' meeting that relates to a merger or division of the Company;
- (8) other rights conferred by laws, administrative regulations and the Articles of Association.

Article 52 When a shareholder requests to inspect or copy the relevant information of the Company, such shareholder shall comply with relevant requirements of the Company Law, the Securities Law and other laws and administrative regulations.

Article 53 If any resolution of the shareholders' meeting or the board meeting is in violation of the laws or administrative regulations, shareholders shall be entitled to request the People's Court to invalidate the said resolution.

If the convening procedure or voting method of the shareholders' meeting or the board meeting is in violation of the laws, administrative regulations or the Articles of Association, or if the content of any resolution is in violation of the Articles of Association, shareholders shall be entitled to request the People's Court for revocation within sixty days after the resolution being made. However, this does not apply if the convening procedure or voting method of the shareholders' meeting or the board meeting only has minor flaws that have no substantial impact on the resolution.

Where the Board of Directors, shareholders and other stakeholders dispute the validity of a resolution of the shareholders' meeting, they shall promptly file a lawsuit with the People's Court. The relevant parties shall execute the resolution of the shareholders' meeting before the People's Court makes a judgment or ruling to revoke the resolution. The Company, directors and senior management officers shall perform their duties diligently to ensure the normal operation of the Company.

Where the People's Court makes a judgement or ruling on a relevant matter, the Company shall fulfil its obligation to disclose the information in accordance with the requirements of laws, administrative regulations, the CSRC and rules of the stock exchanges, fully explain the impact, and actively cooperate with the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they will be handled in a timely manner and the corresponding information disclosure obligations will be fulfilled.

Article 54

Resolutions of the shareholders' meeting or the board meeting of the Company shall not be valid in any of the following circumstances:

- (1) the shareholders' meeting or the board meeting was not convened to make the resolution;
- (2) the shareholders' meeting or the board meeting has not voted on the matters resolved;
- (3) the number of persons attending the meeting or the number of voting rights held does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or the Articles of Association;
- (4) the number of persons approving the matters resolved or the number of voting rights held does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or the Articles of Association.

Article 55

If any director or senior management officer, other than members of the Audit and Compliance Management Committee under the Board of Directors, violates laws, administrative regulations or the Articles of Association when performing duties, thereby incurring any loss of the Company, shareholders who, individually or jointly, hold not less than 1% shares of the Company for not less than 180 consecutive days shall be entitled to request the Audit and Compliance Management Committee in writing to institute legal proceedings to the People's Court; if a member of the Audit and Compliance Management Committee violates laws, administrative regulations or the Articles of Association when performing his/her duties, thereby incurring any loss of the Company, the above-mentioned shareholders shall be entitled to request the Board of Directors in writing to institute legal proceedings to the People's Court.

If the Audit and Compliance Management Committee or the Board of Directors refuses to institute legal proceedings after receiving the aforesaid written request or does not institute legal proceedings within thirty days after receiving the said request, or if the circumstance is urgent or any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the People's Court in their own names for the interests of the Company.

If any other person infringes upon the legitimate rights and interests of the Company, thereby incurring any loss to the Company, shareholders as mentioned in the first paragraph of this Article may institute legal proceedings to the People's Court according to the provisions of the two preceding paragraphs.

Where a director or senior management officer violates laws, administrative regulations or the provisions of the Articles of Association, thereby prejudicing the interests of shareholders, shareholders may institute legal proceedings to the People's Court.

If a director, supervisor or senior management officer of a wholly-owned subsidiary of the Company violates laws, administrative regulations or the provisions of the Articles of Association during the performance of his/her duties, thereby incurring any loss of the Company, or if any other person infringes upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and causes losses to the Company,

shareholders who, or jointly, hold not less than 1% shares of the Company for not less than 180 consecutive days may request in writing the supervisory committee or the Board of Directors of such wholly-owned subsidiary to file a lawsuit with the People's Court or directly file a lawsuit in their own names with the People's Court in accordance with the provisions of the preceding three paragraphs of Article 189 of the Company Law. If the wholly-owned subsidiary of the Company has no supervisory committee or supervisors but has the audit committee, it shall be executed in accordance with the provisions of the first and second paragraphs of this Article.

Article 56

The holders of ordinary shares of the Company shall have the following obligations:

- (1) to comply with laws, administrative regulations and the Articles of Association;
- (2) to pay subscription moneys according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw their share capital, save and except in circumstances provided by laws and administrative regulation;
- (4) not to abuse the rights of shareholders to cause damage to the interests of the Company or other shareholders; shall not abuse the independent status of the Company as a legal person and the limited responsibility of shareholders to cause damage to the interests of the Company's creditors;
- (5) A shareholder of the Company shall be held legally liable for any damage incurred to the Company or other shareholders due to the abuse of his/her rights as a shareholder; a shareholder of the Company shall assume joint liabilities for the Company's debts if severe damage is caused to the interests of the Company's creditors due to his/her abuse of the independent status of the Company as a legal person or the limited responsibility of shareholders for evading the debts.

- (6) If a shareholder holds more than 5% of the Company's shares, which are pledged, frozen, judicially auctioned, entrusted, placed in trust or restricted from voting according to law, or where there is a risk of compulsory transfer, he/she has to report to the Company in writing on the date such event occurs;
- (7) other obligations imposed by laws, administrative regulations and the Articles of Association.

Article 57 The controlling shareholders and de facto controller of the Company shall exercise their rights and fulfil their obligations in accordance with the laws, administrative regulations, the provisions of the CSRC and the stock exchanges, and safeguard the interests of the listed company.

Article 58 In addition to the obligations imposed by laws and administrative regulations or required by the listing rules of the stock exchange on which the Company's shares are listed, a controlling shareholder or de facto controller shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests of the shareholders generally or of some of the shareholders of the Company:

- (1) to relieve a director of his/her duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a director (for his/her own benefit or for the benefit of another person) of the Company's assets in any guise, including (but not limited to) opportunities which are beneficial to the Company; and
- (3) to approve the expropriation by a director (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (but not limited to) rights to distributions and voting rights, save and except where it was done pursuant to a restructuring submitted to the shareholders' meeting in accordance with the Articles of Association.

Article 59

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

- (1) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;
- (2) to strictly fulfil the public statements and undertakings made, without unilateral alteration or waiver;
- (3) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;
- (4) not to appropriate the Company's funds in any way;
- (5) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (6) not to make use of the Company's undisclosed material information for personal gain, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;
- (7) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, foreign investment or any other means;
- (8) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organisation and business, and not to affect the independence of the Company in any way;
- (9) other provisions of laws, administrative regulations, provisions of the CSRC, business rules of stock exchanges and the Articles of Association.

Where a controlling shareholder or de facto controller of the Company does not act as a director of the Company but actually carries out the affairs of the Company, the provisions of the Articles of Association relating to the duties of loyalty and diligence of directors shall apply.

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

Article 60 The controlling shareholders or de facto controller shall maintain control over the Company and the stability of its production operations if they pledge the Company's shares held or effectively controlled by them.

Article 61 In the event of any transfer of the Company's shares held by a controlling shareholder or de facto controller, they shall comply with the restrictive provisions regarding the transfer of shares stipulated under the laws, administrative regulations and the requirements of the CSRC and stock exchanges, as well as the undertakings they have made in respect of restrictions on share transfer.

Chapter 9 Shareholders' Meetings

Section 1 General Rules of Shareholders' Meeting

Article 62 The shareholders' meeting is comprised of all the shareholders. It is the authority of power of the Company and it exercises its functions and powers according to the laws.

Article 63 The shareholders' meeting shall exercise the following powers:

- (1) to elect and replace directors (who are non-employee representatives), and to decide on matters relating to the remunerations of directors;
- (2) to consider and approve any report submitted by the Board;
- (3) to consider and approve the annual financial (final) reports of the Company;

- (4) to consider and approve the profit distribution plan and the plan for making up accrued losses of the Company;
- (5) to resolve on the increase or reduction in the registered capital of the Company;
- (6) to resolve on matters such as merger, division, dissolution, liquidation or alteration of the nature of the Company;
- (7) to resolve on the issuance of debentures by the Company;
- (8) to resolve on the Company's appointment and dismissal of an accounting firm responsible for the audit services of the Company;
- (9) to amend the Articles of Association;
- (10) to consider any resolution proposed by shareholders representing more than 1% (including 1%) of the shares carrying voting rights of the Company;
- (11) to consider and approve the issue of guarantees as stipulated under Article 64 of the Articles of Association;
- (12) to consider and approve the financial assistance as stipulated under Article 65 of the Articles of Association;
- (13) to consider purchases or sales of the substantial assets for the amount which exceeds 30% of the Company's latest audited total assets within a year;
- (14) to review and approve the issue of altering the use of raised funds;
- (15) to consider the stock options incentive scheme and employee share ownership plans;
- (16) to consider the matters regarding major transactions and related party transactions that shall be approved by the shareholders' meeting as stipulated by the stock exchanges;
- (17) any other issues required to be determined by passing resolutions at the shareholders' meeting according to the laws, administrative regulations and the Articles of Association.

The shareholders' meeting may adopt a resolution authorising the Board of Directors to issue certain amount of shares, corporate bonds and convertible corporate bonds. The specific execution shall comply with relevant laws, administrative regulations, and the rules of the securities regulatory authorities and stock exchanges.

The shareholders' meeting may authorise the Board of Directors to decide on matters including external investments, leasing of assets, pledges of assets, entrusted operation and entrusted financial management of the Company, in the limit of 10% of the latest audited net assets of the Company; and may authorise the Board of Directors to decide on matters on external donations of the Company, in the limit of 0.05% of the latest audited net assets of the Company.

Article 64

The following external guarantees by the Company shall be subject to the review and approval of the shareholders' meeting:

- (1) Any guarantee that occurs after the total amount of external guarantees by the Company and its subsidiaries has reached or exceeded 50% of the latest audited net assets;
- (2) Any guarantee that occurs after the total amount of external guarantees by the Company has reached or exceeded 30% of the latest audited total assets;
- (3) Any guarantee provided by the Company to others, where the amount of the guarantees within one year exceeds 30% of the latest audited net assets;
- (4) Any guarantee provided to an entity with an asset to liability ratio of more than 70%;
- (5) Any single guarantee that exceeded 10% of the latest audited net assets;
- (6) Any guarantee provided to the shareholders, de facto controllers or their connected parties.

Article 65

The following financial assistance (including interest-bearing or interest-free loans, entrusted loans, etc.) provided by the Company are subject to the consideration and approval of the shareholders' meeting:

- (1) single financial assistance with the amount exceeding 10% of the latest audited net assets of the Company;
- (2) the asset-liability ratio in the latest financial statement of the party receiving such assistance in excess of 70%;
- (3) the cumulative amount of financial assistance for the past 12 months exceeding 10% of the latest audited net assets of the Company;
- (4) other circumstances as may be prescribed by the stock exchanges or the Articles of Association.

If the target for assistance is a subsidiary within the scope of consolidated financial statements of the Company and other shareholders of such subsidiary are not the Company's controlling shareholder, de facto controller or connected party, the provisions of the preceding paragraph shall not apply.

The Company shall not provide financial assistance to its connected parties, unless the financial assistance is provided to a related investee company not controlled by the controlling shareholder or de facto controller of the Company and that other shareholders of the investee company also provide such financial assistance under the same conditions in proportion to their capital contribution. For the provision of financial assistance to such related investee company, it shall be submitted to the shareholders' meeting for consideration.

Article 66

Shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. Shareholders' meetings shall be convened by the Board of Directors. Annual shareholders' meetings shall be convened once a year within six-month following the end of the previous financial year.

The Board of Directors shall convene an extraordinary shareholders' meeting within two months of any of the following events:

- (1) when the number of directors is less than the minimum number prescribed by the Company Law or fewer than two thirds of the number prescribed by the Articles of Association;
- (2) when the Company does not make up the losses reaching one-third of the total share capital;
- (3) when shareholder(s) individually or jointly holding more than 10% of the Company's shares make a request in writing to convene an extraordinary shareholders' meeting;
- (4) when the Board of Directors considers it necessary or when the Audit and Compliance Management Committee proposes to convene a shareholders' meeting;
- (5) other circumstances set out in the laws, administrative regulations, departmental regulations or the Articles the Association.

Article 67

When the Company convenes an annual shareholders' meeting, it shall send written notice to all shareholders registered in the register of shareholders at least 21 days prior to the date of the meeting, which notice shall set forth the matters proposed to be considered at the meeting and the date and venue of that meeting. When the Company convenes an extraordinary shareholders' meeting, it shall send written notice to all shareholders registered in the register of shareholders at least 15 days prior to the date of the meeting, which notice shall set forth the matters proposed to be considered at the meeting and the date and venue of that meeting.

Article 68

The Company shall hold shareholders' meetings at its place of domicile or other place as designated by the Board.

A venue shall be designated for a shareholders' meeting and be convened by way of an onsite meeting, or simultaneously via electronic means of communication. Subject to the legality and validity of the shareholders' meeting and in accordance with the laws, administrative regulations, the provisions of the CSRC or the Articles of Association, the Company may adopt various methods and means, including the provision of a voting platform on Internet for the shareholders if technically practicable, and making it convenient for shareholders to participate in shareholders' meeting so as to enlarge the proportion of public shareholders' participation in the shareholders' meeting.

Section 2 Convening of Shareholders' Meeting

Article 69 The Board of Directors shall convene the shareholders' meeting within the time limit.

Upon the consent of more than half of independent directors, independent directors shall have the right to propose to the Board of Directors the convening of an extraordinary shareholders' meeting. Pursuant to the stipulation under the laws, administrative regulations and the Articles of Association, the Board of Directors shall give written feedback on whether to approve or disapprove the convening of the extraordinary shareholders' meeting within ten days after the receipt of any resolution proposed. If the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice for convening the shareholders' meeting shall be issued within five days after the resolution has been made by the Board of Directors; an announcement with relevant explanation shall be made if the Board of Directors does not agree to convene the extraordinary shareholders' meeting.

Article 70 The Audit and Compliance Management Committee shall propose to the Board of Directors the convening of an extraordinary shareholders' meeting in writing. Pursuant to the stipulation under the laws, administrative regulations and the Articles of Association, the Board of Directors shall give written feedback on whether to approve or disapprove the convening of the extraordinary shareholders' meeting within ten days after the receipt of any resolution proposed.

If the Board of Directors consents to hold an extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five days after the resolution is approved by the Board of Directors, and any change to the original proposal in the notice shall be subject to consent from the Audit and Compliance Management Committee.

If the Board of Directors does not agree to convene the extraordinary shareholders' meeting, or no feedback is given within ten days after receiving the request, it will be deemed that the Board of Directors is unable to fulfill or fails to fulfill its responsibility to convene the shareholders' meeting, and the Audit and Compliance Management Committee hereby may convene and preside over the meeting by itself.

Article 71

Requested by shareholders, individually or collectively, interested in more than 10% of the shares of the Company or by the supervisory committee to convene extraordinary shareholders' meetings shall be processed as follows:

- (1) To sign one or more written requests of identical form and substance requesting the Board of Directors to convene an extraordinary shareholders' meeting and stating the topic of the meeting. The Board of Directors shall make a written response as to whether or not it agrees to hold the extraordinary shareholders' meeting within ten days after having received the above-mentioned written request. The shareholding referred to above shall be calculated as of the date on which the written request is made by shareholder(s).
- (2) If the Board of Directors consents to hold an extraordinary shareholders' meeting, it should issue a notice of shareholders' meeting within five days after the resolution is approved by the Board of Directors (or after the approval has been granted if the relevant matter involves the prior approval of regulatory authorities), and any change to the original request in the notice shall be subject to consent from the relevant shareholders.

- (3) If the Board of Directors disagrees to hold an extraordinary shareholders' meeting, or fails to give a reply within ten days after receiving the request, shareholders who, individually or jointly, hold not less than 10% of the shares of the Company shall have the right to propose to the Audit and Compliance Management Committee to convene an extraordinary shareholders' meeting, and the request shall be submitted to the Audit and Compliance Management Committee in writing.
- (4) If the Audit and Compliance Management Committee consents to hold an extraordinary shareholders' meeting, it should issue a notice of shareholders' meeting within five days after receiving the request (or after the approval has been granted if the relevant matter involves the prior approval of regulatory authorities), and any change to the original request in the notice shall be subject to consent from the relevant shareholders.
- (5) If the Audit and Compliance Management Committee fails to issue a notice of shareholders' meeting within the prescribed period, the Audit and Compliance Management Committee is deemed to refuse to convene and preside over the shareholders' meeting, and shareholders who, individually or jointly, hold not less than 10% shares of the Company for not less than ninety consecutive days may convene and preside over a shareholders' meeting.

Article 72

If the Audit and Compliance Management Committee or shareholders decides/decide to convene the shareholders' meeting by itself/themselves, a written notice shall be given to the Board of Directors and, in the meantime, report shall be made to the stock exchange for record.

The Audit and Compliance Management Committee or convening shareholder(s) shall submit the relevant documents to the stock exchange before issuing the notice for convening of the shareholders' meeting and the resolution proposed to the shareholders' meeting.

Prior to the announcement of the resolution proposed to the shareholders' meeting, the proportion of shares held by the convening shareholder(s) shall not be less than 10%.

Article 73 The Board of Directors and the secretary to the Board of Directors shall accommodate to the shareholders' meeting convened by the Audit and Compliance Management Committee or shareholders. The Board of Directors shall provide the list of shareholders on the record day.

The reasonable expenses necessarily incurred for the shareholders' meeting convened by shareholders or the Audit and Compliance Management Committee shall be borne by the Company.

Section 3 Proposal and Notices for Shareholders' Meetings

Article 74 When the Company convenes a shareholders' meeting, the Board of Directors, the Audit and Compliance Management Committee and shareholder(s) individually and jointly holding more than 1% (including 1%) of the Company's shares have the right to propose new resolution(s) to the Company.

Shareholders that hold, individually or collectively, 1% or more of the shares in the Company may submit provisional proposed resolution(s) in writing to the convener ten days prior to the date of such meeting. The convener shall, within two days after receipt of the proposed resolution(s), issue a supplemental notice of the shareholders' meeting and make a public announcement of the contents of such provisional proposed resolution(s), which shall be submitted to the shareholders' meeting for consideration. This shall not apply where any provisional proposed resolution contravenes laws, administrative regulations, or the provisions of the Articles of Association, or falls outside the scope of the shareholders' meeting's authority. The aforementioned convener refers to the person authorised to convene the shareholders' meeting in accordance with the Articles of Association.

Unless in the circumstance hereinabove, the convener may not, after publishing the notice of the shareholders' meeting, make any change to the proposed resolution(s) set forth in such notice or add any new proposed resolution(s).

The contents of the proposed resolution(s) of the shareholders' meeting shall fall within the terms of reference of the shareholders' meeting, have clear topics and specific matters for resolution, and comply with the relevant provisions of laws, administrative regulations and the Articles of Association.

- Article 75 The Board of Directors of the Company shall, in the best interest of the Company and the shareholders, examine the motions put forward in shareholders' meetings in accordance with Article 74 herein.
- Article 76 Where the Board of Directors decides not to include a motion in the agenda of the shareholders' meeting, an explanation and a statement shall be given at such a meeting. Such statement and details of the motion shall, together with the resolutions of the shareholders' meeting, be published after the conclusion of the shareholders' meeting.
- Article 77 If the shareholder who puts forward a motion objects to the Board of Directors' decision of not including his motion in the agenda of the shareholders' meeting, he may request to convene an extraordinary shareholders' meeting in accordance with the Articles of Association.
- Article 78 A shareholders' meeting shall not decide on matters which are not specified in the notice.
- Article 79 A notice of shareholders' meeting shall include the following:
- (1) the place, date and time for the shareholders' meeting;
 - (2) matters and proposals to be considered at the meeting;
 - (3) contain a clear statement that a shareholder who is entitled to attend and vote at the meeting shall have the right to appoint one or more proxies to attend and vote at the meeting on his/her behalf and such proxies need not be shareholders;
 - (4) state the date and place for serving the letter of attorney for the meeting;
 - (5) state the record date for shareholders who are entitled to attend the shareholders' meeting;
 - (6) names and contact telephone numbers of the contact persons in connection with the meeting;
 - (7) voting time and procedures for networks or other means.

Where opinions from independent directors are required on any matters to be discussed in the notice (including supplementary notice) of the shareholders' meeting, such opinions and reasons from independent directors shall be disclosed when a notice (including a supplementary notice) of the shareholders' meeting is given.

In the event that the shareholders' meeting adopts an Internet platform or other ways, the time and procedures for voting via the Internet or by other ways shall be specifically stated in the notice of the shareholders' meeting. The beginning time for voting via the Internet or by other ways for the shareholders' meeting shall not be earlier than 3:00 p.m. on the day prior to date when the on-site shareholders' meeting is convened, and shall not be later than 9:30 a.m. on the date when the on-site shareholders' meeting is convened. Its closing time shall not be earlier than 3:00 p.m. on the date when the onsite shareholders' meeting is concluded.

Article 80

The notice of a shareholders' meeting shall be given to shareholders by way of an announcement. For holders of Overseas-Listed Foreign Shares, subject to the compliance with applicable laws, regulations and the Listing Rules by the Company, such notice may be published on the website designated by the stock exchange on which the shares of the Company are listed or on the website of the Company, or sent by electronic means, or given in any other means acceptable by the stock exchange on which the shares of the Company are listed.

The announcement as mentioned in the preceding paragraph refers to the publication of relevant information disclosure on the websites of the media and stock exchange that meet the conditions prescribed by the CSRC.

Article 81

After the notice of a shareholders' meeting has been issued, without appropriate reasons, the meeting shall not be postponed or cancelled, and any resolution contained in the notice shall not be withdrawn. In the event of postponement or cancellation, the convenor shall make an announcement to state the reasons at least two clear business days prior to the original date of the meeting.

The gap between the record date and the date of the meeting shall be no more than seven clear business days. Once the record date is settled, it shall not be changed.

Where the regulatory rules of the stock exchange where the Company's shares are listed contain other provisions regarding the aforementioned matters, such provisions shall prevail.

Article 82 If a person who has the rights to receive the notice of meeting is left out accidentally to be served with the notice or such party fails to receive the notice of meeting, the meeting and resolution made in the meeting shall not become void thereby.

Section 4 Convening of Shareholders' Meetings

Article 83 The Board of Directors of the Company and other convenors shall take necessary measures to ensure the normal order of the shareholders' meeting. With respect to acts of interfering with the shareholders' meeting, picking quarrels and provoking trouble and infringing upon the lawful rights and interests of shareholders, they shall take measures to stop such acts and report to the relevant departments for investigation and handling in a timely manner.

Article 84 The Company's Board of Directors, independent directors and shareholders holding more than 1% of voting shares or investor protection institutions established according to laws, administrative regulations or provisions of the CSRC may collect the rights to vote in a shareholders' meeting publicly as the soliciting parties. While soliciting voting rights from shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. Where the voting rights of Shareholders are solicited in accordance with the above provisions, the soliciting parties shall disclose the solicitation documents, and the Company shall cooperate in this regard. No consideration or other form of de facto consideration shall be involved in the collection of voting rights from shareholders. Except where required by law, the Company shall not impose any limitation related to minimum shareholdings on the collection of voting rights.

Article 85 All shareholders registered on the record date or their proxies shall be entitled to attend the shareholders' meetings, and shall exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association.

Article 86 Any shareholder entitled to attend and vote at a shareholders' meeting may attend in person or appoint one or more persons (who need not be a shareholder or shareholders) as his proxy(ies) to attend and vote on his behalf. Pursuant to authorisation by that shareholder, a proxy so appointed shall enjoy the right to speak at the meeting.

In respect of a shareholder who holds Overseas-Listed Foreign Shares which are issued by the Company and listed in Hong Kong, if such shareholder is a recognised clearing house as defined under the "Securities and Futures Ordinance" of Hong Kong, such shareholder or its nominee may authorise one or more person(s) as its representative to attend and vote at shareholders' meeting; however, if more than one person are so authorised, the power of attorney shall clearly indicate the number and class of the shares involved by way of the authorisation. The person(s) so authorised may exercise the said powers without the need to present any shareholding supporting document or to have the power of attorney notarized, as if they were the individual shareholders of the Company.

Article 87 The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if the appointor is a legal person, it shall be under the seal of the Company or under the hand of a director or an attorney duly authorised.

Article 88 A shareholder attending the meeting in person shall produce his/her own identity document or other valid document or certificate that can prove his identity; in case that a proxy is entrusted to attend the meeting, the proxy shall produce his identity document and the shareholder's authorised proxy document.

A corporate shareholder shall appoint its legal representative or a proxy appointed by its legal representative to attend the meeting. The legal representative attending the meeting shall produce his/her identity document, and valid proofs on his/her qualification as the legal representative. A proxy appointed to attend the meeting shall produce his/her identity document and an authorisation document issued by the legal representative of such corporate shareholder in writing.

Article 89

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

- (1) the name of the principal, as well as the class and number of shares of the Company held by him/her;
- (2) the name of the proxy;
- (3) specific instructions from shareholders, including the instructions in relation to voting for or against each item to be considered at the shareholders' meeting;
- (4) the date of the issue and the valid term of the letter of authorisation;
- (5) the signature (or seal) of the appointing party. Where the appointing party is a legal person shareholder, the letter of authorisation shall be affixed with its common seal or signed by their director or officially appointed proxy.

Such a form shall contain a statement that, in the absence of instructions by the shareholder, the proxy may vote as he/she thinks fit.

Article 90

The instrument appointing a proxy shall be deposited at the address of the Company or at some other places specified for the purpose in the notice of meeting not less than 24 hours before the time for convening the meeting at which the proxy is authorised to vote or 24 hours before the time specified for the voting. Unless otherwise specified in the Articles of Association, where such an instrument appointing a proxy is signed by a person under a power of attorney on behalf of the appointor, that power of attorney authorising the signature or other authorisation documents shall be notarially certified. The notarially certified copy of the power of attorney or other authorisation documents shall, together with the instrument appointing the proxy, be deposited at the Company's address or such other place as specified for the purpose in the notice of meeting.

- Article 91 Any proxy form issued by the Board of Directors to a shareholder for use by him for appointing a proxy to attend and vote at a meeting shall be such as to enable the shareholder, according to his intention, to instruct the proxy to vote in favour of, against or abstain from voting on each resolution to be decided in the meeting. Such a form should state: that in default of instructions the proxy may vote at he thinks fit; whether or not the proxy has voting rights in respect of any provisional proposed resolution which be included in the agenda for shareholders' meeting and if the proxy has voting rights in respect thereof, specific instructions as to the type of voting rights to be exercised.
- Article 92 An attendance register for persons attending the meeting shall be prepared by the Company and it should contain the names of persons (or legal persons) attending the meeting, respective identity document numbers, numbers of shares with voting rights held or represented, names of the appointors (or legal persons), etc.
- Article 93 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or of the authority under which the vote was given or the shares in respect of which the vote was given have been transferred, provided that no notice in writing of the aforesaid matters shall have been received by the Company before the commencement of the meeting at which the proxy is used.
- Article 94 Resolutions of a shareholders' meeting are classified as ordinary resolutions and special resolutions.
- An ordinary resolution of a shareholders' meeting shall be passed by affirmative votes of a majority of the total voting rights of shareholders (including their proxies) present at the meeting.
- A special resolution of a shareholders' meeting shall be passed by affirmative votes of more than two-thirds of the total voting rights of shareholders present at the meeting.
- Shareholders as referred to in this Article includes shareholders who entrust agents to attend the shareholders' meeting.

Article 95

Resolutions shall be decided on a registered poll in shareholders' meetings. Shareholders shall exercise their voting rights in accordance with the number of shareholding rights they represent. Each share carries the right to one vote. Shareholders as referred to in this Article includes shareholders who entrust agents to attend the shareholders' meeting.

Where major matters affecting the interests of small and medium investors are being considered in the shareholders' meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be made open and disclosed timely.

Shares held by the Company shall not have any voting rights and shall not be counted into the total number of shares with voting rights present at the shareholder's meeting. Shareholders, who purchase the voting shares of the Company in violation of provisions of the first clause and the second clause of Article 63 of the Securities Law, shall not exercise the voting rights of the shares that exceed the prescribed ratio within 36 months after such purchase, and such shares shall not be counted among the total number of shares with voting rights at a shareholder's meeting.

In the event that two or more than two directors who are not employee representative directors (including independent directors) are to be elected in the shareholder's meeting, the cumulative voting system shall be adopted, and the election of independent directors is separated from that of members of the Board of Directors. The newly elected directors shall assume office immediately at the time the relevant election proposal is approved at the shareholder's meeting or at such other time as specified in the proposal.

Each share, which carries voting rights, shall be entitled to such number of vote(s) as equivalent to the total number of the directors to be elected. Shareholders are free to allocate their votes among the candidates for election as directors. They may either cast their votes for several candidates separately, or cast their votes for one candidate. According to the chronological order of votes for each of the candidates for election as directors and the number of directors to be elected, the candidates who have the highest votes shall be elected.

- Article 96 Shareholders (including their proxies) present at the shareholders' meeting shall indicate clearly whether they are in favor of, against or abstain from each of the matter to be voted. Otherwise, votes shall not be counted as valid votes by the Company when determining the voting result in relation to the relevant matters. Shareholders as referred to in this Article includes shareholders who entrust agents to attend the shareholders' meeting.
- For voters whose voting slips are left blank, incorrectly completed, illegible or without vote casting, he shall be deemed to have waived his voting rights, and the votes in respect of the number of shares held by him shall be counted as "abstain".
- Article 97 Where a connected transaction is being considered in a shareholders' meeting, connected shareholders shall abstain from voting, and the voting rights represented by the shares held by them shall not be counted towards the total number of valid votes. The voting results of shareholders (other than the connected shareholders) shall be fully disclosed in an announcement in relation to the resolution passed at the shareholders' meeting.
- If in exceptional circumstances, the connected shareholders are unable to abstain from voting, the Company may, upon obtaining the prior consent by the competent department, conducts the voting according to normal procedures. Detailed explanation shall be given in the announcement in relation to the resolution passed at the shareholders' meeting.
- Article 98 Upon reviewing the proposed resolution whether to provide guarantee to a shareholder or the de facto controller(s) and their connected parties in the shareholders' meeting, such shareholder or the shareholder(s) controlled by such de facto controller(s) are not permitted to participate in the voting thereof. The resolution must be passed by a majority of the other shareholders attending the shareholders' meeting with voting rights.
- Article 99 When a matter regarding the profits distribution of the Company, especially profits distribution by cash dividends distribution, or a matter regarding the adjustment of an established profit distribution policy, especially a cash dividend distribution policy, is being considered at a shareholders' meeting, the Board should report a resolution as well as the reason of the arrangement first, then vote on the related resolution.

- Article 100 The directors and senior management officers shall attend the meetings. Aside from matters involving the Company's trade secrets which cannot be revealed in the shareholders' meeting, the directors and senior management officers shall reply and elaborate on shareholders' queries and suggestions.
- Article 101 When a poll is taken, it is not necessary for a shareholder entitled to two or more votes to cast all his votes all for or against any resolution. Shareholders as referred to in this Article include shareholders who entrust agents to attend the shareholders' meeting.
- Article 102 The following matters shall be passed by ordinary resolutions in shareholders' meetings:
- (1) Work reports of the Board of Directors and the annual financial (final) reports of the Company;
 - (2) Proposals formulated by the Board of Directors for distribution of profits and for making up of losses;
 - (3) Appointment and removal of members of the Board of Directors who are not employee representative and their remuneration and methods of payment;
 - (4) Appointment and dismissal of the appointment of an accounting firm responsible for the audit services of the Company;
 - (5) Other matters not required by the laws, administrative regulations or the Articles of Association to be adopted by way of special resolution.
- Article 103 The following matters shall be passed by way of special resolutions in shareholders' meetings:
- (1) Increase or reduction of registered capital and issuance of shares of any class; warrants, and other similar securities of the Company;
 - (2) Issuance of debentures of the Company which are convertible into shares;

- (3) Division, merger, dissolution, liquidation and alteration of the nature of the Company;
- (4) Amendment to the Articles of Association;
- (5) If the amount of the Company's purchases, sales or significant assets or guarantees provided to others exceeds 30% of the Company's latest audited total assets within a year;
- (6) Stock options incentive scheme;
- (7) Contracts entered into between the Company and a party (other than a director and senior management officers) in relation to vesting responsibility for the administration of all businesses or the important businesses of the Company to that party;
- (8) Profit distribution policy, especially adjustment to the cash dividend distribution policy;
- (9) Other matters which, as stipulated by the laws, administrative regulations or the Articles of Association and according to an ordinary resolution of the shareholders' meeting, may have significant impact on the Company and require adoption by way of special resolution.

Except for exceptional circumstances, such as the Company being in crisis, unless approved by a special resolution at a shareholders' meeting, the Company shall not enter into any contract with any party other than the directors and senior management officers pursuant to which such party shall be in charge of management of the whole or any substantial part of the Company's business.

Article 104

In addition to the cumulative voting system, the shareholders' meeting shall resolve all the proposals separately. Where there are different proposals for the same matter, such proposals shall be voted on in the chronological order in which they are presented. Unless a shareholders' meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the shareholders' meeting.

No amendments shall be made to motions at a shareholders' meeting when motions are under consideration, or the relevant change shall otherwise be deemed as a new motion which may not be voted at such shareholders' meeting.

The same voting right can only be exercised either onsite, online or by other means of voting. If the same voting right is exercised repeatedly, the result of the first vote shall prevail.

Article 105

The chairman of the Board of Directors shall chair every shareholders' meeting. If the chairman is unable to or does not perform his/her duties, the vice chairman of the Board of Directors shall and chair the meeting. If the vice chairman of the Board of Directors is unable to or does not perform his/her duties, a director jointly elected by a majority of the number of directors shall and chair the meeting. If a majority of the number of directors are unable to elect a director to chair the meeting, then shareholders present at the meeting may elect one person to act as the chairman of the meeting. If for any reason the shareholders cannot elect a chairperson, the shareholder (including proxy) holding the largest number of shares with voting rights at the meeting shall act as the chairperson. The shareholders' meeting shall be presided over by the chairman of the meeting.

A shareholders' meeting convened by the Audit and Compliance Management Committee on their own shall be presided over by the chairperson of the Audit and Compliance Management Committee. If the chairperson of the Audit and Compliance Management Committee is unable to or does not perform his/her duties, a member of the Audit and Compliance Management Committee jointly elected by a majority of members of the Audit and Compliance Management Committee shall preside over the said meeting.

Where the shareholders' meeting is convened by the shareholders on their own, the convener shall preside or elect a representative to preside over the meeting.

When convening a shareholders' meeting, should the chairman of the meeting violates the rules and procedures, resulting that the shareholders' meeting becomes unable to proceed, a person may, subject to the consent of more than half of the number of shareholders with voting rights attending the meeting at the scene, be elected at the shareholders' meeting to preside over the shareholders' meeting such that the meeting may be continued.

Article 106

The meeting chairperson shall announce whether a resolution has been passed in accordance with the voting results, and it shall be recorded in the minutes book as conclusive evidence. Prior to the official announcement of voting results, the Company, counting officers, scrutineers, shareholders, network service provider and other relevant parties involved in on-site voting, online voting or other means of the shareholders' meeting shall be obliged to keep the voting results confidential.

Minutes shall be prepared to record decisions made in respect of matters discussed in the shareholders' meetings and duly signed by directors, the secretary to the Board of Directors, the convenor or his/her proxy and the meeting chairperson attending the meeting. The minutes of the meeting should be maintained with the register for signing of attending shareholders and the proxy form of their proxies and valid information on on-line voting and voting in other manners, and the maintaining period shall not be less than 10 years. The minutes shall record the following matters:

- (1) the number of voting shares represented by the holders of Domestic Shares and Overseas-Listed Foreign Shares who are present at the meeting, and the proportion of their shares out of the total number of shares of the Company;
- (2) the date and place of the meeting;
- (3) the name of the person chairing the meeting and the agenda of the meeting;
- (4) the main points regarding each of the examined and discussed matters made by each person who spoke at the meeting;
- (5) the names of the directors and senior management officers attending or present at the meeting;
- (6) the voting results of shareholders of Domestic Shares and shareholders of Overseas-Listed Foreign Shares in respect of each resolutions;
- (7) the inquiries and suggestions made by the shareholders, and the answers given or statements in respect thereof;
- (8) the names of the lawyer, the teller and the scrutineer;

- (9) other matters which according to the opinions of the shareholders' meeting and the provisions of the Articles of Association shall be recorded in the minutes of the meeting;

Article 107 Where the meeting chairperson has doubts about the results of the resolution tabled for voting, he may count the number of votes cast. If no counting is made by the meeting chairperson, any shareholder or his proxy attending the meeting, who queries the results as announced by the meeting chairperson, have the right to immediately demand a counting of the votes. The meeting chairperson shall forthwith conduct such counting of the votes.

Should the counting of votes is conducted in the shareholders' meeting, the results shall be recorded in the minutes book.

The minutes and the signed attendance record of those shareholders attending the meeting and the proxy forms shall be retained together for a period of not less than ten years.

Article 108 Copies of the minutes of meeting shall be open for free inspection during the business hours of the Company by any shareholder. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within seven days of the receipt of reasonable charges.

Chapter 10 Party Committee

Article 109 In accordance with the Constitution of the Communist Party of China ("CPC"), the Company Law, Regulations on the Work of the Communist Party of China for its Grassroots Organisations at State-owned Enterprises (Trial) and other relevant provisions, and with the approval of the Party organisation at a higher level, the Company shall establish a committee of the Communist Party of China of Maanshan Iron & Steel Company Limited (hereinafter referred to as the "Party Committee"). Meanwhile, according to the relevant regulations, the Company shall establish a commission for discipline inspection of the Party.

Article 110 The Party Committee of the Company shall be elected from the Party member congress or the Party representative congress; each term of office is generally five years. Regular re-election shall be conducted upon the expiration of its term of office. Each term of office of commission for discipline inspection of the Party shall be the same as the Party Committee.

Article 111

The Party Committee of the Company generally consists of 5 to 9 members. There should be 1 Party secretary, and 1 to 2 deputy Party secretaries. The Company shall establish a standing committee. The standing committee of Party Committee shall generally consist of 5 to 7 standing members, with a maximum of 9 standing members. The committee shall generally comprise 15 to 21 members. Higher-level Party organisations may, based on work requirements and cadre management authority, transfer or appoint the secretary, deputy secretary, or standing members of the Party Committee of the Company, and may concurrently appoint or dismiss their member positions.

Article 112

The Party Committee of the Company shall perform the core leadership functions, controlling the directions, managing the overall situation and ensuring the implementation, discuss and make decisions on significant matters of the Company in accordance with the regulations. The main responsibilities are:

- (1) to strengthen the political role of the Party in the Company, adhere to and implement the fundamental, basic and important systems of socialism with Chinese characteristics, and educate and guide all Party members to follow suit with the Central Committee of the Party with comrade Xi Jinping at the core in terms of political orientation, direction, principles and path;
- (2) to thoroughly study and implement the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, learn to promote the Party's theories, adhere to the Party's values, principles and policies, supervise and ensure the implementation of major decisions and arrangements of the Central Committee of the Party and the resolutions of the Party organisations of higher levels in the Company;
- (3) to study and discuss major operation management matters of the Company and support the shareholders' meeting, the Board of Directors and the management in exercising their functions and powers in accordance with the laws;
- (4) to strengthen the management of and review the selection and employment of the Company's personnel, and build and cultivate the leadership, cadres and talents of the Company;

- (5) to fulfil the responsibilities of the Company for building a healthy culture, lead and support internal discipline inspection organisations to fulfill their duties of supervision, discipline and accountability, strictly implement political disciplines and rules, and penetrate all-round and strict administration of the Party into the grassroots level;
- (6) to strengthen the establishment of grass-roots Party organisations and Party members, unite and lead the employees to actively participate in the reform and development of the Company;
- (7) to lead the ideological and political work, spiritual civilisation and united front work of the Company, and lead mass organisations such as the labour union, the Communist Youth League and women’s organisations of the Company;
- (8) to conduct inspection as needed, establish inspection body, and, in principle, carry out inspection and supervision over the subordinate Party organisations in accordance with the Party’s organisational hierarchy and the authority over cadre management;
- (9) to discuss and decide on other important matters within the scope of duties of the Party Committee.

Article 113 The Company shall formulate a list of major operation and management issues in accordance with relevant regulations. Major business management matters of the Company should be studied and discussed in advance by the Party Committee before being decided by the Board of Directors in accordance with its functions and powers and specified procedures.

Article 114 By insisting on and improving the leadership mechanism of “Dual Entry and Cross Appointment”, eligible members of the Party Committee may take seats in the Board of Directors and the general management through statutory procedures, while eligible members of the Board of Directors and the general management who are also Party members may take seats in the Party Committee in accordance with related regulations and procedures.

Article 115 Generally, the position of the secretary of the Party Committee and the chairman of the Board of Directors shall be assumed by the same person. The general manager who is a Party member shall serve as the deputy secretary of the Party Committee. A deputy secretary shall be designated to be responsible for the Party building works for the Party Committee.

Chapter 11 Board of Directors

Section 1 General Provisions of the Board of Directors

Article 116 The Company shall establish a Board of Directors comprising seven directors. Among the directors, external directors shall represent more than half of the members of the Board of Directors, independent directors shall represent more than one-third of the members of the Board of Directors, and at least one independent director shall be an accounting professional, and one employee representative.

The Board of Directors shall have a chairman and a vice chairman. Directors are not required to hold shares of the Company.

Article 117 Directors who are not employee representative shall be elected or changed at the shareholders' meetings, the employee directors shall be elected or changed by employees of the Company democratically at employee representative' meeting, employee's meeting or other forms. Directors shall hold office for a term of three years, and may be re-elected and re-appointed upon the expiry of such term, provided that independent directors shall not hold office for successive terms of more than six years.

The chairman and vice chairman shall be elected and removed by more than half of all the members of the Board of Directors. The chairman shall hold office for a term of three years and may be re-elected and re- appointed upon the expiry of such term.

The shareholders' meetings shall not dismiss any director before the expiry of his/her term with no reasons.

The term of office of a director shall commence from the date when he/she holds office until the expiry of the term of the existing Board of Directors. If an election is not conducted in time upon expiry of the term(s) of the director(s), the existing director(s) shall assume the responsibilities in accordance with the laws, administrative regulations, departmental regulations and the Articles of Association before the new director(s) be elected and hold(s) office.

Directors may also serve as senior management officers, but the total number of directors who also serve as senior management officers and directors who are employee representative shall not exceed one-half of the total number of the Company's directors.

Subject to compliance with the requirements of relevant laws and administrative regulations, any director who is not employee representative and whose term has not yet expired may be removed by the way of passing of an ordinary resolution at a shareholders' meeting (without prejudice to claims that may be made under any contracts).

In the event that a director fails to attend the Board of Directors' meetings in person for two consecutive times and that he/she fails to appoint another director to attend the Board of Directors' meetings on his/her behalf, he/she shall be treated as failing to discharge his/her duties and the Board of Directors shall propose to the shareholders' meetings to have such director(s) be removed and replaced.

If an independent director of the Company fails to attend the board meeting in person and fails to appoint any other independent director to attend on his/her behalf for two consecutive times, the Board of Directors shall, within thirty days from the date of occurrence of such fact, propose to convene a shareholders' meeting to terminate his/her duties as an independent director. Before the expiry of the term of office of an independent director, the Company may terminate his/her duties in accordance with legal procedures. In the event that an independent director is dismissed in advance, the Company shall disclose the specific reasons and justifications for such dismissal in a timely manner. If an independent director is dismissed by the Company prior to the expiry of the term of office and believes that the reasons for the dismissal are inappropriate, he/she may submit objections and reasons, and the Company shall disclose in a timely manner.

- Article 118 A director may resign before expiry of his/her term of service. A director shall submit a written resignation notice to the Company when he/she resigns, and the notice shall take effect on the date on which the Company receives the resignation notice. The Company shall disclose the relevant circumstances within two trading days. If number of the member of directors falls below the minimum statutory requirement due to a director's resignation, the former directors shall still perform their duties as directors in accordance with the requirements of the laws, administrative regulations, departmental rules and the Articles of Association until an elected director assumes his/her office.
- Article 119 The shareholders' meeting may remove any director by a resolution, which shall come into effect from the date on which such resolution is made. Where a director is removed from office prior to expiration of his/her term of office without justifiable cause, the director may demand compensation from the Company.
- Article 120 The Board of Directors shall be the unit for making the Company's business decisions; it shall perform the functions of formulating strategies, making decisions, preventing risks and shall exercise the following functions and powers:
- (1) to be responsible for convening shareholders' meeting and to report its work in shareholders' meeting;
 - (2) to implement resolution(s) passed in shareholders' meeting;
 - (3) to determine strategic planning of the Company
 - (4) to determine annual business plan and investment proposal of the Company;
 - (5) to formulate annual financial (final) reports of the Company;
 - (6) to formulate profit distribution proposals and proposals for making up losses of the Company;
 - (7) to formulate proposals for the increase or reduction of the registered capital of the Company and the issuance of debentures or other securities and the listing thereof;

- (8) to formulate proposals on the Company's substantial acquisition or sale, repurchase of the Company's shares or merger, division, dissolution or alteration of the nature of the Company;
- (9) to determine external investments, acquisition or sale of assets, pledges of assets, entrustments on financial management, connected transactions and external donations within the scope of authorisation granted by the shareholders' meeting;
- (10) to determine the establishment of the Company's internal control organisation;
- (11) to appoint or dismiss the Company's general manager and secretary to the Board of Directors, and to decide on their remuneration, rewards and punishments; to determine the appointment or dismissal of the deputy general manager, the financial officer(s) and other senior management officers of Company based on the nominations of the general manager, and to determine their remuneration, rewards and punishments;
- (12) to formulate the Company's basic management system;
- (13) to exercise the Company's rights to make significant borrowing within the Company's annual financial budget;
- (14) to determine the establishment of special committee and the appointment and removal of the relevant person-in-charge;
- (15) to manage matters relating to the Company's disclosure of information;
- (16) to propose in shareholders' meeting to re-appoint or replace the accounting firm which undertakes auditing work for the Company;
- (17) to be informed of the work report submitted by the Company's general manager and to examine the work of the general manager.

- (18) to be responsible for the establishment and improvement of an internal control system, risk management system, legal construction and compliance management system of the Company, and to conduct overall monitoring and evaluation on the effective implementation of the Company's internal control, risk management and legal compliance management systems;
- (19) other functions and powers granted by the shareholders' meeting and the Articles of Association;
- (20) to determine other important business and administrative matters which are not required by the Articles of Association or relevant laws, regulations and departmental rules to be decided by the shareholders' meeting.

As the Board of Directors resolve on issues as referred to in the previous paragraph, save at items (6), (7) and (13) which shall be approved by poll for more than two-third of the directors, other items shall be approved by poll for more than half of the directors.

The Company implements a general legal counsel system, exerts the role of the general legal counsel in legal review and control in operation and management, and promotes the Company's legal operation and compliance management. The general legal counsel shall be nominated by the general manager and shall be recruited or dismissed by the Board of Directors. If the matters considered at the board meeting involve legal issues, the general legal counsel shall attend the meeting and provide legal opinions.

The Board of Directors may, in accordance with the relevant provisions, delegate part of its powers and functions to the chairman and general manager for exercise, and such delegation shall be implemented in accordance with the provisions of laws, administrative regulations, departmental rules and normative documents where otherwise provided. The Board of Directors shall not be exempted from the responsibilities stipulated in the laws, administrative regulations, departmental rules and regulatory documents by virtue of such delegation.

- Article 121 The Board of Directors shall formulate the Company's internal financial and accounting control systems to specify its authority to make external investments, acquisition or sale of assets, pledges of assets, external guarantees, entrustments on financial management, connected transactions and external donation and set out strict procedures for review, inspection and making decision. For major investment projects, the Board of Directors shall organise the relevant experts and professionals to conduct examinations and assessments and submit such projects for the shareholders' meeting for approval.
- Article 122 Before providing an external guarantee, the Company shall have a full understanding of the financial and credit status of the party to be guaranteed, and shall conduct a comprehensive analysis of the impact of the guarantee in the Company's interest and the risks faced by the Company. The party to be guaranteed shall have a good credit status and be solvent.
- The amount of one single external guarantee shall not exceed 10% of the net asset value shown on the consolidated accounting statements of the latest financial year, and the total guaranteed amount provided to one single wholly-owned subsidiary shall not exceed 45% of the net asset value shown on the consolidated accounting statements of the latest financial year. The total guaranteed amount provided to one single guaranteed party shall not exceed 5% of the net asset value shown on the consolidated accounting statements of the latest financial year. The total amount of external guarantees undertaken by the Company determined by the Board of Directors shall not exceed 50% of the net asset value shown on the consolidated accounting statements of the latest financial year.
- Article 123 The Company shall not at any time provide guarantee for connected parties in which the Company holds less than 50% shareholding, or any entities which are not legal persons, or any individuals.
- If the Company provides external guarantees to others, the Company shall require the guaranteed party to provide counter-guarantee to the Company and the party providing the counter- guarantee shall actually have the capacity to fulfill its obligations.

Article 124

In considering a matter regarding the profits distribution, especially cash dividends, the Board should fully safeguard the legitimate rights of shareholders of the Company to enjoy returns on assets and other rights as a priority. And a proposal shall be formed following special analysis and discussions on the returns of shareholders, and be first submitted for consideration by the Board's Audit and Compliance Management Committee. After the Audit and Compliance Management Committee fully listened to views of independent directors and approves the matter by voting, it shall then submit the matter to the Board for consideration.

If a profit distribution policy, especially a cash dividend distribution policy, must be adjusted due to the Company's production and operation conditions and its needs for long-term development, such adjustment shall be made with priority given to the interests of shareholders. The adjusted profit distribution policy shall not be in violation of relevant laws and regulations, normative documents as well as the relevant stipulations of these Articles of Association. A proposal on the adjustment of the profit distribution policy, especially a cash dividend policy, shall be formed following special discussions by the relevant departments, and be first submitted for consideration by the Board's Audit and Compliance Management Committee. After the Audit and Compliance Management Committee fully listens to views of the independent directors and approves the proposal by voting, it shall then submit the proposal to the Board for consideration.

Article 125

In the event that any directors or senior management officers of the Company assists or allows any controlling shareholder(s) and its subsidiaries to misappropriate any assets of the Company, the Board of Directors of the Company shall impose penalties on any directly responsible persons proportionate to the severity of the matters and to remove any director(s) who holds material responsibility in relation thereto.

Article 126

The Board of Directors of the Company shall set up a mechanism of "freezing when misappropriation occurs" in relation to the shares held by the substantial shareholder(s). If any controlling shareholder(s) misappropriates the assets of the listed company, the Board of Directors shall apply to freeze the shares of such shareholder(s) through judicial procedures. If such shareholder(s) fails to compensate in cash for any losses arising there from, the equity interests in the listed company held by such controlling shareholder(s) shall be sold to compensate the value of the misappropriated assets.

Article 127

The chairman of the Board of Directors shall exercise the following duties and powers:

- (1) to preside at the shareholders' meeting, and to convene and preside at the meeting of the Board of Directors;
- (2) to supervise and examine the implementation of resolution passed in the Board of Directors' meeting;
- (3) to sign on the securities issued by the Company and other important documents;
- (4) to exercise the functions and powers of a legal representative;
- (5) to provide guidance to significant business activities of the Company during the intervals of Board of Directors' meetings;
- (6) to exercise special powers of discretion and disposal in respect of corporate matters, in cases of emergency such as wars, natural calamities in massive scale or other force majeure, provided that such discretion and disposal must be conducive to the interests of the Company and that a written report shall be furnished to the Board of Directors as soon as it is practicable after exercising such powers;
- (7) to exercise other duties designated by the Articles of Association and the Board of Directors.

The vice chairman of the Board of Directors of the Company shall assist the chairman of the Board of Directors to fulfill his/her duties. When the chairman of the Board of Directors is unable to perform or fail to perform his/her duties and powers, these duties and powers shall be performed by the vice chairman. When the vice chairman of the Board of Directors be unable to perform or fail to perform his/her duties, a director jointly elected by a majority of the number of Directors shall perform the said duties.

Article 128

The Board of Directors shall convene at least four meetings each year and such meetings shall be convened by the chairman of the Board of Directors. Apart therefrom, an extraordinary Board of Directors' meeting may be convened under any of the following circumstances:

- (1) when deemed necessary by the chairman of the Board of Directors;
- (2) upon jointly proposed by more than one-third of the directors;
- (3) when proposed by the general manager;
- (4) upon proposed by more than half of the independent directors;
- (5) when proposed by the Audit and Compliance Management Committee;
- (6) upon proposed by shareholders representing over one-tenth of the voting rights.

The chairman of the Board of Directors shall convene and preside over a board meeting within ten days upon receipt of the proposal. On occurrence of any of the events set out in the preceding sub-clauses (2), (3), (4) and (5) where the chairman of the Board of Directors is unable or fails to perform his/her duties, the vice chairman shall convene the meeting. Where the vice chairman of the Board of Directors is unable or fails to perform his/her duties, a director recommended by a majority of the directors shall be responsible for convening the meeting.

Article 129

The time and place of regular meetings of the Board of Directors may be decided in advance by the Board of Directors. The director who proposes any motion shall notify the secretary of the Board of Directors in writing of the proposal. The regular meeting of the Board of Directors convenes once a quarter, the secretary of the Board of Directors shall notify the directors fourteen days before the meeting of the time, place, duration and agenda of the meeting. Regular meetings of the Board of Directors shall not include approval obtained from passing resolutions in writing by circulation of papers.

With respect to the extraordinary Board of Directors' meeting, the chairman of the Board of Directors or the relevant proposing party shall notify the secretary to the Board of Directors of the proposal and the agenda in writing. The time of the meeting shall be determined with regard to ensuring all the directors' receipt of the notice and having reasonable time for preparation.

If the notice of the Board of Directors' meeting is delivered in person, the date of acknowledgement of receipt by the addressee or the person who accepts the service process on behalf of the addressee shall be deemed the date of service; if the notice is sent out in electronic form, the date of effective transmission of the electronic document by means of electronic communication shall be deemed the date of service.

Article 130 If a notice of meeting is accidentally omitted to be sent to a particular director or any person who is entitled to receive the notice or if a director or such person has not received the notice of meeting, the meeting and the resolutions made therein shall not become void solely thereby.

Article 131 The Board of Directors shall provide the directors with sufficient information, and the Company shall ensure that independent directors are equally entitled to the same information as with other directors. With respect to the matters required to be decided by the Board of Directors, the Company shall notify the independent directors and provide sufficient information in advance within the statutory period. If the independent directors consider the information is insufficient, they may request supplemental information. If two or more than two independent directors consider the information is insufficient or that the supporting materials fail to substantiate the matter, they may jointly request the Board of Directors in writing to postpone the date for convening the Board of Directors' meeting or to consider the matter at a later date. The Board of Directors shall adopt accordingly.

Article 132 The board meeting shall only be convened when directors are present. When the Board of Directors considers matters stipulated in the Articles of Association that require approval by more than two-thirds of the directors, the quorum shall be more than two-thirds of the directors.

Resolutions of the Board of Directors shall be decided by poll and each director shall have one voting rights. The Board of Directors may pass resolutions only upon a majority vote of all directors, except for the matters stipulated in the Articles of Association that require approval by more than two-thirds of the directors.

Article 133

Directors shall attend the Board of Directors' meetings in person. If any director is unable to attend the meeting for any reason, he/she may appoint another director as his/her proxy to attend the meeting on his/her behalf and the instrument appointing the proxy shall state the scope of authority.

A director who attends a meeting on behalf of another director shall exercise the director's rights within the scope of the appointed authority. A director who fails to attend a particular Board of Directors' meeting and who has not appointed a representative to do so shall be deemed to have waived his/her voting rights in respect of that meeting.

A director shall not vote or be counted in the quorum in respect of any matter to be voted on in a Board of Directors' meeting in which he/she or any of his/her associate (as defined under the Rules Governing the Listing Securities of the Hong Kong Stock Exchange Limited) is materially interested.

Article 134

When a director and the corporations or individuals involved in the resolutions of the Board of Directors' meeting have connected relations, such director shall report to the Board in writing promptly. Any related director shall not exercise his/her voting rights on such resolutions nor can he/she exercise any voting rights on behalf of other directors. A Board of Directors' meeting may be held if it is attended by more than one half of the unconnected directors, and the resolutions of the Board of Directors' meeting shall be passed by more than one half of the unconnected directors. Where the number of unconnected directors attending the Board of Directors' meeting is less than three, such matter shall be submitted to shareholders' meeting for consideration.

Article 135

Any regular or extraordinary meeting of the Board of Directors may be held in person or by way of electronic communication. The method of voting for resolutions of the Board of Directors is voting by poll in writing or voting cast by means of electronic communication.

Article 136

The Board of Directors shall prepare minutes for the matters discussed and decided in the Board of Directors' meeting. Directors attending the meeting and the officer responsible for taking the minutes shall sign on the minutes. Directors shall undertake responsibilities for the Board of Directors' resolutions. In the event that the Board of Directors' resolutions contravene the laws, administrative regulations and the Articles of Association, thereby causing serious losses to the Company, the directors who took part in such resolution shall be liable to the Company for compensation. However, if a director can prove that he had expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, that director may be relieved of such liability.

Under exceptional circumstance, provided that the directors' right to speak is safeguarded, where the proposed resolution has been delivered in writing by the Board of Directors to all directors and the number of directors who affirmatively signed the resolution form a quorum for passing the resolution and the resolution so signed has been submitted to the secretary to the Board of Directors, such resolution shall be valid without an extraordinary Board of Directors' meeting being convened.

Article 137

The secretary to the Board of Directors shall keep the minutes of the Board of Directors' meetings and its committee(s) and shall, upon reasonable prior notice being given by any director, allow such director free access to the minutes of the relevant meetings at all reasonable times.

The minutes of a Board of Directors' meeting shall include:

- (1) the date and place of the meeting, and the name of the convenor of the meeting;
- (2) the names of the attending directors and the names of directors (proxies) who are appointed to attend the meeting;
- (3) the agenda of the meeting;
- (4) the main points of each director's speech;
- (5) the methods of voting for each matter to be resolved on and the voting results (the results shall state the number of votes in favour of and against the proposal and the number of abstention votes).

The minutes of Board of Directors meetings shall be maintained as corporate archives for a period of not less than 10 years.

Section 2 Director Nomination and Independent Directors

Article 138 The period for lodgment of notices in writing to the Company of the intention to propose a candidate for election as a director and of such candidate's consent to be elected shall be at least seven days and which shall commence no earlier than the date after the dispatch of the notice of the shareholders' meeting convened to consider such election and shall end no later than seven days prior to the date of such shareholders' meeting.

Article 139 Candidates offering themselves to be elected as directors shall be nominated by the Board of Directors or shareholders interested in more than 1% of the Company's issued shares in separate or aggregated holdings. Candidates offering themselves to be elected as independent directors shall be nominated by the Board of Directors or shareholders interested in more than 1% of the Company's issued shares in separate or aggregated holdings, and shall be decided on election at the shareholders' meeting.

Investors protection institutions established by law may publicly request shareholders to entrust them to exercise the right to nominate independent directors on their behalf.

An independent director nominator shall not nominate any person whose interests are related to such independent director or any other close person who may affect the independent performance of his/her duties as a candidate for the independent director.

The Company shall disclose personal details of the candidates (including resumes and basic background) for directorship prior to the convening of the shareholders' meeting to ensure shareholders will have sufficient knowledge of the candidate before the ballot.

Article 140 Parties nominating candidates for election as independent directors shall do so with the consent of such candidates. Nominating parties shall have sufficient knowledge of the profession, academic qualifications, titles and detailed information on work experience including all part-time employments of a candidate, and shall furnish an opinion in respect of the candidate's qualifications and independence to act as an independent director. The nominated candidate shall make a public statement to the effect that he/she is not related to the Company in any way that might affect his/her independence and objective judgment.

The Board of Directors of the Company shall make announcements in relations to the above prior to the shareholders' meeting at which independent directors are elected.

Article 141 Prior to the convening of the shareholders' meeting for the election of directors, the Company shall submit all relevant materials of the nominees to the China Securities Regulatory Commission, its representative office where the Company is located and the stock exchange(s) on which the Company's shares are listed. Nominees shall still be eligible as candidates for directorships notwithstanding disapproval of the aforesaid regulatory authorities, but shall not be eligible as candidates for election as independent directors. The Company's Board of Directors shall state whether candidates for election as independent directors have been subject to disapproval of the aforesaid regulatory authorities when electing independent directors in a shareholders' meeting.

Article 142 The Independent directors shall perform their duties seriously by participating in decision-making, supervision and balance, and professional consultation in the Board of Directors in accordance with the relevant laws, administrative regulations, the requirements of the CSRC, the stock exchange and the Articles of Association, and shall protect the interests of the Company and safeguard the rights and interests of minority shareholders.

The independent directors should discharge their duties independently and free from the influence of the Company's substantial shareholder, de facto controller or the interested parties, whether entities or individuals of the Company, its substantial shareholder or de factor controller.

Article 143 Independent directors should attend the Board of Directors' meetings according to schedules, be aware of the Company's business production and operations, proactively investigate matters and acquire information which is necessary for decision-making. Independent directors should give an account of the discharge of their duties by submitting independent directors' annual report in the annual shareholders' meeting.

- Article 144 The Company should establish a system for the work of independent directors and the secretary to the Board of Directors should provide active assistance to facilitate the discharge of the independent directors’ duties. The Company should ensure that independent directors are equally entitled to the same information as with other directors, and provide relevant materials and information to the independent directors on a timely manner, inform them of the status of the Company’s operations regularly and organise on-site investigation for independent directors where necessary.
- Article 145 Apart from the items (1), (2) and (3) of the first clause of Article 146 of the Articles of Association, the special powers of independent directors shall also include openly soliciting shareholders’ rights from shareholders in accordance with the law, expressing independent opinions on matters that may jeopardize the interests of the Company or the minority shareholders and other powers as stipulated in laws, administrative regulations, requirements of the CSRC and the Articles of Association.
- Regarding the exercises of the powers as set forth in the preceding clause by independent directors, the Company shall disclose that in a timely manner. In the event that the aforesaid powers cannot be properly exercised, the Company shall disclose the specific details and reasons therefor.
- Article 146 The Company shall hold regular or irregular meetings attended by all independent directors (hereinafter referred to as the “Special Meeting(s) of Independent Directors”). Where the Board of Directors deliberates related party transactions and other matters, prior approval shall be obtained from the Special Meeting of Independent Directors. Matters below shall be considered at a Special Meeting of Independent Directors:
- (1) To independently appoint intermediary institutions to audit, consult or verify specific matters concerning the Company;
 - (2) To propose to the Board of Directors to convene an extraordinary shareholders’ meeting;
 - (3) To propose the convening of a board meeting;
 - (4) Related party transactions to be disclosed;

- (5) The plan for the change or waiver of undertakings by the Company and related parties;
- (6) The decisions made and measures taken by the Board of Directors of the Company in respect of the acquisition;
- (7) Other matters as stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and the Articles of Association.

The Special Meetings of Independent Directors may study and discuss other matters of the Company as needed. Matters listed in proceeding clause shall be submitted to the Board of Directors for consideration after obtaining the approval of a majority of all independent directors of the Company.

The special meetings of independent directors shall be convened and presided by an independent director jointly elected by a majority of the independent directors; if the convenor is not performing his/her duties or is unable to perform his/her duties, two or more independent directors may convene the meeting on their own and elect a representative to preside over the meeting.

Minutes of Special Meetings of Independent Directors shall be prepared in accordance with the regulations, and the opinions of the independent directors shall be set out in the minutes. The independent directors shall sign to confirm the minutes.

The Company shall provide convenience and support for the convening of the Special Meetings of Independent Directors.

Section 3 Special Committees of the Board of Directors

Article 147 The Company shall set up the Strategy and Sustainable Development Committee. The committee shall comprise of the directors of the Company. The members of the committee shall be nominated by the Chairman of the Company and elected by the Board.

There shall be one chairman for the Strategy and Sustainable Development Committee, which is the Chairman of the Company. The main duties of the Strategy and Sustainable Development Committee are:

- (1) To conduct researches and to submit proposals regarding the long-term development strategies and medium and long-term development plan of the Company;
- (2) To monitor the implementation of the development plan of the Company and report to the Board of the significant deviation of strategy development in a timely manner;
- (3) To conduct researches regarding the major developments of economic situation, industrial policies, technology advancement, industrial environment, force majeure and other factors, and to submit proposals regarding whether adjustment on the Company's development strategy is necessary;
- (4) To review and to submit proposals regarding major investment, financing plan, major capital operation and asset operation projects that affect the development of the Company;
- (5) To inspect and supervise the implementation of the above major projects, listen to the post project evaluation report and make suggestions;
- (6) To be responsible for the sustainable development of the Company (including but not limited to: Environmental, Social and Governance (ESG), etc.), and put forward relevant suggestions to the Board;
- (7) To carry out other duties as authorized by the Board of Directors and other matters as stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and systems of the Company.

Article 148

The Board of Directors of the Company shall establish an Audit and Compliance Management Committee, exercise the powers and functions of the supervisory committee as stipulated in the Company Law, consisting of not less than three directors, who do not serve as senior management officers of the Company, with a majority of independent directors and the accounting professional among the independent directors serving as the chairman.

The Audit and Compliance Management Committee is responsible for auditing the Company's financial information and its disclosure, supervising and evaluating the internal and external audit work, reviewing and examining the internal control, risk management and compliance management systems of the Company and supervising the implementation of such systems, and the following matters shall be submitted to the Board of Directors for consideration with the approval of a majority of the members of the Audit and Compliance Management Committee:

- (1) to disclose the financial information in the financial accounting reports and periodic reports, and the internal control evaluation reports;
- (2) to appoint or dismiss the accounting firm that undertakes the business of auditing of the Company;
- (3) to appoint or dismiss the financial officer(s) of the Company;
- (4) to make changes to accounting policies and accounting estimates or correction to significant accounting errors for reasons other than changes in accounting standards;
- (5) other matters as stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and the Articles of Association of the Company.

Article 149

The Audit and Compliance Management Committee convenes at least once a quarter, and may convene extraordinary meetings upon the proposal of two or more members, or when the chairperson of the committee deems necessary. Meetings of the Audit and Compliance Management Committee shall be held with the attendance of at least two-thirds of the members.

Decisions made by the Audit and Compliance Management Committee shall be approved by more than half of the members of the Audit and Compliance Management Committee.

The voting on the resolution of the Audit and Compliance Management Committee shall be one person, one vote.

The Audit and Compliance Management Committee shall prepare meeting minutes for its resolutions in accordance with the regulations, and the members of the Audit and Compliance Management Committee attending the meeting shall sign on the meeting minutes.

The Board of Directors is responsible for formulating the working procedures of the Audit and Compliance Management Committee.

Article 150

The Board of Directors of the Company shall establish a nomination committee, responsible for drawing up criteria and procedures for the selection of directors and senior management officers, selecting and reviewing the candidates for directors and senior management officers and their qualifications for appointment, consisting of not less than three members and all of them shall be directors. A majority of such members shall be independent directors, one of whom shall act as the chairperson of the committee.

The major duties of the nomination committee shall be:

- (1) to review the structure, size, and composition of the Board of Directors (including skills, knowledge, and experience) at least annually, and make recommendations on any changes proposed to the Board of Directors to align with the Company's strategy and ensure diversity of board members (including but not limited to gender, age, cultural and educational background or professional experience) in line with relevant regulations of China and the Company's business development, changes to shareholding structure and so forth;
- (2) to determine the selection criteria and procedures for director and senior management, and make recommendations to the Board of Directors thereto;
- (3) to select, review and form clear review opinions on the candidates for directors and senior management as well as their qualifications;
- (4) to make recommendations to the Board of Directors regarding the nomination, appointment or dismissal of directors;
- (5) to make recommendations to the Board of Directors regarding the appointment or dismissal of senior management;
- (6) to evaluate the independence of independent directors;

- (7) to be responsible for other duties authorised by the Board of Directors and other matters stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and systems of the Company.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and the specific reasons for its non-adoption in the resolution of the Board of Directors and disclose the same.

Article 151

The Board of Directors of the Company shall establish a remuneration and appraisal committee, responsible for formulating standards for and conducting assessment on directors and senior management officers, formulating and reviewing the compensation determination mechanism, decision-making procedures, payment and clawback arrangements and other remuneration policies and plans for directors and senior management officers, consisting of not less than three members and all of them should be directors. A majority of such members should be independent directors, one of whom shall act as the chairperson of the committee.

The major duties of the remuneration and appraisal committee shall be:

- (1) to propose to the Board of Directors on remuneration policy for the general body of directors and senior management officers, and formulating procedures for such policy in a proper and transparent manner;
- (2) to formulate and change draft equity incentive plans and employee stock ownership plans, and to ensure that incentive objects are granted rights and the conditions for exercising their rights are met;
- (3) to review the remuneration of directors and senior management officers in accordance with the corporate objectives stipulated by the Board of Directors;
- (4) to review termination or job-related compensations payable to the directors or the senior management officers;
- (5) to ensure none of the directors nor their associates shall determine their own remuneration;

- (6) to arrange for directors and senior management officers shareholding plans for proposed subsidiary spin-off;
- (7) to carry out other duties as authorized by the Board of Directors and other matters as stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and systems of the Company.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the remuneration and appraisal committee, it shall record the opinion of the remuneration and appraisal committee and the specific reasons for its non-adoption in the resolution of the Board of Directors and disclose the same.

Chapter 12 Senior Management Officers

Article 152 The Company shall have a general manager who shall be appointed or removed by the Board of Directors, with a term of office of three years and shall be eligible for reappointment.

A director can also be appointed on part-time basis as a general manager, deputy general manager or other senior management officers. Persons assuming offices other than director or supervisor of the controlling shareholder and of the de facto controller of the Company shall not assume the offices of senior management officer of the Company.

A senior management officer of the Company shall only receive remunerations from the Company, such remuneration shall not be paid by the controlling shareholders.

Article 153 The general manager is responsible to the Board of Directors and shall exercise the following powers:

- (1) to be in charge of the Company's production, operation and management, and organise the implementation of the Board of Directors' resolutions, and report his/her work to the Board of Directors;
- (2) to organise the implementation of the Company's annual business plans and investment proposals;
- (3) to formulate proposals for the Company's internal management structure;

- (4) to formulate the basic management system of the Company;
- (5) to formulate the basic rules and regulations of the Company;
- (6) to propose to the Board of Directors for the appointment and dismissal of the deputy general manager and the financial officers;
- (7) to appoint or dismiss the management officers other than those who are required to be appointed or dismissed by the Board of Directors;
- (8) to decide on the incentives or penalties, promotion or demotion, wage rises or cuts, employment, recruitment or dismissal, removal of the Company's employees;
- (9) to handle important external business on behalf of the Company;
- (10) to convene and preside over general manager's business meetings;
- (11) to propose the convening of extraordinary Board of Directors' meetings;
- (12) other powers conferred by the Articles of Association and the Board of Directors.

Article 154 The general manager shall attend meetings of the Board of Directors. A general manager who is not a director does not have the right to vote at meetings of the Board.

Article 155 The general manager shall consider the opinions of the labour union and the employee representatives' meeting before making decisions relating to issues such as wages, benefits, production safety and labour protection, labour insurance, termination of employment (or dismissal) of the Company's employees and personal interests of employees.

Article 156 The general manager shall formulate General Manager Guidelines and have them approved by the Board of Directors prior to their implementation.

General Manager Guidelines shall include the followings:

- (1) the requirements, procedures and attendees of general managers' business meetings;
- (2) the respective duties of, and the division of responsibilities between, the general manager, deputy general managers and other senior management officers;
- (3) the usage of the Company's funds and assets, the scope of authority to enter into material contracts, and the mechanism of reporting to the Board of Directors;
- (4) other matters considered necessary by the Board of Directors.

Article 157 In exercising his/her powers, the general manager shall comply with the laws, administrative regulations and the Articles of Association and shall perform obligations honestly and diligently.

Article 158 The general manager may submit his/her resignation in writing to the Board of Directors before the term of office expires.

Article 159 The Company shall appoint secretary to the Board of Directors. The secretary of the Board of Directors shall be a senior manager officer of the Company.

Article 160 The secretary to the Board of Directors shall be a natural person who has acquired requisite professional knowledge and experience. He/She shall be appointed and removed by the Board of Directors with major duties include:

- (1) to organise and arrange for shareholders' meetings and Board of Directors' meetings, prepare materials for the meetings, handle the affairs related to the meetings, ensure the accuracy of records and be responsible to keep the documents and minutes of the meetings;
- (2) to ensure the Company's preparation and submission of reports and documents required by the relevant authorities in accordance with laws;
- (3) to ensure the proper maintenance of the Company's register of shareholders, so as to ensure the persons who are entitled to obtain the relevant records and documents of the Company are able to obtain the same on a timely basis;

- (4) to be responsible for ensuring timely, accurate, lawful, truly and complete disclosure of the Company's information;
- (5) to establishing investor relations management systems and be responsible for administrations of investor relations for the Company;
- (6) to be responsible for the confidentiality regarding the disclosure of information made by the Company and to report and disclose to the stock exchange on which the shares of the Company are listed immediately once there is leakage of undisclosed material information;
- (7) to pay close attention to the media coverage of the Company and to proactively verify the truthfulness of such coverage; and to press the Board of Directors of the Company to answer queries raised by the stock exchange on which the shares of the Company are listed in a timely manner;
- (8) to organise training programmes for the directors and senior management officers of the Company on the relevant laws and administrative regulations and to assist them in understanding their respective duties and obligations regarding information disclosure;
- (9) to discharge any other duties as specified by laws, the Articles of Association or listing rules of any stock exchanges on which the shares of the Company are listed (including any requests which may be reasonably made by the Board of Directors).

Article 161

Directors or other senior management officers of the Company may at the same time act as the secretary to the Board of Directors of the Company. An accountant of the accounting firm engaged by the Company shall not at the same time act as the secretary to the Board of Directors.

In the event that a director acts as the secretary to the Board of Directors and a certain act has to be performed separately by a director and the secretary to the Board of Directors, such person who is at the same time the director and the secretary to the Board of Directors shall not perform such act in both capacities.

The post of the secretary to the Board of Directors shall be assumed by one or two natural persons. In case where two persons are appointed jointly, the obligations of the secretary to the Board of Directors shall be assumed jointly by such two persons. However, any one of them shall be entitled to exercise all powers of the secretary to the Board of Directors independently.

Article 162 After his/her removal or resignation, the secretary to the Board of Directors shall continue to discharge his/her duties as a secretary to the Board of Directors until his/her reporting and announcement obligations are fulfilled or the resignation assessment and documentation handover procedures are completed.

Article 163 If a senior management officer causes damage to others in the course of performing his/her duties in the Company, the Company shall be liable for compensation; the senior management officer shall also be liable for compensation if there is intentionality or gross negligence on his/her part.

Any senior management officer who violates any laws, administrative regulations, rules from regulatory authorities or the Articles of Association during the course of performing his duties which causes losses to the Company shall be liable for compensation to any loss caused to the Company.

Article 164 The senior management officers of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders.

If a senior management officer of the Company fails to faithfully perform his/her duties or violate his or her fiduciary duties and causes damage to the interests of the Company and the public shareholders, he/she shall be liable for compensation in accordance with the law.

Chapter 13 Qualifications and Obligations of Directors and Senior Management Officers of the Company

- Article 165 A person shall not be appointed as a director or senior management officer of the Company in any of the following conditions:
- (1) the person has no civil capacity or his/her civil capacity is restricted;
 - (2) a period of less than five years has elapsed after serving the full term of a sentence for corruption, bribery, expropriation of assets, misappropriation of assets or social and economic disorder, or the deprivation of the political rights as a result of a criminal conviction, a person who has been sentenced to suspended sentence, and not more than 2 years have lapsed since the expiration date of the period of probation of the suspended sentence;
 - (3) a period of less than three years has elapsed since the completion of the winding up and liquidation of a company or an enterprise in which the person was a director, a factory manager or a manager and was held personally liable for the winding up of the company or the enterprise;
 - (4) a period of less than three years has elapsed since the revocation of the business license and compulsory closure of a company or an enterprise for illegal business operations where the person was the legal representative of such company or enterprise and was held personally liable;
 - (5) the person has been listed as a judgment defaulter by the People's Court as a result that he/she has a debt of a material amount which has not been repaid when due;
 - (6) the person has breached the criminal law and is subjected to investigation by judicial authorities and the case has yet to be settled;
 - (7) the person not being a natural person;
 - (8) a period of less than five years has elapsed since the date when the person was convicted of offences involving behavior related to fraud or dishonesty and was ruled by the relevant competent authorities to have violated relevant securities regulations;

- (9) persons who have been identified as being prohibited from participating in the markets by the China Securities Regulatory Commission and where such prohibitions are still in force;
- (10) the person who is publicly recognized by the stock exchange as unsuitable to serve as directors or senior management officers of a listed company, etc. with an unexpired term;
- (11) other contents stipulated by laws, administrative regulations and departmental regulations.

If any election or appointment of directors or the engagement of other senior management officers is in violation of this Article, such election, appointment or engagement shall be deemed invalid. The Company shall dismiss any directors or senior management officers if the circumstances specified in this Article occur during their tenures.

Article 166

An independent director shall fulfill the following basic conditions:

- (1) being qualified to act as a director according to the laws, administrative regulations and other relevant provisions;
- (2) having the independence required by relevant laws, administrative regulations, departmental rules and the Articles of the Association;
- (3) having basic knowledge of the operation of listed companies, familiar with relevant laws, administrative regulations, rules and standards;
- (4) having more than five years of legal or economic experience or other necessary working experience required in order to assume the position of an independent director;
- (5) having good character traits and shall not have any gross dishonesty or other adverse records;
- (6) other conditions as stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission, the regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Independent directors must be independent. The following persons shall not assume the position of independent directors:

- (1) Employees of the Company or its subsidiaries and their spouses, parents, children and other members with close social contacts (including but limited to brothers and sisters, spouses of the brothers and sisters, parents-in-law, brothers and sisters of the spouses, sons- and daughters-in-law and parents of their children's spouses);
- (2) natural person shareholders directly or indirectly holding more than 1% of the issued shares of the Company or ranking among the top ten shareholders in the Company and their spouses, parents and children;
- (3) employees of corporate shareholders directly or indirectly holding more than 5% of the issued shares of the Company or ranking among the top five corporate shareholders of the Company and their spouses, parents and children;
- (4) employees who work in affiliates of the controlling shareholder or actual controller of the Company and their spouses, parents and children;
- (5) a person who has major business dealings with the Company, its controlling shareholder or actual controller or their respective affiliates, or a person who works in entities with which he/she had major business dealings, their controlling shareholders, actual controllers;
- (6) a person who provides financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholders, actual controllers or their respective affiliates, including but not limited to all members of the project team, all personnel at all levels who are responsible for review, signatories of reports, the partner, directors, senior management and main responsible persons of intermediaries providing such services;
- (7) the person who was in the circumstances mentioned in items 1 to 6 during the past 12 months;

- (8) other persons who were not independent as stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission, the regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The affiliates of the controlling shareholder and actual controller of the Company mentioned in items 4 to 6 of the preceding paragraph do not include those controlled by the same state-owned assets administration authority as the Company and those not having a related party relationship with the Company under relevant regulations.

Independent directors shall conduct an annual self-examination of independence and submit the self-examination to the Board of Directors. The Board of Directors shall evaluate and issue a special opinion on the independence of the incumbent independent directors on an annual basis, which shall be disclosed at the same time as the annual report.

Article 168

As members of the Board of Directors, independent directors owe fiduciary duties and duties of diligence to the Company and all shareholders, and shall prudently perform the following duties:

- (1) to participate in the decision-making of the Board of Directors and to express clear opinions on the matters discussed;
- (2) to supervise the matters regarding potential material conflicts of interest among the Company and controlling shareholders, de facto controllers, directors and senior management officers, and to protect the legitimate rights and interests of the minority shareholders;
- (3) to provide professional and objective recommendation on the Company's operation and development, and to promote the enhancement of decision-making level of the Board;
- (4) other duties as stipulated by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

- Article 169 The validity of an act of a director, a general manager or other senior management officer of the Company on behalf of the Company is not, vis-à-vis a bona fide third party, affected by any irregularity in his/her appointment, election or qualification.
- Article 170 In addition to obligations imposed by the laws, administrative regulations or required by the listing rules of the stock exchange on which the shares of the Company are listed, the director and senior management officers of the Company owes the following obligations to each shareholder, in the exercise of the powers entrusted by the Company:
- (1) not to cause the Company to exceed the scope of business stipulated in its business license;
 - (2) to act faithfully in the best interests of the Company;
 - (3) not to expropriate in any guise the Company's assets, including (but not limited to), opportunities favorable to the Company;
 - (4) not to expropriate the individual rights of shareholders, including (but not limited to), rights of distribution and voting rights, save and except a corporate restructuring submitted to shareholder's meeting for approval in accordance with the Articles of Association.
- Article 171 The directors and senior management officers of the Company owe a duty, in the exercise of his/her powers or the discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- Article 172 A director and senior management officer of the Company, while exercising his/her powers, shall comply with the laws, administrative regulations and these Articles of Association, shall owe the following faithful obligations to the Company and take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their powers to seek improper interests exercise.

A director and senior management officer shall owe the following faithful obligations to the Company as follows:

- (1) to act faithfully in the best interests of the Company;
- (2) to exercise the powers within his/her authority and not to exceed the relevant authority;
- (3) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the direction of another and, unless and to the extent permitted by the laws, administrative regulations or the informed consent at the shareholders' meeting, not to delegate his/her discretion to others;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) without reporting to the Board of Directors or in the shareholders' meeting, and without being passed by the Board of Directors or shareholders' meeting by way of resolutions in accordance with the Articles of Association, not to directly or indirectly enter into any contract, transaction or arrangement with the Company;
- (6) without reporting to the Board of Directors or in the shareholders' meeting, and without being passed by the Board of Directors or shareholders' meeting by way of resolutions in accordance with the Articles of Association, not to use the Company's assets for his/her own benefits in any form;
- (7) not to take advantage of their positions to seek any business opportunities that are due to the Company for themselves or others, unless such business opportunities are not available to the Company upon reporting to the Board of Directors or the shareholders' meeting and obtaining approval through resolutions by the shareholders' meeting or as required in laws, administrative regulations and the Articles of Association;

- (8) not to operate, or operate for others, same categories of business as the Company without reporting to the Board of Directors or the shareholders' meeting and obtaining approval of the shareholders' meeting;
- (9) not to use their authority in bribes or accepting other illegal income;
- (10) not to take any commission for any transaction between other parties and the Company as their own;
- (11) to comply with the Articles of Association and act honestly in exercising his/her powers and discharging his/her functions and act in the best interests of the Company and not to use his/her position and power in the Company for personal benefits;
- (12) not to misappropriate the Company's properties, expropriate the funds of the Company or lend the funds of the Company to others and not to open an account and deposit the Company's funds in his/her own name or another's name and not to use the Company's assets to provide security for any personal indebtedness of a shareholder of the Company or others;
- (13) not to disclose any secret of the Company;
- (14) to fulfill other obligations of loyalty stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

The gains obtained by a director in violation of the provisions of this article shall belong to the Company; if any loss is caused to the Company, he/she shall be liable for compensation.

The provisions of the item (5) of the second clause of this Article shall apply to the conclusion of contracts or engagement in transactions with the Company by close relatives of the directors and senior management officers or enterprises directly or indirectly controlled by the directors and senior management officers or their close relatives, as well as persons who are otherwise related to the directors and senior management officers.

Article 173

The directors shall comply with the laws, administrative regulations and the Articles of Association, shall perform their due diligence obligations to the Company and perform their duties with reasonable care that managers ordinarily exercise in the best interests of the Company.

The directors shall perform their due diligence obligations to the Company as follows:

- (1) to exercise the rights conferred by the Company in cautious, serious and diligent manners so as to ensure the commercial behaviors of the Company in compliance with the laws, administrative regulations and economic policies of the PRC, and the commercial activities not exceeding the scope of business stipulated in the business license;
- (2) to treat all shareholders fairly;
- (3) to keep informed of the trade and financial position of the Company on a timely basis;
- (4) to confirm the written opinion on regular reports of the Company by hand and guarantee truthfulness, accuracy and completeness of the information disclosed by the Company;
- (5) to provide true information and data to the Audit and Compliance Management Committee, and not to interfere with the Audit and Compliance Management Committee in its exercise of powers;
- (6) to perform other diligence obligations imposed by laws, regulations and the Articles of Association.

Article 174

A director and senior management officer of the Company shall not instruct the following persons or institutions (“Associates”) to do anything that the director and senior management officer is prohibited from doing:

- (1) the spouse or minor child of the director and senior management officers of the Company;
- (2) a trustee of the director and senior management officers or the person referred to in item (1) of this Article;

- (3) a partner of the director and senior management officers of the Company or the person referred to in items (1) and (2) of this Article;
- (4) a company in which that the director and senior management officers of the Company alone have a de facto controlling interest, or a company in which that the person referred to in items (1), (2) or (3) of this Article and other director and senior management officers of the Company jointly have a de facto controlling interest;
- (5) a director and senior management officer of the controlled company referred to in item (4) of this Article.

Article 175

The establishment of a resignation management system for directors and senior management officers of the Company clearly specifying the accountability and compensation measures for unfulfilled public commitments and other outstanding matters. When a director's and senior management officer's resignation becomes effective or their term of office expires, they shall complete all handover procedures with the Board of Directors. Their fiduciary duties to the Company and shareholders shall not automatically terminate at the end of their term of office, but shall remain valid within a reasonable period as stipulated in the Articles of Association. The responsibility that a director and senior management officer bear during their term of office due to the performance of their duties shall not be waived or terminated upon resignation. Other duties may continue for such period as fairness may require and depending on the time which has elapsed between the termination and the act concerned and the circumstances and conditions under which the relationship with the Company is terminated.

Article 176

The Company establishes the necessary directors and senior management personnel's liability insurance scheme with a view to reducing the risks potentially caused by the performance of duties by such persons in the normal course of business, and the related liability insurance coverage shall be subject to the related contract.

Except for the circumstances provided under Article 58, a director and senior management officer may be relieved of liability for a specific breach of his/her duty by the informed consent of the shareholders' meeting.

- Article 177 Where a director and senior management officer of the Company is directly or indirectly materially interested in a contract, transaction or arrangement entered or proposed with the Company, other than the contract of service of the director and senior management officer of the Company, he/she shall declare the nature and extent of his/her interest to the Board of Directors at the earliest opportunity, whether or not such matter is subject to the approval of the Board of Directors under normal circumstances.
- Unless the interested director and senior management officer has disclosed his/her interest in accordance with the requirement of the preceding paragraph of this Article to the Board of Directors and the matter has been approved by the Board of Directors at a meeting in which he/she is not counted in the quorum and has refrained from voting, such contract, transaction or arrangement is voidable at the instance of the Company, except as against a bona fide party thereto acting without notice of the breach of duty by the director and senior management officer concerned.
- A director and senior management officer is deemed to be interested in a contract, transaction or arrangement in which an associate of such director and senior management officer is so interested.
- Article 178 Where a director and senior management officer of the Company gives to the Board of Directors a notice in writing stating that, by reason of facts specified in the notice, he/she is interested in contracts, transactions or arrangements which may subsequently be made by the Company, that notice shall be deemed, for the purposes of the preceding Article of this Chapter, to be sufficient declaration of his/her interests, so far as attributable to those facts; provided that such a notice shall have been given before the entering into the relevant contract, transaction or arrangement is first taken into consideration by the Company.
- Article 179 None of the directors of the Company shall act in his/her own name on behalf of the Company or the Board of Directors, without being provided by the Articles of Association or the legitimate authorisation of the Board of Directors. Where the director acts in his/her own name, but where a third party may reasonably assume such director to be acting on behalf of the Company or the Board of Directors, such director shall state his/her own position and capacity.

- Article 180 In addition to taxes that can be withheld and paid by the Company as stipulated by law, the Company shall not, in any manner, pay taxes for or on behalf of its director and senior management officer.
- Article 181 The Company shall neither, directly or indirectly, provide a loan and loan guarantee to a director and senior management officer nor provide a loan and loan guarantee to an associate of the aforesaid persons.
- Article 182 A loan made by the Company in breach of the preceding Article shall be forthwith repaid by the recipient of the loan regardless of the terms of the loan.
- Article 183 In addition to any rights and remedies provided by laws and administrative regulations, where a director and senior management officer of the Company is in breach of his/her duties owed to the Company, the Company is entitled to take the following measures:
- (1) to request such director and senior management officer to compensate for losses sustained by the Company as a result of such breach;
 - (2) to rescind any contract or transaction entered into by the Company with such director and senior management officer and any contract or transaction entered into by the Company with a third party where such third party knew or should have known the director and senior management officer acting for the Company is in breach of his/her duties owed to the Company;
 - (3) to request such director and senior management officer to surrender the income received as a result of the breach of duties;
 - (4) to recover any monies received by the director and senior management officer which should have belonged to the Company including (but not limited to) commissions;
 - (5) to request such director and senior management officer to return the interests earned, or which may be earned, on any monies which should have been delivered to the Company.

- Article 184 The Company shall enter into written contracts with directors on emoluments. Matters relating to emoluments include:
- (1) emolument in respect of services as a director or senior management officer of the Company;
 - (2) emolument in respect of service as a director or senior management officer of a subsidiary of the Company;
 - (3) emolument in respect of the provision of others services in connection with the management of the Company and its subsidiary;
 - (4) payment by way of compensation for loss of office or as a consideration for his/her retirement from office.

Except under a contract as aforesaid, no proceedings may be brought by a director against the Company for the interests he/she should have received in respect of the above matters

Chapter 14 Financial and Accounting Systems, Profit Distribution and Internal Audit

- Article 185 The Company shall establish its financial and accounting systems in accordance with laws and administrative regulations and the PRC accounting standards formulated by the responsible financial authorities of the State Council.

- Article 186 The accounting year shall be from 1 January to 31 December each calendar year.

The Company shall prepare and publish financial reports four times in each financial year: the quarterly financial reports shall be prepared and published within one month after the conclusion of the first three-month and first nine-month periods of each financial year; the interim financial report shall be prepared and published within two months after the conclusion of the first six-month period of each financial year; and the annual financial report shall be prepared and published within three months after the conclusion of each financial year, all of which shall be reviewed and verified according to the laws.

The aforesaid financial reports should be submitted to the China Securities Regulatory Commission and stock exchanges as required by laws.

- Article 187 The Board of Directors of the Company shall submit to the shareholders at each annual shareholders' meeting such financial reports as required by laws, administrative regulations or normative provisions promulgated by local governments and departments in charge, to be prepared by the Company.
- Article 188 The Company shall make available the financial reports for inspection by shareholders at the Company twenty days prior to the convening of the annual shareholders' meeting. All shareholders of the Company shall have the right to receive the financial reports as referred to in this Chapter.
- In compliance with the applicable laws, regulations and listing rules, the Company may, instead of issuing or providing through the aforementioned methods of this paragraph, announce through the designated website or the Company website, or issue through electronic means, or other means accepted by the stock exchange which shares of the Company are listed.
- Article 189 The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and the relevant regulations.
- Article 190 The financial results or financial statements published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and the relevant regulations.
- Article 191 The Company shall not establish any separate accounting ledgers other than the statutory accounting ledgers.
- The Company's funds shall not be held under any personal account.
- Article 192 In the distribution of profits after tax of a financial year, 10% of the profits shall be allocated to the statutory common reserve. No further allocation to the statutory common reserve is required where such reserve exceeds 50% of the registered capital of the Company.
- Where the statutory common reserve is insufficient to make up losses of the previous financial year, the profits of a financial year shall be applied to make up such losses before allocation to the statutory common reserve shall be made in accordance with the preceding clause.

Upon the approval of the shareholders' meeting, where the Company has made allocation to the statutory common reserve from the profits after tax, the Company may make allocation to the discretionary common reserve.

Any surplus of profits after the Company has made up losses and made allocations to the statutory common reserve will be distributed as dividends to shareholders in proportion to their shareholdings. Shares of the Company held by the Company shall not be involved in the profit distribution.

Where the shareholders' meeting distributes, in breach of the Company Law, profits to shareholders, shareholders shall return such profits distributed in breach of the above clauses to the Company; in case of losses caused to the Company, shareholders and responsible directors and senior management officers shall be liable for compensation.

Article 193 Capital common reserve includes the following amounts:

- (1) the premiums over the nominal value of the shares issued;
- (2) other income required by the responsible financial authority of the State Council to be included in the capital common reserve.

Article 194 The common reserve of the Company shall only be used for the purposes of making up losses of the Company, expanding production operation of the Company, or for conversion into additional registered capital of the Company.

When the common reserve is used for off-setting the loss of the Company, the discretionary common reserve and statutory common reserve shall be first used; if the losses can still not be covered, the capital common reserve may be used according to provisions.

The Company may, subject to resolution by the shareholders' meeting, convert the common reserve into additional registered capital by issuing new shares to the shareholders in proportion to their existing shareholdings or increasing the nominal value of each share, provided that when the statutory common reserve is converted into capital of the Company, the remaining such statutory common reserve after such conversion shall be no less than 25% of the registered capital before the conversion.

Article 195

When the Company holds an annual shareholders' meeting to review the annual profit distribution plan, it may also consider and approve the conditions for and the proportion cap and amount cap of cash dividends for the interim period of the next year. The dividend cap for the interim period of the next year approved at the annual shareholders' meeting shall not exceed the net profit attributable to shareholders of the Company for the corresponding period. The Board of Directors shall formulate a specific interim dividend plan in accordance with the resolutions of the shareholders' meeting and subject to the conditions of profit distribution.

After the Company's shareholders' meeting has resolved on the proposal for annual profit distribution of the Company, or after the Board of Directors of the Company has formulated a specific plan in line with the interim dividend conditions and caps for the next year reviewed and approved at the annual shareholders' meeting, the distribution of dividends (or shares) shall be completed within two months.

Article 196

Profit Distribution and Cash Dividends Distribution policies of the Company:

- (1) The profit distribution of the Company should be in accordance with the principles of focusing on the reasonable investment return for the shareholders as well as the reasonable requirement for funds of the Company;
- (2) The Company may distribute dividends in cash or in share, of which priority shall be given to the distribution of dividends by cash distribution;
- (3) The Company should maintain the continuity and stability of the policy on cash dividends. In case of having made profits for a year, the Company shall pay annual cash dividends once every year; if it is not able to pay cash dividends due to special reasons, the Board shall disclose such reasons in the annual report and explain at the shareholders' meeting. The Company may distribute the interim cash dividend according to its profitability and capital demand;

- (4) Profits of the Company to be distributed on an annual basis in cash shall not be less than 50% of the realized distributable profits available for that year (in which: the dividend cap for the interim period shall not exceed the net profit attributable to shareholders of the Company in the corresponding period). If such percentage cannot be reached, the Board shall disclose reasons in the annual report and explain at the shareholders' meeting;
- (5) According to the actual situation and under the premises to ensure the share capital and shareholding structure is reasonable, the Company may distribute dividends in shares.

Article 197 Dividends are denominated in Renminbi, dividends from Domestic Shares are paid in Renminbi, and dividends from Overseas-Listed Foreign Shares are paid in Renminbi or foreign currencies.

Article 198 The Company shall appoint a receiving agent on behalf of the holders of Overseas- Listed Foreign Shares, to receive, on behalf of such shareholders, dividends distributed and all other monies payable by the Company in respect of the Overseas-Listed Foreign Shares.

The receiving agent appointed by the Company shall comply with the laws of the place where the shares are listed or the requirements of the stock exchange.

The receiving agent appointed by the Company for the shareholders of the Overseas-Listed Foreign Shares listed in Hong Kong shall be a company which is registered as a trust company under the Trustee Ordinance of Hong Kong.

Article 199 The Company adopts the system of internal auditing, clearly defining the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit work.

The internal audit system of the Company shall be implemented upon approval by the Board of Directors.

- Article 200 The internal audit institution of the Company shall conduct supervision and inspection on matters such as the Company’s business activities, risk management, internal control, and financial information.
- The internal audit institution of the Company shall maintain independence, hire professional auditors, and shall not be placed under the leadership of the finance department or work together with the finance department.
- Article 201 The internal audit institution reports to the Board of Directors.
- During the process of supervising and inspecting the Company’s business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the Audit and Compliance Management Committee. Where the internal audit institution discovers relevant significant issues or leads, it shall immediately report directly to the Audit and Compliance Management Committee.
- Article 202 The specific organization and implementation work of the Company’s internal control evaluation shall be the responsibility of the internal audit institution. The Company shall issue the annual internal control evaluation report based on the evaluation report and related materials issued by the internal audit institution and reviewed by the Audit and Compliance Management Committee.
- Article 203 When the Audit and Compliance Management Committee communicates with external audit units such as accounting firms and state audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

Chapter 15 Appointment of an Accounting firm

- Article 204 The Audit and Compliance Management Committee shall participate in the performance assessment of the person in charge of internal audit.
- Article 205 The meaning of “Accounting firm” as referred to in this Article shall be the same as that of “Auditor” of Hong Kong.

Article 206 The Company shall appoint an accounting firm, which satisfies the regulations of the Securities Law and other relevant requirements to audit its financial statements, verify its net assets and provide other related consultancy services.

The engagement of an accounting firm by the Company shall be determined at the shareholders' meeting. Before the determination at the shareholders' meeting, the Board of Directors shall not appoint the accounting firm.

Article 207 The Company shall appoint one or more accounting firm(s) at each annual shareholders' meeting. The term of the accounting firm(s) shall begin at the end of the current annual shareholders' meeting and until the end of the next annual shareholders' meeting.

Article 208 The accounting firm appointed by the Company shall have the following rights:

- (1) to inspect the accounting ledgers, records or evidential documents of the Company from time to time and to request the directors or senior management officers of the Company to provide relevant information and explanation;
- (2) to request the Company to take all reasonable measures to obtain the information and explanation from its subsidiaries for the purpose of performing the duties by the accounting firm;
- (3) to attend the shareholders' meeting, to receive notice of the meeting or other information in relation to the meeting which any shareholder is entitled to receive, and to be heard at any shareholders' meeting on any part of the business which concerns it as the accounting firm of the Company.

The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any objection, omission or falsification.

Article 209 The accounting firm may be removed by ordinary resolution of the shareholders' meeting before the expiration of its term of office, notwithstanding the provisions of the contract made between the Company and the accounting firm. Shall the accounting firm is entitled to sue the Company for compensation for dismissal, such right shall not be affected.

Article 210 The remuneration or the determination of remuneration of the accounting firm shall be decided by the shareholders' meeting.

Article 211 Any removal or discontinuation of employment of the accounting firm by the Company shall be notified to the accounting firm in advance. The accounting firm has the right to represent to the shareholders' meeting. Any accounting firm which resigns of its own accord shall explain in the shareholders' meeting as to whether there is any irregularity of the Company.

- (1) an accounting firm may resign its office by depositing at the Company's statutory address a notice in writing which shall be deemed as one of the following statements:
 - i. a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company;
 - ii. any statement of explaining such circumstances.

Such notice shall be effective on the date on which it is deposited at the Company's statutory office or on such later date as may be specified therein.

- (2) Where a notice under item (1) of this Article is deposited, the Company shall, within 14 days, send a duplicate of the notice to the competent authorities. If the notice contains statements under item (1) (ii) of this Article, a copy of the statement shall be sent to each shareholder who is entitled to receive a financial status report of the Company;
- (3) Where the notice of resignation of the accounting firm contains statements under item (1) (ii) of this Article, it may require the Board of Directors to convene an extraordinary shareholders' meeting for the purpose of hearing an explanation of the circumstances connected with its resignation.

Chapter 16 Employment System and Labour Union

Article 212 The Company shall establish its labour management, wages, welfare and social insurance system under the Chinese laws and regulations and the relevant administrative regulations.

- (1) the Company shall determine the time, conditions, manner and quantity of recruitment according to the relevant national laws and administrative regulations. The Company shall not hire any employee whose previous labour relationship has not been terminated, and it shall not use child labour.
- (2) the Company shall enter into an individual written employment contract with employees, and apply to the local labour administrative department for verification as required.

The labour union may represent workers entering into a collective contract with the Company. Collective contracts shall be filed to the local labour administrative department.

The Company or any employee, who breaks the contract or violates the interests of, and causes losses to, the other party, shall be liable for damages.

- (3) the Company shall based on its economic efficiency and subject to the relevant administrative regulations be entitled to determine, at its absolute discretion, the wages of all levels of management officers and all classes of employees of the Company.

The minimum wage for employees, within legal working hours, shall not be less than the local minimum wage standard.

- (4) the Company shall contribute to social insurances such as pension, unemployment, medical, work injury and maternity in accordance with the relevant national requirements.
- (5) the Company shall withdraw and use employee housing funds according to the requirements of the local People's Government.

Article 213 Employees of the Company may, subject to laws, establish a labour union, and carry out activities of the labour union and safeguard the legitimate rights and interests of employees. The Company will allocate funds to the labour union according to the relevant provisions of the State, and provide the necessary material conditions including facilities and venues for the working and the activities of the labour union.

Chapter 17 Merger and Division of the Company

Article 214 Where the Company merges or divides, the Board of Directors shall submit the proposal and, after its approval according to procedures stipulated in the Articles of Association, put forward the examination and approval procedures by laws. Shareholders who oppose the merger or division proposal have the right to request the Company or those shareholders who agree with the merger or division proposal, to acquire their shares at a fair value. The resolution relating to the merger or division of the Company shall be regarded as a specialised document and shall be made available for shareholders' inspection.

Subject to the compliance with the applicable laws, administrative regulations and the listing rules, the Company may publish such document on the website designated by the stock exchange on which the shares of the Company are listed or on the website of the Company, or sent by electronic means, or given in any other means acceptable by the stock exchange on which the shares of the Company are listed.

Article 215 If the price paid for the Company's merger does not exceed 10% of the Company's net assets, the merger may be resolved without a shareholders' meeting, unless otherwise provided for in the Articles of Association.

Where the Company's merger is exempt from approval by resolution at the shareholders' meeting in accordance with the preceding clauses, such merger shall be subject to approval by resolution of the Board of Directors.

Article 216 The merger of the Company may be made through two means, namely, absorption merger and new establishment merger.

Article 217 In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days, and shall publish announcements in the newspapers or on the National Enterprise Credit Information Publicity System within thirty days, of the date when the resolution to merge is passed.

A creditor has the right within 30 days of receipt of the notice from the Company or, in the case of a creditor who does not receive such notice, within 45 days of the date of the first public announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debts. If the Company fails to repay its debts or to provide a corresponding guarantee, the merger or division shall not be proceeded with.

Article 218 Upon the merger of the Company, the creditors and liabilities of the parties to the merger shall be assumed by the merged entity or the newly formed company.

Article 219 When the Company is divided, its assets shall be split accordingly.

In the event of a division, the parties to the division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days, and shall publish announcements in the newspapers or the National Enterprise Credit Information Publicity System within 30 days, of the date when the resolution to divide is passed.

Debts owed by the Company prior to the division shall be jointly assumed by the companies in existence after the division, save as otherwise agreed by written agreement on settlement of debt with creditors prior to the division.

Article 220 When the Company merges or divides and there is a change in any registered matter, the Company shall register the change with the company registration authority by laws. When the Company dissolves, the Company shall register the cancellation by laws. When a new company is established, it shall register the establishment by laws.

Chapter 18 Dissolution and Liquidation of the Company

Article 221 The Company will be dissolved for the following reasons:

- (1) the term of business operation as prescribed by the Articles of Association expires or other matters as prescribed by the Articles of Association for dissolution occurs;
- (2) the shareholders' meeting resolves to dissolve;
- (3) dissolution is necessary as a result of a merger or division of the Company;
- (4) its business license is canceled or it is ordered to close down or to be dissolved according to the laws;
- (5) the Company meets any serious difficulty in its operations or management so that if it continues to exist, the interests of the shareholders will be substantially injured and it cannot be solved by any other means, the shareholders holding more than 10% of the voting rights may petition to the People's Court to dissolve the Company.

Upon the occurrence of events of dissolution specified in the preceding clause, the Company shall publicize the events of dissolution through the National Enterprise Credit Information Publicity System within ten days.

Article 222

Where the Company is to be dissolved pursuant to paragraph (1) and (2) of the preceding Article, and that has not distributed its property to its shareholders, the Company may continue to exist by amending the Articles of Association or by resolution at the shareholders' meeting.

Amendments to the Articles of Association or resolution at the shareholders' meeting in accordance with the preceding clause shall be approved by not less than two-thirds of the voting rights held by the shareholders present at the shareholders' meetings.

Where the Company is to be dissolved pursuant to paragraph (3) of the preceding Article, the liquidation shall be conducted by the parties to the merger or division in accordance with the agreement made at the time of the merger or division.

Where the Company is to be dissolved pursuant to paragraph (1), (2), (4) or (5) of the preceding Article, liquidation shall be required. The liquidation committee shall be formed within 15 days from the occurrence of dissolution to commence liquidation.

The liquidation committee shall consist of directors, unless otherwise stipulated in the Articles of Association or otherwise selected by resolution at the shareholders' meetings. If no liquidation committee is formed within the time limit to carry out liquidation procedure or the liquidation is not carried out after the liquidation committee is formed, the stakeholders may petition to the People's Court to appoint relevant parties to form a liquidation committee to conduct the liquidation.

If the liquidation obligors fail to fulfill their liquidation obligation in a timely manner, resulting in losses to the Company or its creditors, they shall be liable for compensation.

Article 223

Where the Board of Directors proposes to liquidate the Company for reasons other than those of the Company's declaration of insolvency, the Board of Directors shall, in the notice convening the shareholders' meeting to consider the proposal, include a statement to state that the Board of Directors has made a full investigation into the affairs of the Company, and is of the opinion that the Company will be able to fully pay its debts in full within 12 months after the commencement of the liquidation.

The Board of Directors of the Company shall cease to function once the resolution to liquidate is passed by the shareholders' meeting.

The liquidation committee shall follow the instructions from the shareholders' meeting and, not less than once each year, submit a report to the shareholders' meeting of the receipts and payments of the liquidation committee, the business of the Company and the progress of the liquidation, and shall make a final report to the shareholders' meeting on completion of the liquidation.

Article 224

The liquidation committee shall notify its creditors within ten days, and shall publish announcements in the newspapers or on the National Enterprise Credit Information Publicity System within sixty days, of its establishment. Creditors shall, within thirty (30) days after receipt of the notice, or for those who do not receive the notice, within forty-five (45) days from the date of the announcement, declare their claims to the liquidation committee.

In reporting claims, a creditor shall explain the relevant particulars of the claims with supporting materials. Claims shall be registered by the liquidation committee.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Article 225

During the liquidation period, the liquidation committee shall exercise the following powers:

- (1) to deal with the assets of the Company and prepare a balance sheet and an inventory of assets;
- (2) to notify, and publish announcement to, creditors;
- (3) to deal with and liquidate the relevant outstanding business of the Company;
- (4) to pay outstanding taxes and taxes incurred during the liquidation;
- (5) to deal with debts and liabilities;
- (6) to distribute the residual assets after the Company's debts have been paid;
- (7) to represent the Company in any civil proceedings.

During the liquidation, the Company shall continue to exist, but shall not carry out new operating activities that are not related to the liquidation.

Article 226

Payment of debts shall be made out of the Company's assets in the following order of priority:

- (1) to the costs of liquidation;
- (2) to the payment of salary, expenses for social securities insurance and statutory compensation of the Company's employees;
- (3) to the payment of outstanding taxes;
- (4) to the repayment of the debts of the Company;
- (5) to the distribution to the Company's shareholders according to the proportion of shares held by them respectively.

The Company's assets shall not, before being applied towards payments according to the preceding clauses, be distributed to the shareholders.

Article 227 Members of the liquidation committee shall fulfill their duties and bear the obligations of loyalty and diligence.

Where the members of the liquidation committee are negligent in the performance of liquidation duties and cause the Company to suffer losses, such member shall be liable to compensate for such loss; if any creditor suffers losses as the result of the wilful fault or material wrongdoing of any member of the liquidation committee, such member shall be liable to compensate for such loss.

Article 228 After dealing with the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation proposal and present it to the shareholders' meeting or the People's Court for confirmation.

Payment of debts out of the Company's assets shall be made in the order of priority prescribed by the Articles of Association or applicable laws and regulations.

Article 229 Where the Company is liquidated upon dissolution, and the liquidation committee, after dealing with the Company's assets and preparing a balance sheet and an inventory of assets, finds out that the Company's assets are insufficient to repay its debts, it shall apply to the People's Court for the declaration of insolvency and liquidation in accordance with the laws.

After the People's Court accepts the insolvency application, the liquidation committee shall transfer the liquidation matters to the insolvency administrator appointed by the People's Court.

Article 230 After the liquidation of the Company is completed, the liquidation committee shall prepare a liquidation report, submit the same to the shareholders' meeting or the People's Court for confirmation, and submit the same to the relevant company registration authorities for the application for the cancellation of the registration of the Company.

Chapter 19 Procedure for Amending the Articles of Association

- Article 231 The Company may amend the Articles of Association according to the provisions of laws, administrative regulations and the Articles of Association.
- Article 232 The Company will amend the Articles of Association on the occurrence of any of the following events:
- (1) the Company Law or the relevant laws or administrative regulations are amended and the Articles of Association are in conflict with the requirements under the amended laws or administrative regulations;
 - (2) there is change of the Company's circumstances which makes it not consistent with those recorded in the Articles of Association;
 - (3) the shareholders' meeting has decided to amend the Articles of Association.
- Article 233 Amendment of the Articles of Association shall be conducted according to the following procedures:
- (1) the Board of Directors shall, according to the Articles of Association, submit the proposal to amend the Articles of Association;
 - (2) submit the amendment proposal on the Articles of Association to the shareholders' meeting for approval by special resolution.
- Article 234 Amendment made to the Articles of Association concerning registration of the Company shall be registered in accordance with the law.
- The Board of Directors may amend some of the wordings of the Articles of Association pursuant to the resolution of the shareholders' meeting and the approval opinions of the aforesaid regulatory commission, and handle relevant matters.

Article 235 Where the amendments to the Articles of Association involve the following matters requiring registration, the Company shall register the change by laws and publish an announcement:

- (1) company name;
- (2) company address;
- (3) legal representative of company;
- (4) registered capital;
- (5) nature of enterprise;
- (6) scope of business;
- (7) operating period;
- (8) name or title of promoter.

Article 236 Where the amendments to the Articles of Association do not involve matters requiring registration, the Company shall submit the amended Articles of Association or amendment thereof to the original company registration authority for record.

Any changes to the directors and general manager of the Company shall be submitted to the original company registration authority.

Chapter 20 Resolution of Disputes

Article 237 The companies to be listed in Hong Kong shall comply with the following provisions on the resolution of disputes:

- (1) For any disputes or claims of rights arising from the rights or obligations provided by the Articles of Association, the Company Act and other relevant laws and administrative regulations between any holder of Overseas-Listed Foreign Shares and the Company, or between any holder of Overseas-Listed Foreign Shares and a director or senior management officer of the Company, or between any holder of Overseas-Listed Foreign Shares and any holder of Domestic Shares, such disputes or claims of rights shall be referred to arbitration by the relevant parties.

When the abovementioned disputes or claims of rights are referred to arbitration, they shall constitute all the claims of rights and the entire dispute. All the persons who have the same cause of action or persons who are required to participate in the resolution of such disputes or claims of rights shall abide by the arbitration proceedings if the person is the Company, a shareholder, a director or senior management officer of the Company.

Any disputes in relation to classification of shareholders or the register of shareholders may not be referred to arbitration for resolution.

- (2) The person applying for arbitration may choose to carry out the arbitration either at the China International Economic and Trade Arbitration Commission according to its rules or at the Hong Kong International Arbitration Centre according to its Securities Arbitration Rules. Once the person applying for arbitration refers a dispute or claim of right for arbitration, the other party shall submit to the arbitration body elected by the applicant.

If the person applying for arbitration chooses to carry out the arbitration at the Hong Kong International Arbitration Centre, any of the parties may request for the arbitration to take place in Shenzhen according to the Securities Arbitration Rules of the Hong Kong Arbitration Centre.

- (3) Unless otherwise provided by laws and administrative regulations, for any dispute or claim of right as mentioned in paragraph (1) above which is referred to arbitration, the laws of the PRC shall apply.
- (4) The decision made by the arbitration body shall be final and conclusive and binding on all parties.

Chapter 21 Supplementary

Article 238

Definitions:

- (1) Controlling shareholder refers to a shareholder holding more than 50% of the total share capital of the joint stock limited company; or a shareholder holding less than 50% of the shares but whose voting rights are sufficient to exert significant influence on the resolutions of the shareholders' meeting.
- (2) De facto controller refers to the natural person, legal person or other organization that can actually control the act of the Company through investment, agreement or other arrangement.
- (3) Senior management officer(s) referred to manager(s), deputy manager(s), Secretary(ies) to the Board of directors, and financial controller(s) of the Company, as well as other person(s) specified in the Articles of Association.
- (4) Related party relationship refers to the relationship between the Company's controlling shareholders, de facto controllers, directors, the senior management officers and enterprises controlled directly or indirectly by them, as well as other relationship which may lead to a transfer of the Company's benefits or interest. However, state-controlled enterprises have no related party relationship by solely virtue of being under common control of the State.

Article 239

If the Articles of Association are in conflict with the laws, administrative regulations or provisions of other regulatory documents promulgated from time to time, such laws, administrative regulations and provisions of other regulatory documents shall prevail.

Article 240

The expression "general manager" used herein shall be construed as having the same meaning as the expression "manager" used in the Company Law.

Article 241

The Articles of Association are written in Chinese and English. If there is any conflict between the two versions, the Chinese version shall prevail.

- Article 242 The expressions of “above/more than”, “within” and “below” shall include the figures mentioned whilst the expressions of “over”, “beyond”, “less than” and “more than” shall not include the figures mentioned.
- Article 243 The appendices to the Articles of Association shall include “Order of Meeting for Shareholders’ Meeting of Maanshan Iron & Steel Company Limited” and “Order of Meeting for the Board of Directors of Maanshan Iron & Steel Company Limited”.
- Article 244 The right to interpret the Articles of Association vests with the board of directors of the Company.
- Article 245 Where there are provisions by the PRC governing preference shares, such provisions shall prevail.
- Article 246 The right to revise the Articles of Association vests with shareholders’ meeting. Such amendment shall become effective subject to the approval given by the competent authority, if an approval is required.

ORDER OF MEETING FOR SHAREHOLDERS' MEETING OF MAANSHAN IRON & STEEL COMPANY LIMITED

Chapter 1 General Provisions

- Article 1 This Order of Meeting is formulated in accordance with “The Company Law of the People’s Republic of China” (referred to as the “**Company Law**”), “The Securities Law of the People’s Republic of China”, “Rules and Procedures for Shareholders’ Meeting of Listed Companies”, “Standards for Corporate Governance of Listed Companies” and the relevant laws, administrative regulations as well as the Articles of Association (referred to as “**Articles of Association**”) of the Maanshan Iron & Steel Company Limited (referred to as the “**Company**”) to regulate the acts of the Company and to ensure the discharge of duties and powers by the Company’s shareholders’ meeting in compliance with laws.
- Article 2 The Board of Directors shall strictly comply with all provisions of the Company Law and the other laws and regulations in relation to the convening of shareholders’ meetings and shall organise the shareholders’ meetings in a diligent and timely manner. All directors of the Company shall owe fidelity duties in respect of convening of shareholders’ meetings regularly and no director shall hinder the lawful discharge of duties and powers by the shareholders’ meetings.
- Article 3 Shareholders’ meetings are divided into annual shareholders’ meetings and extraordinary shareholders’ meetings. Annual shareholders’ meetings shall be convened once a year within six-month following the end of the previous financial year.
- Article 4 The secretary to the Board of Directors shall be responsible for arranging shareholders’ meetings.

Chapter 2 Authority and Delegation of Shareholders’ Meetings

- Article 5 Shareholders’ meeting is the institutional authority of the Company and shall exercise its duties and powers within the scope stipulated in the Company Law without interfering shareholders’ disposal of their own rights.

Matters discussed and decided in the shareholders' meetings should be complied in accordance with the provisions under the Company Law and the Articles of Association. Discussion can be conducted in the annual shareholders' meeting for any matters provided in the Articles of Association.

Article 6

For promoting the efficiency of the Company's operation, the shareholders' meeting shall authorise and entrust the Board of Directors to deal with the following matters:

- (1) The shareholders' meeting may authorise the Board of Directors to make a resolution on the issuance of corporate bonds;
- (2) Within the limit of 10% of the Company's latest audited net assets, to determine matters concerning the Company's external investments, leasing of assets, pledges of assets, entrustments on operations and financial management.
- (3) To authorise the Board of Directors to determine or deal with matters which are not provided for in the laws, regulations and the Articles of Association if necessary and under reasonable circumstances.

Chapter 3 Matters to be Discussed and Proposals in Shareholders' Meetings

Article 7

Proposed resolutions for the shareholders' meetings are specific resolutions focusing on the matters to be discussed in the shareholders' meetings. Proposed resolution shall be decided in the shareholders' meeting.

Article 8

The notice issued by the Board of Directors shall set out the matters to be discussed in that shareholders' meetings. Full disclosure shall be made in the contents of all resolutions proposed by the Board of Directors. Proposed resolution for making amendment to the matters involving the resolution passed in the preceding shareholders' meeting shall include a full account of the amendments and shall not set out the amended parts only.

The shareholders' meeting shall not conduct any voting in respect of any matter which is classified under the item of "other businesses" without specifying the content thereof.

Article 9

For shareholders' meetings, shareholder(s) individually or jointly holding more than 1% (including 1%) of the total voting rights of the Company, the Board of Directors or the Audit and Compliance Management Committee shall have the rights to propose resolution(s) on a provisional basis. If the shareholder(s) individually or jointly holding more than 1% (including 1%) of the total voting rights of the Company shall have the rights to propose resolution(s) on a provisional basis, such shareholder(s) shall submit the proposal in writing to the convenor ten days prior to the date of the shareholders' meeting. The convener shall examine the proposal and issue a supplementary notice of the shareholders' meeting within two days after receipt of the proposal to announce the content of the provisional proposal, and submit the provisional proposal to the shareholders' meeting for consideration, except where the provisional proposal is in violation of laws, administrative regulations or the Articles of Association, or does not fall within the terms of reference of the shareholders' meeting. The aforesaid convener refers to the person who shall be entitled to convene the shareholders' meeting in accordance with the Articles of Association.

Save as the preceding clause, the convener shall not amend the proposals already specified in the notice of the shareholders' meeting or add new proposals after issuing the notice of the shareholders' meeting.

Proposals that are not specified in the notice of the shareholders' meeting or not in accordance with the provisions of the Articles of Association of the Company shall not be voted on and resolved by the shareholders' meeting.

Note: When calculating the percentage of shareholding referred to in this article, only common shares and preference shares with restored voting rights are counted.

Article 10

The provisional proposed resolution as mentioned in the preceding Article shall be made in the form of writing or served on the convenor, the contents of the provisional proposed resolution shall fall within the terms of reference of the shareholders' meeting, have clear topics and specific matters for resolution, and comply with the relevant provisions of laws, administrative regulations and the Articles of Association. The Board of Directors shall act in accordance with the best interests of the Company and the shareholders and shall observe the following principles when examining such proposed resolution:

- (1) **Relevance.** When examining the proposed resolution submitted by the shareholder, the Board of Directors shall submit the same for discussion in the shareholders' meetings if the substance of the proposed resolution involves matters directly related to the Company and is within the scope of power of the shareholders' meeting prescribed under the laws, regulations and the Articles of Association. If the proposed resolution fails to fulfill the above requirements, it should not be submitted for discussion in shareholders' meeting.

In the event that the Board of Directors resolves not to present the resolution proposed by the shareholder for voting in the annual shareholders' meeting, explanations shall be given at that annual shareholders' meeting.

- (2) **Procedural Compliance.** The Board of Directors may determine in respect of procedural issues involved in the proposed resolution. The consent of the original proposing shareholder shall be required should it be determined that the proposed resolution shall be split or consolidated before being put to a vote. In case the original proposing shareholder does not agree to the change, the chairman of the shareholders' meeting may submit the procedural issue to the annual shareholders' meeting for determination and conduct discussion according to the procedures determined by the annual shareholders' meeting.

- Article 11 For proposed resolution involving investments, property disposals, acquisitions and mergers, details including the amount involved, consideration (or its basis of calculation on consideration), carrying value of assets, influence to the Company and examination and approval process shall be clearly set out. In case of asset valuation, auditing or issuance of independent financial consultant reports are required pursuant to the relevant regulations, the Board of Directors shall announce the asset valuation, results of auditing or the independent financial consultant report at least five working days prior to the shareholders' meetings.
- Article 12 If a proposed resolution is made by the Board of Directors to change the use of proceeds raised in share subscription, reasons for changing the use of funds raised, description of the new project and future influence to the Company shall be elaborated in the notice of shareholders' meeting.
- Article 13 Matter involving the issuance of shares to the public which requires submission to the China Securities Regulatory Commission for approval shall be submitted as special proposed resolution.
- Article 14 After the annual report is reviewed and approved by the Board of Directors, determination regarding the profit distribution plan should be made as proposed resolution to the annual shareholders' meetings. The Board of Directors proposing a plan for the increase in share capital through the capitalization of public reserve funds should specify the reasons for such transfer and increase and to have it disclosed in an announcement. When announcing the distribution of shares or the increase in share capital through the capitalization of public reserve funds, the relative earnings per share and net asset value per share before and after transfer and its impact on the Company's future development should be disclosed.
- Article 15 The Board of Directors shall propose the appointment of accounting firm engaged in the audit work of the Company, which shall be decided in the shareholders' meeting. If the Board of Directors proposes to remove or non-renewal of services of an accounting firm, the firm shall be notified in advance and reason(s) for such proposed resolution shall be elaborated in the shareholders' meeting. The accounting firm has the rights to state their opinion in the shareholders' meeting.

In case of resignation of an accounting firm, the Board of Directors shall elaborate the reason(s) in the next shareholders' meeting. The resigned accounting firm is under a duty to state whether the Company has acted improperly in a written form or by attending in person in the shareholders' meeting.

Chapter 4 Procedures for Convening Shareholders' Meetings

Section 1 Notice of Meeting and Alterations

Article 16 When the Company convenes an annual shareholders' meeting, it shall at least 21 clear business days prior to the date of the meeting issue written notice to notify all registered shareholders with respect to the matters proposed to be considered at the meeting and the date and venue of that meeting. When the Company convenes an extraordinary shareholders' meeting, it shall issue written notice at least 15 days prior to the date of the meeting to notify all registered shareholders with respect to the matters proposed to be considered at the meeting and the date and venue of that meeting.

Notice of a shareholders' meeting shall be given to shareholders by way of an announcement. For holders of Overseas-Listed Foreign Shares, subject to the compliance with the applicable laws, regulations and the Listing Rules by the Company, such notice may be published on the website designated by the stock exchange on which the shares of the Company are listed or on the website of the Company, or sent by electronic means, or given in any other means acceptable by the stock exchange on which the shares of the Company are listed.

Article 17 A notice of shareholders' meeting shall comply with the following requirements:

- (1) be in writing;
- (2) specify the place, date and time for meeting;
- (3) matters and resolutions to be considered at the meeting;

- (4) provide necessary information and explanation for shareholders to exercise an informed judgment on the matters for discussion. This shall include (but not limited to) where a proposal is made for merger, repurchase of shares, reorganising share capital or restructuring in any other way, the terms of the proposed transaction be provided in details together with the proposed contract (if any) and reason(s) for and consequence(s) of such proposals should be properly explained;
- (5) contain a disclosure of the nature and extent, if any, of material interests of any director and senior management officers in the matters for discussion and effect(s) of such matters on them in their capacity as shareholders in so far as it is different from the effect on the interests of shareholders of the same class;
- (6) contain the full text of any special resolutions proposed to be decided in the meeting;
- (7) contain a statement conspicuously stating that a shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf and that a proxy needs not be a shareholder;
- (8) state the time and the address to which the relevant instrument appointing the proxies for the meeting is to be delivered;
- (9) specify the shareholding registration date for shareholders entitled to attend the shareholders' meetings;
- (10) state the name and telephone number of a contact person for matters relating to the shareholders' meeting.

Article 18

If the matters regarding the election of the directors are intended to be discussed in the shareholders' meeting, notice of the shareholders' meeting shall fully disclose the detailed information of the candidates for the directors, at least including the following contents:

- (1) personal information such as academic background, work experience and part-time job;

- (2) whether or not has connected relationship with the Company or its controlling shareholder and the de facto controller;
- (3) number of shares held in the Company;
- (4) whether or not has been penalised by the China Securities Regulatory Commission and other relevant authorities and disciplined by the stock exchange.

Article 19 After the Board of Directors issues a notice of shareholders' meeting, such meeting shall not be postponed or cancelled without a proper reason. In case of special reason(s) leading to a postponement of shareholders' meeting, a notice for postponement of shareholders' meeting has to be issued at least two working days prior to the original date of the meeting. The Board of Directors shall state the reason(s) for such delay and the date of the adjourned meeting in the postponement notice.

The interval between the shareholding registration date and the day of meeting shall be no more than 7 working days. Notwithstanding any postponement of shareholders' meeting, the shareholding registration date for shareholders entitled to attend the shareholders' meeting shall not be altered.

Article 20 Accidental omissions to give notice of meeting to or the non-receipt of notice of meeting by any person entitled to receive notice shall not invalidate the meeting and the resolutions adopted at the meeting.

Section 2 Registration for Meetings

Article 21 A shareholder may attend the shareholders' meeting in person or appoint one or more other persons (who need not be a shareholder) as his/her proxy to attend and vote on his/her behalf. Pursuant to authorisation by that shareholder, a proxy so appointed shall enjoy the right to speak at the meeting.

In respect of a shareholder who holds Overseas-Listed Foreign Shares which are issued by the Company and listed in Hong Kong, if such shareholder is a recognised clearing house as defined under the "Securities and Futures Ordinance" of Hong Kong, such shareholder or its nominee may authorise one or more person(s) as its representative to attend and vote at shareholders' meeting; however, if more than one person are so authorised, the power of attorney shall clearly indicate the number and types of the shares

involved by way of the authorisation. The person(s) so authorised may exercise the said powers without the need to present any shareholding supporting document or to have the power of attorney notarized, as if they were the individual shareholders of the Company.

Article 22 The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if the appointor is a legal person, it shall be under the seal of the Company or under the hand of a director or an attorney duly authorised.

Article 23 A shareholder attending the meeting in person shall produce his/her own identity document or other valid document or certificate that can prove his identity. In case that a proxy is entrusted to attend the meeting, the proxy shall produce his identity document and the shareholder's authorised proxy document.

A corporate shareholder shall appoint its legal representative or a proxy appointed by its legal representative to attend the meeting. The legal representative attending the meeting shall produce his/her identity document, and valid proofs on his/her qualification as the legal representative. A proxy appointed to attend the meeting shall produce his/her identity document and an authorisation document issued by the legal representative of such corporate shareholder in writing.

Article 24 The instrument appointing a proxy shall be deposited at the address of the Company or at some other places specified for the purpose in the notice of meeting not less than 24 hours before the time for convening the meeting at which the proxy is authorised to vote or 24 hours before the time specified for the voting. Unless otherwise specified in the Articles of Association, where such an instrument appointing a proxy is signed by a person under a power of attorney on behalf of the appointor, that power of attorney authorising the signature or other authorisation documents shall be notarially certified. The notarially certified copy of the power of attorney or other authorisation documents shall, together with the instrument appointing the proxy, be deposited at the Company's address or such other place as specified for the purpose in the notice of meeting.

- Article 25 All shareholders registered on shareholding registration date or their proxies are entitled to attend the shareholders' meeting and exercise their voting rights in accordance with laws, regulations and the Articles of Association.
- Article 26 Any proxy form issued by the Board of Directors to a shareholder for use by him for appointing a proxy to attend and vote at a shareholders' meeting shall be such as to enable the shareholder, according to his intention, to instruct the proxy to vote in favour of, against or abstain each resolution to be decided in the meeting. Such a form should state: that in default of instructions the proxy may vote at he thinks fit; whether or not the proxy has voting rights in respect of any provisional proposed resolution which be included in the agenda for shareholders' meeting and if the proxy has voting rights in respect thereof, specific instructions as to the type of voting rights to be exercised.
- Article 27 An attendance register for persons attending the meeting shall be prepared by the Company and it should contain the names of persons (or legal persons) attending the meeting, respective identity document numbers, residential addresses, numbers of shares with voting rights held or represented, names of the appointors (or legal persons), etc.
- Article 28 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or of the authority under which the vote was given or the shares in respect of which the vote was given have been transferred, provided that no notice in writing of the aforesaid matters shall have been received by the Company before the commencement of the shareholders' meeting at which the proxy is used.

Section 3 Convening of Meetings

Article 29 The Company shall hold shareholders' meetings at its place of domicile or other place as designated by the Board. The shareholders' meeting may be held not only at the meeting venue in the form of an on-site meeting, but also simultaneously through electronic communication means. Subject to the legality and validity of the shareholders' meeting, and in accordance with the laws, administrative regulations, the provisions of the China Securities Regulatory Commission or the Articles of Association, the Company may adopt various methods and means, including the provision of a voting platform on Internet for the shareholders if technically practicable, and making it convenient for shareholders to participate in shareholders' meeting so as to enlarge the proportion of public shareholders' participation in the shareholders' meeting.

Article 30 The chairman of the Board of Directors shall chair every shareholders' meeting. If the chairman is unable to or does not perform his/her duties, the vice chairman of the Board of Directors shall and chair the meeting. If the vice chairman of the Board of Directors is unable to or does not perform his/her duties, a director jointly elected by a majority of the number of directors shall and chair the meeting. If more than half of the number of directors are unable to elect a director to chair the meeting, then shareholders present at the meeting may elect one person to act as the chairman of the meeting. If for any reason the shareholders cannot elect a chairperson, the shareholder holding the largest number of shares with voting rights at the meeting shall act as the chairperson. The shareholders' meeting shall be presided over by the chairman of the meeting.

For a shareholders' meeting convened by the Audit and Compliance Management Committee on its own according to legal procedures, it shall be presided over by the chairman of the Audit and Compliance Management Committee. Where the chairman of the Audit and Compliance Management Committee is unable or fails to perform duties, the meeting shall be presided over by a member of the Audit and Compliance Management Committee jointly elected by a majority of the members of the Audit and Compliance Management Committee.

Where the shareholders' meeting is convened by the shareholders on their own, the convener or a representative nominated by the convener shall preside over the meeting.

When convening a shareholders' meeting, should the chairman of the meeting violates the rules and procedures, resulting that the shareholders' meeting becomes unable to proceed, a person may, subject to the consent of more than half of the number of shareholders with voting rights attending the meeting at the scene, be elected at the shareholders' meeting to preside over the shareholders' meeting such that the meeting may be continued.

Article 31 Without consent of the meeting's chairperson, a shareholder shall not speak more than two times in the meeting with the first time not exceeding five minutes and the second time not exceeding three minutes.

A shareholder shall not make his request to speak by interrupting any reports made to the meeting or speeches by other shareholders.

Article 32 The directors and senior management officers shall present at the meeting. Aside from matters involving the Company's trade secrets which cannot be revealed in the shareholders' meeting, the Board of Directors and senior management officers shall reply and elaborate on shareholders' queries and suggestions.

Article 33 The Company's Board of Directors shall ensure continuation of the meeting in reasonable working hours until final resolution is made. In case of force majeure or other abnormalities resulting in failure in convening a shareholders' meeting or the passing of resolution, the Company's Board of Directors shall state the reason to the representative office of the China Securities Regulatory Commission where the Company is located and the stock exchange and make relevant announcements. The Company's Board of Directors is obliged to take necessary measures to convene another shareholders' meeting as soon as practicable.

Article 34 The Company's Board of Directors and the Audit and Compliance Management Committee shall take necessary measures to ensure that the shareholders' meeting is conducted seriously and is in compliance with regular procedures. Apart from the attendance of shareholders (or their proxies), directors, secretary to the Board of Directors, senior management officers, solicitors appointed and persons invited by the Board of Directors to attend the meeting, the Company has the legal rights to refuse attendance by other persons. For actions interfering with the discipline of the shareholders' meeting, challenging, disturbing and contravening the legitimate rights of other shareholders, the Company shall take measures to control and report to the relevant authorities for investigation and punishment forthwith.

Article 35 The convening of the Company's shareholders' meetings shall observe the principle of simplicity without extravagance. No extra financial benefits shall be given to shareholders (or their proxies) attending the meeting.

Section 4 Voting and Resolutions

Article 36 Resolutions of a shareholders' meeting are classified as ordinary resolutions and special resolutions.

An ordinary resolution of a shareholders' meeting shall be passed by affirmative votes of a majority of the total voting rights of shareholders present at the meeting.

A special resolution of a shareholders' meeting shall be passed by affirmative votes of more than two-thirds of the total voting rights of shareholders present at the meeting.

The shareholders referred to in this Article include shareholders who appoint proxies to attend the shareholders' meeting.

Article 37 Where the Company repurchases its ordinary shares for the public issuance of preference shares for the purpose of reducing its registered capital, and repurchases its ordinary shares from specific shareholders of the Company by consideration of a non-public issuance of preference shares, the resolution regarding the repurchase of ordinary shares in a shareholders' meeting shall be passed by more than two thirds of the voting rights of the holders of ordinary shares present at the shareholders' meeting (including the holders of preference shares with restored voting rights).

Article 38 Resolutions shall be decided on a poll in shareholders' meetings. Shareholders (including their proxies) shall exercise their voting rights in accordance with the number of shareholding rights they represent. Each share carries the right to one vote. The shareholders referred to in this Article include shareholders who appoint proxies to attend the shareholders' meeting.

Where major matters affecting the interests of small and medium investors are being considered in the shareholders' meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be made open and disclosed timely.

Subject to the legality and validity of the shareholders' meeting, and in accordance with the laws, administrative regulations, the provisions of the China Securities Regulatory Commission or the Articles of Association, the Company may adopt various methods and means, including the provision of a voting platform on Internet for the shareholders of Domestic Shares if technically practicable, and making it convenient for shareholders to participate in the shareholders' meeting.

The Company's controlling shareholders and de facto controller shall not restrict or obstruct small and medium investors from exercising their voting rights legally, and shall not damage lawful rights and interests of the Company and small and medium investors.

Article 39

In the event that two or more than two directors (including independent directors) are to be elected, the cumulative voting system should be adopted, and voting for independent directors should be separately from the other members of the Board of Directors. The new directors shall take office on the effective date of the resolutions of the shareholders' meeting.

Each share, which carries voting rights, shall entitle to such vote(s) as equivalent to the total number of the directors to be elected. Shareholders are free to allocate their votes among the candidates for election as directors. They may either cast their votes for several candidates separately, or cast their votes for one candidate. According to the chronological order of votes for each of the candidates for election as directors and the number of directors to be elected, the candidates who have the highest votes shall be elected.

Article 40

Shareholders (including their proxies) present at the shareholders' meeting shall indicate clearly whether they are in favor of, against or abstain each of the matter to be voted. Other votes shall not be counted as valid votes by the Company when determining the voting result in relation to the relevant matters. The shareholders referred to in this Article include shareholders who appoint proxies to attend the shareholders' meeting.

Unfilled, incorrectly filled, illegible votes and uncast votes shall be deemed as the voter's waiver of voting rights, and the voting results of the number of shares held by the voter shall be counted as "abstain".

- Article 41 Where a connected transaction is being considered in a shareholders' meeting, connected shareholders shall abstain from voting, and the voting rights represented by the shares held by them shall not be counted towards the total number of valid votes. The voting results of shareholders (other than the connected shareholders) shall be fully disclosed in an announcement in relation to the resolution passed at the shareholders' meeting.
- If in exceptional circumstances, the connected shareholders are unable to abstain from voting, the Company may, upon obtaining the prior consent by the competent department, conduct the voting according to normal procedures. Detailed explanation shall be given in the announcement in relation to the resolution passed at the shareholders' meeting.
- Article 42 Upon reviewing the proposed resolution whether to provide guarantee to a shareholder or the de facto controller(s) and their connected parties in the shareholders' meeting, such shareholder or the shareholder(s) controlled by such de facto controller(s) are not permitted to participate in the voting thereof. The resolution must be passed by a majority of the other shareholders attending the shareholders' meeting with voting rights.
- Article 43 When a matter regarding the distribution of profits of the Company, especially profits distribution by cash dividends distribution, or a matter regarding the adjustment of an established profit distribution policy, especially a cash dividend policy, is being considered at a shareholders' meeting, the Board should report a resolution as well as the reason of the arrangement first, then vote on the related resolution.
- Article 44 When a poll is taken, it is not necessary for a shareholder (including a proxy) entitled to two or more votes to cast all his votes all for, against or abstain any resolution.
- Article 45 Each of the resolutions passed in the shareholders' meeting shall comply with the requirements of the laws, administrative regulations and the Articles of Association. Directors attending the meeting shall perform their duties in good faith and ensure the contents of those resolutions are true, accurate and complete, and shall not make any statement which is vulnerable to misrepresentation.

In the event that any resolution passed in the shareholders' meeting is in breach of the laws, administrative regulations, or contravening the shareholders' lawful rights and interests, shareholders shall be entitled to initiate civil actions to the People's Court.

Article 46

The following matters shall be passed by ordinary resolutions in shareholders' meetings:

- (1) Work reports of the Board of Directors and the annual financial (final) reports of the Company;
- (2) Proposals formulated by the Board of Directors for distribution of profits and for making up of losses;
- (3) The appointment and removal of members of the Board of Directors (who are not staff representatives) and their remuneration and methods of payment;
- (4) The appointment and removal of accounting firm engaged in the audit work of the Company;
- (5) Other matters not required by the laws, administrative regulations or the Articles of Association to be adopted by way of special resolution.

Article 47

The following matters shall be passed by way of special resolutions in shareholders' meetings:

- (1) Increase or reduction of registered capital and issuance of shares of any class; warrants, and other similar securities of the Company;
- (2) Issuance of corporate bonds that can be converted to shares;
- (3) Division, merger, dissolution, liquidation and alteration of the nature of the Company;
- (4) Amendment to the Articles of Association;
- (5) The amount of the Company's purchases and sales of significant assets or guarantees provided to other parties within a single year exceeds 30% of the Company's latest audited total assets;

- (6) Stock options incentive scheme;
- (7) Contracts entered into between the Company and a party (other than a director and senior management officers) in relation to vesting responsibilities for the administration of all businesses or the important businesses of the Company to that party;
- (8) Adjustment to the profit distribution policy of the Company, especially the cash dividend distribution policy;
- (9) Other matters which, as stipulated by the laws, administrative regulations or the Articles of Association and according to an ordinary resolution of the shareholders' meeting, may have significant impact on the Company and require adoption by way of special resolution.

Unless the Company is in a crisis or under any other special circumstances, the Company shall not enter into any contract with a person other than a director and senior management officers to whom the management of the whole or a significant part of the Company's business is entrusted, except with the approval of the shareholders' meeting by a special resolution.

Article 48 In annual shareholders' meetings, each independent director shall give a work report and the report shall be disclosed no later than the issuance of the notice of annual shareholders' meeting of the Company.

Article 49 In the event a certified public accountant provides an auditor's report with explanatory notes, qualified opinion, disclaimer of opinion or adverse opinion, the Company's Board of Directors shall elaborate on the relevant issues leading to the above opinions and their impact on the financial position and operating conditions of the Company in the shareholders' meeting. If these issues have direct impact on the profit for the current period, the Company's Board of Directors shall determine in accordance with the principle of adopting the lower amount for the profit distribution proposal or the increase in share capital through the capitalisation of public reserve funds.

Article 50

Except for the cumulative voting system, each of the proposed resolutions shall be decided by voting in the shareholders' meeting in sequence. Should there be more than one resolution on the same issue, the voting shall be conducted according to the chronology of the resolutions proposed. No proposed resolution shall be set aside or remained undecided unless the shareholders' meeting is terminated or resolutions cannot be made due to exceptional reasons, including force majeure.

The shareholders' meeting shall resolve each of the following matters when considering the issuance of preference shares:

- (1) Class and number of preference shares to be issued;
- (2) Method of issuance, issuance target and placing arrangement for original shareholders;
- (3) Nominal value, issuance price or pricing range and principles for price determination;
- (4) Methods of participation in profit distributions by holders of preference shares, including the yield rate and its determining principles, conditions for dividend distributions, methods of dividend payments, dividend accumulation and participation in distribution of surplus profits;
- (5) Terms of repurchase, including conditions, periods, price and its determining principles and entities entitled to exercise the options for repurchase (if any);
- (6) Use of proceeds;
- (7) Conditional share purchase agreements signed by the Company and the issuance target;
- (8) Expiry dates of resolutions;
- (9) Proposed amendments to provisions of the Articles of Association in relation to the profit distribution policy concerning holders of preference shares as well as holders of ordinary shares;

(10) Authorizations to the Board for the completion of specific matters related to the proposed issuance;

(11) Other matters.

Article 51 When the proposed resolutions to elect directors are considered in the shareholders' meeting, voting shall be done on each of the candidates for election as director. When the resolutions to re-elect directors are passed, newly elected directors shall assume office according to the resolutions of the shareholders' meeting.

Article 52 The meeting chairperson shall announce whether a resolution has been passed in according with the voting results, and it shall be recorded in the minutes book as conclusive evidence.

Minutes shall be prepared to record decisions made in respect of matters discussed in the shareholders' meetings and duly signed by directors, the secretary to the Board of Directors, the convenor or his/her proxy and the meeting chairperson attending the meeting.

Article 53 Where the meeting chairperson has doubts about the results of the resolution tabled for voting, he may count the number of votes cast. If no counting is made by the meeting chairperson, any shareholder or his proxy attending the meeting, who queries the results as announced by the meeting chairperson, have the right to immediately demand a counting of the votes. The meeting chairperson shall forthwith conduct such counting of the votes.

Article 54 Should the counting of votes is conducted in the shareholders' meeting, the results shall be recorded in the minutes book.

The minutes and the signed attendance record of those shareholders attending the meeting, the proxy forms and other valid information regarding the poll results through online system and other methods shall be retained together for a period of not less than ten years.

Article 55 When considering a proposal set out in the notice of a shareholders' meeting, no amendments shall be made thereto; any change made thereto shall be considered as a newly proposed resolution, of which the voting shall not proceed at such meeting.

The same voting right may only be exercised once at a shareholders' meeting, either by on-site voting, online voting or other voting methods. In the event of repeated voting with the same voting rights, the result of the first voting shall prevail.

Shareholders' meetings adopt a voting method that records the names of voters.

Article 56 Domestic lawyers that are instructed by the Board of Directors shall give their opinions on the following:

- (1) To confirm whether the convening of the shareholders' meeting and the convening procedures are in compliance with the laws and regulations as well as the Articles of Association;
- (2) To verify the qualification of the parties and convener attending the shareholders' meeting are legally valid;
- (3) To confirm the voting procedures and voting results in the shareholders' meeting are legally valid;
- (4) To provide legal opinion addressing on other matters as requested by the Company.

Section 5 Post-meeting Events and Announcements

Article 57 The secretary of the Board of Directors shall submit the relevant materials including minutes of the meeting to the relevant regulatory authorities and make announcement on designated media in accordance with the relevant laws, administrative regulations and regulatory documents. An announcement in respect of the resolutions of shareholders' meetings shall be made in accordance with the requirements set out in relevant laws, administrative regulations and regulatory documents.

Article 58 After the profit distribution plan and proposal for the increase in share capital through the capitalization of public reserve funds are approved by shareholders in shareholders' meeting, the Board of Directors of the Company shall complete the distribution (or transfer and increase) of dividends (or shares) within two months after the shareholders' meeting.

Chapter 5 Special Procedures for Convening Extraordinary Shareholders' Meetings as requested by the Independent Directors or the Audit and Compliance Management Committee

Article 59 The Board of Directors should convene the shareholders' meeting within the time limit as set out in Article 3 of this Order of Meeting.

Article 60

Upon the consent of a majority of independent directors, independent directors shall have the right to propose to the Board of Directors for convening an extraordinary shareholders' meeting. Pursuant to the stipulation under the laws, administrative regulations and the Articles of Association, the Board of Directors shall give a written feedback on whether to approve or disapprove the convening of the extraordinary shareholders' meeting within ten days after the receipt of the resolution proposed.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice for convening the shareholders' meeting shall be issued within five days after the resolution has been made by the Board of Directors; an announcement with relevant explanation shall be made if the Board of Directors does not agree to convene the extraordinary shareholders' meeting.

Article 61

The Audit and Compliance Management Committee shall have the right to propose to the Board of Directors for convening an extraordinary shareholders' meeting and should propose to the Board of Directors in writing. Pursuant to the stipulation under the laws, administrative regulations and the Articles of Association, the Board of Directors shall give a written feedback on whether to approve or disapprove the convening of the extraordinary shareholders' meeting within ten days after the receipt of the resolution proposed.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice for convening the extraordinary shareholders' meeting shall be issued within five days after the resolution has been made by the board of the directors. Consent of the Audit and Compliance Management Committee has to be obtained for making any alteration on the original proposed resolution in the notice.

If the Board of Directors does not agree to convene the extraordinary shareholders' meeting, or no feedback is given within ten days after receiving the request, it will be deemed that the Board of Directors is unable to fulfill or fails to fulfill its responsibility to convene the shareholders' meeting, the Audit and Compliance Management Committee hereby can convene and preside over the meeting by itself.

Article 62

The shareholder(s) individually or jointly holding more than 10% of the shares in the Company has/have the right to request the Board of Directors to convene the extraordinary shareholders' meeting and should propose to the Board of Directors in writing. Pursuant to the stipulation under the laws, administrative regulations and the Articles of Association, the Board of Directors shall give a written feedback on whether to approve or disapprove the convening of the extraordinary shareholders' meeting within ten days after receiving the request.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice for convening the extraordinary shareholders' meeting shall be issued within five days after the resolution has been made by the board of the directors (or after the approval has been granted if the relevant matter involves the prior approval of regulatory authorities). Consent has to be obtained from the relevant shareholder(s) for making any alteration on the original request in the notice.

If the Board of Directors disagrees to hold an extraordinary shareholders' meeting, or fails to give a reply within ten days after receiving the request, shareholders who, individually or jointly, hold not less than 10% of the shares of the Company shall have the right to propose to the Audit and Compliance Management Committee to convene an extraordinary shareholders' meeting, and the request shall be submitted to the Audit and Compliance Management Committee in writing. If the Audit and Compliance Management Committee consents to hold an extraordinary shareholders' meeting, it should issue a notice of shareholders' meeting within five days after receiving the request (or after the approval has been granted if the relevant matter involves the prior approval of regulatory authorities), and any change to the original request in the notice shall be subject to consent from the relevant shareholders. If the Audit and Compliance Management Committee fails to issue a notice of shareholders' meeting within the prescribed period, the Audit and Compliance Management Committee is deemed to refuse to convene and preside over the shareholders' meeting, and shareholders who, individually or jointly, hold not less than 10% shares of the Company for not less than ninety consecutive days may convene and preside over a shareholders' meeting.

Article 63

If the Audit and Compliance Management Committee or the shareholders decides/decide to convene the shareholders' meeting by itself/themselves, a written notice shall be given to the Board of Directors and in the meantime report shall be made to the stock exchange for record.

The Audit and Compliance Management Committee or the convening shareholder(s) shall submit the relevant documents to the stock exchange before issuing the notice for convening of the shareholders' meeting and the announcement on resolution proposed to the shareholders' meeting.

Prior to the announcement of the resolution proposed to the shareholders' meeting, the proportion of shares held by the convening shareholder(s) shall not be less than 10%.

Article 64

The Board of Directors and the secretary to the Board of Directors should accommodate to the shareholders' meeting convened by the Audit and Compliance Management Committee or the shareholders. The Board of Directors shall provide the list of the shareholders on the record day. If the Board of Directors does not provide the register of shareholders, the convenor can apply for obtaining from the authority of securities registration and clearing by presenting the relevant announcement on the convening of the shareholders' meeting. The register of shareholders obtained by the convenor shall not be used for other purposes except for convening the shareholders' meeting.

Article 65

The expenses necessarily incurred for the shareholders' meeting convened by the Audit and Compliance Management Committee or the shareholders shall be borne by the Company.

Chapter 6 Supplementary Provisions

Article 66

In the event there is a dispute over the validity of the convening or holding of the shareholders' meetings, voting procedures and voting methods, and the dispute cannot be settled through conciliation, the relevant parties (as shareholders) may initiate legal actions to the People's Court within 60 days after the resolution is made, to apply for revocation by the People's Court. Holders of Overseas-Listed Foreign Shares can resolve the dispute according to the relevant provisions set out in the Articles of Association.

Article 67

The expressions of "above/more than" "within" and "below" shall include the figures mentioned whilst the expressions of "over", "beyond", "less than" and "more than" shall not include the figures mentioned.

- Article 68 Matters that are not covered in this Order of Meeting shall be implemented by the relevant provisions set out in the relevant laws of the State, administrative regulations and related regulatory documents issued by the regulatory authorities, and the relevant regulations under the Articles of Association.
- Article 69 In the event of any conflict between this Order of Meeting and the relevant provisions of the laws, administrative regulations and related regulatory documents issued by the regulatory authorities and the Articles of Association promulgated or amended by the State from time to time, the relevant provisions of the laws, administrative regulations and relevant regulatory documents issued by the regulatory authorities and the Articles of Association shall prevail.
- Article 70 Amendments to this Order of Meeting shall be proposed by the Board of Directors and the proposed resolution shall be decided in the shareholders' meeting.
- Article 71 The authority for interpretation of this Order of Meeting shall be vested in the Company's Board of Directors.
- Article 72 This Order of Meeting shall become effective from the date of approval in the shareholders' meeting.

ORDER OF MEETING FOR THE BOARD OF DIRECTORS OF MAANSHAN IRON & STEEL COMPANY LIMITED

Chapter 1 General Provisions

Article 1 In order to further standardize the proceedings of and decision-making by the Board of Directors of Maanshan Iron and Steel Co., Ltd. (hereinafter referred to as the “Company” or “the Company”), facilitate the directors and the Board of Directors to perform their duties more effectively and to improve the standard operation of the Board of Directors and the level of scientific decision making, these Rules are hereby formulated in accordance with the Company Law, the Securities Law, the Guidelines for the Governance of Listed Companies, the Listing Rules of the company’s stock listing exchange, the Articles of Association of the company and other regulations.

Article 2 The Company’s major decisions are made by the shareholders’ meeting and the Board of Directors in compliance with relevant laws and regulations and the Company’s Articles of Association. The Board of Directors is responsible for the shareholders’ meeting, and the General Manager is responsible for the Board of Directors.

Chapter 2 Obligations of the Board of Directors

Article 3 The Board of Directors shall be accountable to the shareholders’ meeting and shall exercise the following functions and powers:

- (1) To be responsible for convening shareholders’ meeting and to report its work in shareholders’ meeting;
- (2) To implement resolution(s) passed in shareholders’ meeting;
- (3) To determine strategic planning of the Company;
- (4) To determine annual business plan and investment proposal of the Company;
- (5) To formulate annual financial (final) reports of the Company;
- (6) To formulate profit distribution proposals and proposals for making up losses of the Company;
- (7) To formulate proposals for the increase or reduction of the registered capital of the Company and the issuance of debentures or other securities and the listing thereof;

- (8) To formulate proposals on the Company's substantial acquisition or sale, repurchase of the Company's shares or merger, division, dissolution or alteration of the nature of the Company;
- (9) To determine external investments, acquisition or sale of assets, pledges of assets, entrustments on financial management, connected transactions and external donations within the scope of authorisation granted by the shareholders' meeting;
- (10) To determine the establishment of the Company's internal control organisation;
- (11) To appoint or dismiss the Company's general manager and secretary to the Board of Directors, and to decide on their remuneration, rewards and punishments; to determine the appointment or dismissal of the deputy general manager, the financial officer(s) and other senior management officers of Company based on the nominations of the general manager, and to determine their remuneration, rewards and punishments;
- (12) To formulate the Company's basic management system;
- (13) To formulate proposals for any amendment of the Articles;
- (14) To determine the establishment of special committee and the appointment and removal of the relevant person-in-charge;
- (15) To manage matters relating to the Company's disclosure of information;
- (16) To propose in shareholders' meeting to re-appoint or replace the accounting firm which undertakes auditing work for the Company;
- (17) To be informed of the work report submitted by the Company's general manager and to examine the work of the general manager;

- (18) To be responsible for the establishment and improvement of an internal control system, risk management system, legal construction and compliance management system of the Company, and to conduct overall monitoring and evaluation on the effective implementation of the Company's internal control, risk management and legal compliance management systems;
- (19) To perform other duties authorized by the shareholders' meeting and these Articles;
- (20) To decide on other major business matters and administrative matters that are not required by these Articles or the relevant laws, regulations, departmental rules to be decided by the shareholders' meeting.

As the Board of Directors resolve on issues as referred to in the previous paragraph, save at items (6), (7) and (13) which shall be approved by poll for more than two-third of the directors, other items shall be approved by poll for more than half of the directors.

The Company implements a general legal counsel system, exerts the role of the general legal counsel in legal review and control in operation and management, and promotes the Company's legal operation and compliance management. The general legal counsel shall be nominated by the general manager and shall be recruited or dismissed by the Board of Directors. If the matters considered at the board meeting involve legal issues, the general legal counsel shall attend the meeting and provide legal opinions.

Article 4

In accordance with the provisions of Article 63 of the Articles of Association, subject to the applicable laws and regulations and the listing rules of the company's stock listing exchange, the shareholders' meeting authorizes or entrusts the Board of Directors to determine the company's external assets investment, asset leasing, asset mortgage, commissioned operations, entrusted financing and others within 10% of the company's recently audited net assets.

Article 5

The Board of Directors shall be responsible for:

- (1) Formulating and reviewing the company's corporate governance policies and practices;
- (2) Reviewing and monitoring the training and sustained professional development of the directors and senior managers;
- (3) Continuously supervising the company's risk management and internal control systems;
- (4) Reviewing and monitoring the company's policies and practices in respect of compliance with laws and regulatory requirements;
- (5) Reviewing of the company's compliance with the Corporate Governance Code.

Chapter 3 Powers of the Chairman

Article 6

The chairman of the Board of Directors shall exercise the following duties and powers:

- (1) To preside at the shareholders' meeting, and to convene and preside at the meeting of the Board of Directors;
- (2) To supervise and examine the implementation of resolution passed in the Board of Directors' meeting;
- (3) To sign on the securities issued by the Company and other important documents;
- (4) To exercise the functions and powers of a legal representative;
- (5) To provide guidance to significant business activities of the Company during the intervals of Board of Directors' meetings;

- (6) To exercise special powers of discretion and disposal in respect of corporate matters, in cases of emergency such as wars, natural calamities in massive scale or other force majeure, provided that such discretion and disposal must be conducive to the interests of the Company and that a written report shall be furnished to the Board of Directors as soon as it is practicable after exercising such powers;
- (7) To exercise other duties designated by the Articles of Association and the Board of Directors.

The vice chairman of the Board of Directors shall assist the chairman of the Board of Directors with fulfilling his/her duties. Should the chairman of the Board of Directors be unable to perform or fail to perform his/her duties, the vice chairman of the Board of Directors shall perform the said duties. Should the vice chairman of the Board of Directors be unable to perform or fail to perform his/her duties, a director jointly elected by a majority of the number of Directors shall perform the said duties.

Chapter 4 Special Powers of Independent Directors

Article 7 In addition to the powers endowed by the Company Law and other laws and regulations and the Articles of Association, independent directors also have the following special powers:

- (1) To independently appoint intermediary institutions to audit, consult or verify specific matters concerning the Company;
- (2) To propose to the Board of Directors to convene an extraordinary shareholders' meeting;
- (3) To propose the convening of a board meeting;
- (4) To solicit shareholders' rights from shareholders in a public manner according to laws;
- (5) To express independent opinions on matters that may damage the interests of the Company or minority shareholders;
- (6) Other powers as stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and the Articles of Association.

The exercise of the functions and powers listed in items 1 to 3 of the preceding paragraph by an independent director(s) shall be subject to the consent of a majority of all independent directors.

Where an independent director exercises his/her functions and powers under the first paragraph, the Company shall make timely disclosure. Where the above functions and power cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 8

The Company shall hold regular or irregular meetings attended by all independent directors (hereinafter referred to as the “Special Meeting(s) of Independent Directors”). Matters such as related party transactions to be reviewed by the Board of Directors shall be approved in advance by the Special Meetings of Independent Directors. Except those specified in items (1), (2) and (3) of the first paragraph of the preceding article of this Order of Meeting, matters below shall be considered at a Special Meeting of Independent Directors:

- (1) Related party transactions to be disclosed;
- (2) The plan for the change or waiver of undertakings by the Company and related parties;
- (3) The decisions made and measures taken by the Board of Directors of the acquired company in respect of the acquisition;
- (4) Other matters as stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and the Articles of Association. The Special Meetings of Independent Directors may study and discuss other matters of the Company as needed.

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

The Special Meetings of Independent Directors shall prepare minutes of meetings in accordance with the requirements. The minutes of meetings shall record the opinions of the independent directors. The independent directors shall sign and confirm the minutes of meetings.

The Company shall provide convenience and support for the convening of the Special Meetings of Independent Directors.

Chapter 5 Meeting Calls

Article 9 The board meetings shall be classified into two types as regular and extraordinary meetings. The Board of Directors shall convene at least four meetings each year and such meetings shall be convened by the chairman of the Board of Directors.

Article 10 The Board of Directors may convene the Board of Directors' meeting under any of the following circumstances:

- (1) When deemed necessary by the Chairman of the Board of Directors;
- (2) Upon jointly proposed by more than one-third of the directors;
- (3) When proposed by the General Manager;
- (4) Upon jointly proposal by more than half of the independent directors;
- (5) When proposed by the Audit and Compliance Management Committee.
- (6) Proposal of the shareholders representing more than one-tenth of the voting powers.

The chairman of the Board of Directors shall convene and preside over a board meeting within ten days upon receipt of the proposal. On occurrence of any of the events set out in the preceding sub-clauses (2), (3), (4) and (5) where the chairman of the Board of Directors is unable or fails to perform his/her duties, the vice chairman shall perform such duties. Where the vice chairman of the Board of Directors fails to perform his/her duties, a director recommended by a majority of the directors shall be responsible for performing such duties.

- Article 11 Shareholders, the Board of Directors (including Special Committee), directors and the General Manager representing 10% or more of the voting powers of the Company shall be entitled to make proposals to the Board of Directors.
- Matters that should be submitted to the Board of Directors for review shall form proposals by relevant responsible departments or units in accordance with the principle of correspondence between the matters discussed and the company's various departments or units, except as specifically designated by the Chairman or the General Manager.
- All proposals shall be submitted by the proposer to the Chairman for review. The proposer shall submit its proposal together with the information related to the proposal and helpful for the director's decision.
- Article 12 In the event that matters within the terms of reference of the Board of Directors are related to the development of the company's strategy (including but not limited to, strategic planning, major investment, institutional setup and others), the proposer of the proposal shall report to the Chairman from the early stage of the formation of the said matters.
- In the event the proposal involves the assessment of directors and senior management officers, the proposer of the proposal shall report to the Chairman after the initial formation of the proposal and before submitting the same to the Remuneration and Appraisal Committee of the Board of Directors for review.
- Article 13 Except for the proposal proposed by shareholders, with respect to any opinion, suggestion or objection of the Chairman regarding the proposal, the proposer shall amend and improve the proposal accordingly. If required, the proposer shall organize relevant parties for an re- audit of the proposal.
- Article 14 The Secretary to the Board of Directors shall draft the agenda of the meeting according to the proposal notified in writing and submit the same to the Chairman for approval.

Chapter 6 Meeting Notice

- Article 15 The time and place of regular meetings of the Board of Directors may be decided in advance by the Board of Directors. The director who proposes any motion shall notify the secretary of the Board of Directors in writing of the proposal.
- Except in special circumstances, the secretary of the Board of Directors shall notify the directors fourteen (14) days before the meeting of the time, place, duration and agenda of the meeting.
- Article 16 For extraordinary board meetings, the Chairman or relevant proposer shall notify the Secretary to the Board of Directors of the proposal and meeting agenda in writing, the determination of the meeting time shall ensure that all directors may be notified and have reasonable time for preparation.
- Under the precondition of sufficiently expressing opinions, the Extraordinary Directors' Meeting may be held by means of communication.
- Article 17 Notice of the Directors' Meeting shall be delivered in person, the receipt date of the person to whom the notice is served or the one who deals with documents receipt and sending on behalf of it shall be deemed as the date of service; in the event the notice is delivered by electronic document, the date on which the electronic document is validly delivered via electronic communication tools shall be deemed as the date of service.
- Article 18 Failure to deliver the notice to a director or other person who is entitled to receive the notice due to accidental reason or such person fails to receive the meeting notice solely shall not affect the effectiveness of the Meeting and resolutions made in the Meeting.
- Article 19 The Secretary to the Board of Directors shall submit proposals, reports, and other information to the directors at least three days before the meeting or give relevant explanation.

The Board of Directors shall provide the directors with sufficient information, and the Company shall ensure that independent directors are equally entitled to the same information as with other directors. With respect to the matters required to be decided by the Board of Directors, the Company shall notify the independent directors and provide sufficient information in advance within the statutory period. If the independent directors consider the information is insufficient, they may request supplemental information. If two or more than two independent directors consider the information is insufficient or that the supporting materials fail to substantiate the matter, they may jointly request the Board of Directors in writing to postpone the date for convening the Board of Directors' meeting or to consider the matter at a later date. The Board of Directors shall adopt accordingly.

Chapter 7 Meeting procedures

Article 20 The board meeting shall only be convened when more than half of the directors are present. When the Board of Directors considers matters stipulated in the Articles of Association that require approval by more than two-thirds of the directors, the quorum shall be more than half of the directors.

In the event relevant director refuses or is unwilling to attend the meeting, resulting in the failure of meeting the quorum for the meeting, the Chairman of the Board of Directors and the Secretary to the Board of Directors shall report to the supervisory department in a timely manner.

Article 21 Board meetings should be attended by the directors themselves. In the event a director is unable to attend the Directors' Meeting due to any reason, it shall review the meeting information in advance, form clear opinion and authorize in writing other director to attend the meeting on its behalf.

The director attending the Meeting as an agent shall exercise the director's powers within the authorization scope. The director shall be deemed a waiver of the voting power in the Meeting in the event it fails, nor authorize an agent, to attend the meeting.

If an independent director fails to attend the board meeting in person for three consecutive times, the Board of Directors shall propose to the shareholders' meeting for replacement. Other directors who fail to attend the board meeting in person and fail to appoint any other director to attend on his/her behalf for two consecutive times, he/she shall be deemed to be unable to perform his/her duties, and the Board of Directors shall propose to the shareholders' meeting for replacement.

If an independent director fails to attend the board meeting in person and fails to appoint any other independent director to attend on his/her behalf for two consecutive times, the Board of Directors shall, within thirty days from the date of occurrence of such fact, propose to convene a shareholders' meeting to terminate his/her duties as an independent director. Before the expiry of the term of office of an independent director, the Company may terminate his/her duties in accordance with legal procedures. In the event that an independent director is dismissed in advance, the Company shall disclose the specific reasons and justifications for such dismissal in a timely manner. If an independent director is dismissed by the Company prior to the expiry of the term of office and believes that the reasons for the dismissal are inappropriate, he/she may submit objections and reasons, and the Company shall disclose in a timely manner.

If a non-independent director fails to attend the board meeting in person and fails to appoint any other director to attend on his/her behalf for two consecutive times, he/she shall be deemed to be unable to perform his/her duties, and the Board of Directors shall propose to the shareholders' meeting for replacement.

Article 22

The director who authorizes an agent or is authorized to attend a Directors' Meeting shall comply with the following principles:

- (1) When considering a related party transaction, a non-related director may not authorize a related director to attend the meeting on its behalf, nor may a related director accept the authorization from a non-related director.
- (2) An independent director may not authorize a non-independent director to attend the meeting on its behalf, nor may a non-independent director accept the authorization from an independent director.

- (3) A director may not fully authorize the other director to attend the meeting on its behalf without expressing its personal opinion and voting intention on the proposal, nor may relevant director accept full authorization or unclear authorization;
- (4) A director may not accept the authorization by two or more directors, nor a director may authorize a director who has accepted the authorizations by two directors to attend the meeting on its behalf.

Article 23 The secretary to the Board shall be in attendance at the Board meeting. If the matters deliberated at the Board meeting involve legal issues, the general legal counsel shall attend the meeting and give opinions.

The Responsible person from functional departments proposing resolutions or closely related to the resolutions may be in attendance at the Board meeting if necessary.

Article 24 Regular or extraordinary board meetings may be held in the form of telephone conference or by means of similar communications equipment, and all such directors shall be deemed as attending the meetings in person.

In case of exceptional circumstances and subject to ensuring that directors can fully express their opinions, where the proposed resolution has been delivered by the Board of Directors to all directors in writing and the number of directors who affirmatively signed the resolution form the quorum for passing the resolution and the resolution so signed has been submitted to the secretary to the Board of Directors, such resolution shall become a valid resolution without an extraordinary board meeting being convened.

Article 25 The Chairman of the meeting shall draw the directors attending the board meeting to give clear opinions on various proposals.

Article 26 A director shall read relevant meeting information carefully and, on the basis of fully understanding the situation, express its opinions independently and cautiously.

A director may consult the meeting convener, the General Manager and other senior management officers, special committees, accounting firms, law firms and other relevant personnel and agencies before the meeting to understand the information needed for decision- making.

- Article 27 The resolutions of the Board of Directors are taken by way of poll, each director has one voting power. In the event a director or any of its associates (as defined in the Stock Exchange Listing Rules of the Hong Kong Stock Exchange) has a material stake in a resolution, the director shall have no voting power. When counting the number of statutory directors attending the meeting on such matter, the director shall not be counted.
- Provided a director is associated with the enterprise or individual involved in the Directors resolution voting, the directors shall promptly report to the Board of Directors in writing. Such associated directors shall not be entitled to vote for the resolution, nor shall he entitled to vote on behalf of other directors. Such a Directors' Meeting may be held with the presence of more than half of the directors without association to the enterprise involved in the resolution, and the resolution made by the Directors shall only be passed upon more than half of the directors without the said association. Provided the non-associated directors presenting the Meeting are less than three, the matter shall be submitted to the shareholders' meeting for reviewing.
- Article 28 In the event the proposal has not been passed, the Board of Directors shall not consider the proposal with the same content within one month in case there are no significant changes in the relevant conditions and factors.
- Article 29 In the event more than half of the participating directors or more than two independent directors think that the proposal is unclear or unspecific, or in the event that it may not be able to make judgments on the relevant matters due to insufficient meeting information and other reasons, the Chairman of the meeting shall request a suspension of the voting on this issue.
- The director who proposes for a suspension of voting shall give clear requirements for the conditions to be met upon the resubmission of the proposal for review.
- Article 30 The meeting of board shall be made by the Board Secretary Office, which shall be signed by the directors attending the meeting and the recorder, and the directors attending the meeting shall have the right to ask for the descriptive records for their speeches in the meeting. Board meeting files, including meeting notices and meeting information, power of attorney, voting forms, meeting minutes, resolutions, among others, shall be properly kept as important company files.

Article 31 A board resolution is formed after the relevant resolution is passed at the meeting of board. Directors shall sign the board resolution and bear responsibilities in relation to the board resolution. Director who participated in making such board resolution which is against the law, administrative regulations or the Articles of Association and which causes the Company to suffer serious loss shall be responsible for compensating the Company. However, director who has been proved to have indicated objection, which was recorded in meeting records, shall be relieved from responsibilities.

Article 32 The attending directors shall, on their behalf and on the behalf of the directors authorized them to attend the meeting, sign to confirm the minutes and resolutions of the meeting. In the event the director has different opinions on the minutes or resolutions of the meeting, it may make written explanations at the time of signing. It may report to the supervisory department on a timely basis or make a public statement if necessary.

Where a director does not sign to confirm in accordance with the provisions of the preceding paragraph, nor give written explanations to its different opinions, nor report to the supervisory department or make a public statement, the director is deemed to have fully agreed with the contents of the minutes and resolutions of the meeting.

Chapter 8 Post-meeting Events

Article 33 After the meeting, the Secretary to the Board of Directors shall handle the announcement in the designated media in accordance with the relevant laws and regulations and the provisions of the listing rules of the company's stock listing exchange. Before the announcement of the resolution, the attending directors and conference attendees, recording and service personnel are obligated to keep the contents of the resolution confidential.

Article 34 The Chairman of the Board of Directors shall supervise and urge the relevant personnel to implement the resolutions of the Board of Directors, check the implementation of the resolutions, and inform the implementation of the resolutions that have already been formed at the subsequent meeting of the Board of Directors.

During each board meeting, the Chairman shall assign a person to report to the Board of Directors on the implementation and follow-ups of the previous board resolutions. A director shall have the right to question relevant resolution makers of the implementation of the resolutions of the previous Directors' Meetings, and the relevant resolution makers shall reply within three working days in writing or give relevant explanation.

Chapter 9 Supplementary Provisions

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| Article 35 | The term “above” as used in these Rules includes the number itself. |
| Article 36 | Matters not covered in this Order of Meeting shall be implemented in accordance with the relevant provisions of laws, regulations and the relevant regulatory documents issued by the regulatory authorities of the State. |
| Article 37 | The authority for the interpretation of this Order of Meeting shall be vested in the Board of Directors of the Company. |
| Article 38 | This Order of Meeting shall become effective from the date of approval in the shareholders' meeting. |