

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

If you have sold or transferred all your shares in Shandong Fengxiang Co., Ltd., you should at once hand this supplemental circular and the enclosed proxy forms to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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凤祥食品

SHANDONG FENGXIANG CO., LTD.

山東鳳祥股份有限公司

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

(Stock Code: 9977)

**SECOND SUPPLEMENTAL CIRCULAR TO
THE CIRCULAR DATED 27 APRIL 2023 IN RELATION TO
(1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
(2) PROPOSED AMENDMENTS TO THE PROCEDURAL RULES;
(3) GENERAL MANDATE TO ISSUE SHARES;
(4) SECOND SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING; AND
(5) SUPPLEMENTAL NOTICES OF THE CLASS MEETINGS**

This supplemental circular should be read together with the circular of the Company dated 27 April 2023 and the first supplemental circular of the Company dated 5 May 2023. The second supplemental notice of the AGM dated 5 May 2023 and the supplemental notices of the Class Meetings notifying the AGM, the H Share Class Meeting and the Domestic Share Class Meeting will be held as originally scheduled at 2nd Floor, Fengxiang Food Research and Technology Centre, Yanggu County, Liaocheng City, Shandong Province, the PRC on Friday, 19 May 2023 at 9:00 a.m., 9:30 a.m. (or the time immediately after the conclusion of the AGM) and 10:00 a.m. (or the time immediately after the conclusion of the H Shares Class Meeting) are set out on pages 10 to 14, 15 to 18 and 19 to 23 of this supplemental circular, respectively. The second supplemental proxy form for the AGM and the supplemental proxy forms for the Class Meetings are enclosed herewith and are also available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.fengxiang.com>). If you intend to appoint a proxy to attend the AGM and the Class Meetings, you are requested to complete, sign and return the enclosed second supplemental proxy form and the supplemental proxy forms for the Class Meetings in accordance with the instructions printed thereon no less than 24 hours before the time appointed for holding the AGM (i.e. not later than 9:00 a.m. on Thursday, 18 May 2023) or any adjournment thereof. Completion, signing and return of these supplemental proxy forms will not preclude you from attending and voting in person at the AGM and the Class Meetings.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held as originally scheduled at 2nd Floor, Fengxiang Food Research and Technology Centre, Yanggu County, Liaocheng City, Shandong Province, the PRC on Friday, 19 May 2023 at 9:00 a.m., or any adjournment thereof, and the second supplemental notice of which is set out on pages 10 to 14 of this supplemental circular
“Articles of Association”	the articles of association of the Company (as amended, modified or otherwise supplemented from time to time)
“Board of Directors”	the board of Directors of the Company
“Class Meetings”	the H Share Class Meeting and the Domestic Share Class Meeting
“Company”	Shandong Fengxiang Co., Ltd. (山東鳳祥股份有限公司), a joint stock company established in the PRC with limited liability on 17 December 2010, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 9977)
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary share in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“Domestic Share Class Meeting”	the 2023 first class meeting of the holders of Domestic Shares to be held as originally scheduled at 2nd Floor, Fengxiang Food Research and Technology Centre, Yanggu County, Liaocheng City, Shandong Province, the PRC on Friday, 19 May 2023 at 10:00 a.m. or immediately after the conclusion of the H Share Class Meeting or any adjournment thereof (whichever is the later), and the supplemental notice of which is set out on pages 19 to 23 of this supplemental circular

DEFINITIONS

“General Mandate”	the general and unconditional mandate proposed to be granted to the Board of Directors at the AGM to issue, allot and/or deal with additional Domestic Shares and H Shares, details of which is set out in this supplemental circular
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HKD and listed on the Stock Exchange
“H Share Class Meeting”	the 2023 second class meeting of the holders of H Shares to be held as originally scheduled at 2nd Floor, Fengxiang Food Research and Technology Centre, Yanggu County, Liaocheng City, Shandong Province, the PRC on Friday, 19 May 2023 at 9:30 a.m. or immediately after the conclusion of the AGM or any adjournment thereof (whichever is the later), and the supplemental notice of which is set out on pages 15 to 18 of this supplemental circular
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKD”	the lawful currency of Hong Kong
“Latest Practicable Date”	2 May 2023, being the latest practicable date prior to the printing of this supplemental circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Listing Rules Amendments”	the proposed amendments to the Listing Rules following PRC regulation updates and other proposed rule amendments relating to PRC Issuers as set out in the market consultation paper published by the Stock Exchange on 24 February 2023
“Mandatory Provisions”	the Mandatory Provisions for Companies Listing Overseas set forth in Zheng Wei Fa (1994) No. 21 issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System
“PRC”	the People’s Republic of China but excluding, for the purposes of this supplemental circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

”Procedural Rules”	the Rules of Procedure for the General Meeting, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Board of Supervisors
“RMB”	the lawful currency of the PRC
“Rules of Procedure for the Board of Directors”	the rules of procedure for the Board of Directors adopted by the Company, as amended from time to time
“Rules of Procedure for the Board of Supervisors”	the rules of procedure for the Board of Supervisors adopted by the Company, as amended from time to time
“Rules of Procedure for the General Meeting”	the rules of procedure for the General Meeting adopted by the Company, as amended from time to time
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	the registered holder(s) of the Shares
“Shareholders’ Meetings”	the AGM and the Class Meetings
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD OF DIRECTORS



凤祥食品

SHANDONG FENGXIANG CO., LTD.

山東鳳祥股份有限公司

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

(Stock Code: 9977)

Executive Directors:

Mr. Xiao Dongsheng (*General Manager*)

Mr. Shi Lei

Non-executive Directors:

Mr. Qiu Zhongwei

Mr. Lu Wei

Mr. Zhu Lingjie (*Chairman*)

Ms. Zhou Ruijia

Independent non-executive Directors:

Ms. Wang Anyi

Ms. Zhao Yinglin

Mr. Chung Wai Man

Registered office:

Liumiao Village

Anle Town

Yanggu County

Liaocheng City

Shandong Province

PRC

*Head office and place of
business in Hong Kong:*

31/F, Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

5 May 2023

I. INTRODUCTION

This supplemental circular should be read together with the original circular of the Company (the “**Circular**”) and the original notice of the AGM dated 27 April 2023, and the first supplemental circular of the Company (the “**First Supplemental Circular**”), the first supplemental notice of the AGM and the notices of the Class Meetings dated 5 May 2023. Reference is also made to the announcement of the Company dated 4 May 2023.

The purpose of this supplemental circular is to provide you with the second supplemental notice of the AGM and the supplemental notices of the Class Meetings and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the special resolutions proposed at the AGM and the Class Meetings (as the case may be) for approving (a) the proposed amendments to the Articles of Association; (b) the proposed amendments to the Procedural Rules; and (c) the grant of General Mandate to the Board of Directors to issue Shares.

LETTER FROM THE BOARD OF DIRECTORS

II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On 17 February 2023, the State Council of the PRC (the “**State Council**”) issued the Decision of the State Council to Repeal Certain Administrative Regulations and Documents (《國務院關於廢止部分行政法規和文件的決定》) (the “**Decision**”), which includes the repeal of the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) issued by the State Council on 4 August 1994. On the same date, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) and relevant guidelines, which includes the repeal of the Notice on the Implementation of the Mandatory Provisions for Companies Listing Overseas (《關於執行〈到境外上市公司章程必備條款〉的通知》). The Decision and the Trial Measures have been effective since 31 March 2023 (the “**PRC Regulation Changes**”). From the effective date of the Decision and the Trial Measures, PRC issuers shall formulate their articles of association with reference to the Guidelines on Articles of Association of Listed Companies (《上市公司章程指引》) instead of the Mandatory Provisions.

In view of the above PRC Regulations Changes, the Stock Exchange also released a consultation paper “*Rule Amendments Following Mainland China Regulation Updates and Other Proposed Rule Amendments Relating to PRC Issuers*” (the “**Consultation Paper**”) on 24 February 2023, stipulating the consequential Listing Rules Amendments. In particular, the Stock Exchange proposes to (a) remove the class meeting and related requirements for the issue of new shares by PRC issuers; (b) repeal Appendix 13D to the Listing Rules, which requires PRC issuers’ articles of association to include the Mandatory Provisions and other ancillary requirements; (c) amend the Listing Rules in Chapters 9 and 19A to reflect the CSRC record filing regime; (d) remove the arbitration clause for disputes involving H shareholders as required under the Mandatory Provisions; and (e) modify the other Listing Rules that address issues arising from Domestic Shares and H Shares being treated as different classes. Accordingly, the Company is required to amend its existing Articles of Association to comply with the requirements of the Listing Rules and the applicable laws and regulations of the PRC.

As Domestic Shares and H Shares are regarded as one class of ordinary shares under PRC law following the PRC Regulation Changes and holders of the Domestic Shares and H Shares are no longer deemed to be different classes of shareholders, the substantive rights attached to these two kinds of shares (including rights on voting, dividend and asset distribution upon liquidation) are the same. According to the Consultation Paper, the removal of the class meeting requirement would not compromise protection of holders of H shares, and such removal is also consistent with the current arrangement for non-PRC issuers with a dual listing on the PRC exchange and the Stock Exchange which the PRC regulations and the Listing Rules do not require shares listed on the different exchanges to be treated as different classes of shares. In addition, the Stock Exchange has stipulated in the Consultation Paper that it considers the arbitration requirements unnecessary and the removal of such requirements will align with the Listing Rules applicable to overseas issuers which do not provide similar arbitration requirements. The Consultation Paper emphasises that after the removal of the arbitration clauses, shareholders of a PRC issuer may enforce their rights under

LETTER FROM THE BOARD OF DIRECTORS

the articles of association in the same approach as shareholders of other overseas issuers. In particular, they may, as with shareholders of an overseas issuer, seek to enforce their rights through commencing legal proceedings in a court of the issuer's place of incorporation or a Hong Kong court.

The Articles Amendments are set out in Appendix I to this supplemental circular. According to the Articles of Association and the relevant laws and regulations, the Articles Amendments will take effect subject to the approval of the Shareholders at each of the Shareholders' Meetings by way of special resolution and the implementation of the Listing Rules Amendments in light of the PRC Regulation Changes becoming effective. A special resolution in relation to the Articles Amendments will be proposed at each of the Shareholders' Meetings for the approval by the Shareholders. The Articles of Association are prepared in Chinese with no official English version. Any English translation is for reference only. In the event of any inconsistency, the Chinese version shall prevail.

The legal advisers to the Company as to the laws of Hong Kong and the laws of the PRC have respectively confirmed that the Articles Amendments comply with the requirements of the Listing Rules and the applicable laws of the PRC. The Company also confirms that there is nothing unusual about the Articles Amendments for a company incorporated in the PRC and listed on the Stock Exchange.

Save for the Articles Amendments, the other articles in the existing Articles of Association will remain unchanged.

III. PROPOSED AMENDMENTS TO THE PROCEDURAL RULES

In view of the Articles Amendments, the Board of Directors proposes to amend each of the Procedural Rules (the "**Procedural Rules Amendments**"). Details of the proposed amendments to the Rules of Procedure for the General Meeting, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Board of Supervisors are set out in Appendices II, III and IV to this supplemental circular, respectively. The Procedural Rules Amendments are subject to the approval of the Shareholders by way of a special resolution at each of the Shareholders' Meetings and the approval of the Articles Amendments at each of the Shareholders' Meetings. The Board of Directors shall be authorised to make corresponding adjustments to the Procedural Rules in accordance with the final Articles Amendments adopted by the Company.

Special resolutions in relation to the Procedural Rules Amendments will be proposed at each of the Shareholders' Meetings for the approval by the Shareholders. The Procedural Rules are prepared in Chinese with no official English version. Any English translation is for reference only. In the event of any inconsistency, the Chinese version shall prevail.

LETTER FROM THE BOARD OF DIRECTORS

IV. GENERAL MANDATE TO ISSUE SHARES

In order to meet the Group's long-term business development and capital needs, the Company proposes a special resolution to consider and approve the grant of the General Mandate at the AGM.

Pursuant to the General Mandate, a general and unconditional mandate is to be granted to the Board of Directors to exercise the power of the Company to separately or concurrently to issue, allot and/or deal with additional Domestic Shares and/or H Shares, and to make or grant offers, agreements or options which would or might require to issue, allot and/or deal with not exceeding 20% of each of the Domestic Shares and H Shares in issue of the Company, as at the date of passing the relevant resolution at the AGM.

As at the Latest Practicable Date, there were in issue in aggregate of 1,045,000,000 Domestic Shares and 355,000,000 H Shares. Subject to the passing of the special resolution on the General Mandate to issue Shares and in accordance with the terms therein, the Board would be allowed under the General Mandate to issue additional Shares up to a maximum of 209,000,000 Domestic Shares and 71,000,000 H Shares, respectively, on the basis that no further Domestic Shares and/or H Shares will be issued or repurchased prior to the AGM.

Following the removal of the class distinction between domestic shares and H shares of a PRC issuer, the Stock Exchange proposes to amend the applicable Listing Rules such that the general mandate would be subject to an overall cap of 20% of a PRC issuer's total issued shares in its Consultation Paper on the Listing Rules Amendments.

As such, the Company proposes to amend the Articles of Association to reflect the above proposed amendments to the General Mandate. Subject to the Listing Rules Amendments becoming effective and the passing of the special resolutions on the Articles Amendments and the General Mandate, the Board would be allowed under the General Mandate to issue, allot and/or deal with additional Domestic Shares and/or H Shares up to a maximum of 280,000,000 Shares (or classes of Shares, as applicable), representing 20% of the issued Shares of the Company as at the date of passing the relevant resolution at the AGM on the basis that no further Domestic Shares and/or H Shares will be issued or repurchased prior to the AGM.

Any exercise of the power by the Board of Directors under the General Mandate shall comply with the relevant requirements under the Listing Rules, the Articles of Association, and the applicable laws and regulations of the PRC, as amended from time to time, and only if relevant registration/filing procedures are performed in accordance with the requirements of the relevant PRC government authorities (including the CSRC).

The General Mandate shall be valid from the date of passing of the resolution on the General Mandate until the earliest of: (a) the conclusion of the next annual general meeting of the Company following the passing of such resolution; (b) the expiration of the 12-month period following the

LETTER FROM THE BOARD OF DIRECTORS

passing of such resolution; or (c) the date on which the authority granted to the Board of Directors set out in such resolution is revoked or varied by a special resolution of the Shareholders in a general meeting.

V. THE SHAREHOLDERS' MEETINGS

The second supplemental notice notifying the AGM will be held as originally scheduled on Friday, 19 May 2023 at 9:00 a.m., or any adjournment thereof, at 2nd Floor, Fengxiang Food Research and Technology Centre, Yanggu County, Liaocheng City, Shandong Province, the PRC is set out on pages 10 to 14 of this supplemental circular.

The supplemental notices notifying the H Share Class Meeting and the Domestic Share Class Meeting will be held as originally scheduled on Friday, 19 May 2023 at 9:30 a.m. (or the time immediately after the conclusion of the AGM) and 10:00 a.m. (or the time immediately after the conclusion of the H Share Class Meeting), at 2nd Floor, Fengxiang Food Research and Technology Centre, Yanggu County, Liaocheng City, Shandong Province, the PRC, are set out on pages 15 to 18 and 19 to 23 of this supplemental circular, respectively.

The supplemental proxy form for use at the AGM and the respective supplemental proxy forms for use at the Class Meetings are enclosed with this supplemental circular. The original proxy form and the first supplemental proxy form for use at the AGM issued by the Company along with the Circular and the First Supplemental Circular will remain valid and effective to the fullest extent applicable if correctly completed and lodged with the H share registrar of the Company. Whether or not you intend to attend the AGM and the Class Meetings (as the case may be), you are requested to complete and return the supplemental proxy forms for the AGM and the Class Meetings in accordance with the instructions printed thereon to the Company's H share registrar in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the Company's registered office at Liumiao Village, Anle Town, Yanggu County, Liaocheng City, Shandong Province, the PRC (for holders of Domestic Shares) as soon as possible and in any event not less than 24 hours before the time appointed for holding the AGM (i.e. not later than 9:00 a.m. on Thursday, 18 May 2023) or the adjourned meeting (as the case may be). Completion and delivery of the supplemental proxy forms for the AGM and the Class Meetings will not preclude you from attending and voting at the AGM and/or the Class Meeting or any adjournment thereof should you so wish.

VI. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the Shareholders' Meetings will exercise his power under the Articles of Association to demand a poll in relation to the proposed resolution at the Shareholders' Meetings.

LETTER FROM THE BOARD OF DIRECTORS

VII. RESPONSIBILITY STATEMENT

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

VIII. RECOMMENDATIONS

The Board of Directors believes that the proposals mentioned above are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board of Directors recommends that all Shareholders vote in favour of the special resolutions to be proposed at the Shareholders' Meetings as set out in the second supplemental notice of AGM and the supplemental notices of the Class Meetings.

Yours faithfully
By order of the Board of Directors
Shandong Fengxiang Co., Ltd.
Zhu Lingjie
Chairman



凤祥食品

SHANDONG FENGXIANG CO., LTD.

山東鳳祥股份有限公司

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

(Stock Code: 9977)

**SECOND SUPPLEMENTAL NOTICE OF THE
ANNUAL GENERAL MEETING**

Reference is made to the original circular of Shandong Fengxiang Co., Ltd. (the “**Company**”) dated 27 April 2023 (the “**Circular**”), the notice of the annual general meeting (the “**AGM**”), the first supplemental circular of the Company (the “**First Supplemental Circular**”) and the first supplemental notice of the AGM dated 5 May 2023 which set out the details of the resolutions to be proposed at the AGM for shareholders’ approval. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the second supplemental circular of the Company dated 5 May 2023 (the “**Second Supplemental Circular**”).

SECOND SUPPLEMENTAL NOTICE IS HEREBY GIVEN THAT the AGM will be held as originally scheduled at 9:00 a.m. on Friday, 19 May 2023, at 2nd Floor, Fengxiang Food Research and Technology Centre, Yanggu County, Liaocheng City, Shandong Province, the PRC to consider and, if thought fit, pass the following resolutions as special resolutions in addition to the resolutions set out in the original notice and the first supplemental notice of the AGM:

SPECIAL RESOLUTIONS

7. To consider and approve the proposed amendments to the articles of association of the Company:

“THAT:

- (a) the proposed amendments to the articles of association of the Company (details of which are set out in “Appendix I — Proposed Amendments to the Articles of Association” in the Second Supplemental Circular (the “**Articles Amendments**”), be and are hereby approved and confirmed; and
- (b) any one or more Directors, the secretary of the Board of Directors and their authorised persons be and are hereby authorised to make changes to the articles of association of the Company in accordance with the final amendments to the Listing Rules and handle all necessary applications, submissions, registrations and filings

SECOND SUPPLEMENTAL NOTICE OF THE AGM

and other related matters (including revisions to wordings as requested by the relevant regulatory authorities in the PRC) in connection with the Articles Amendments and any of the foregoing.”

8. To consider and approve the proposed amendments to the Rules of Procedure for the General Meeting (details of which are set out in “Appendix II — Proposed Amendments to the Rules of Procedure for the General Meeting” in the Second Supplemental Circular).
9. To consider and approve the proposed amendments to the Rules of Procedure for the Board of Directors (details of which are set out in “Appendix III — Proposed Amendments to the Rules of Procedure for the Board of Directors” in the Second Supplemental Circular).
10. To consider and approve the proposed amendments to the Rules of Procedure for the Board of Supervisors (details of which are set out in “Appendix IV — Proposed Amendments to the Rules of Procedure for the Board of Supervisors” in the Second Supplemental Circular).
11. To consider and approve the grant of a general mandate to the Board of Directors to issue shares of the Company:

“THAT:

- (a) the Board of Directors be and is hereby granted a general and unconditional mandate to separately and concurrently, issue, allot and/or deal with the additional Domestic Shares and/or H Shares, and to make or grant offers, agreements and options which would or might require to issue, allot and/or deal with Domestic Shares and/or H Shares, subject to the following terms:
 - (i) such mandate shall not extend beyond the Relevant Period save that the Board of Directors may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;
 - (ii) as at the date of the resolution to be made herein, the aggregate number of Domestic Shares and H Shares to be issued, allotted and/or dealt with or agreed conditionally or unconditionally to be issued, allotted and/or dealt with (whether pursuant to an option or otherwise) by the Board of Directors, shall not exceed (x) 20% of each of the Domestic Shares and H Shares in issue, respectively, as at the date of passing this resolution, and (y) 20% of the total issued shares of the Company (including Domestic Shares and H Shares) in issue as at the date of passing this resolution upon the Articles Amendments becoming effective; and

SECOND SUPPLEMENTAL NOTICE OF THE AGM

- (iii) the Board of Directors will only exercise its power under such mandate in accordance with the relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the articles of association of the Company, and the applicable laws and regulations of the PRC, as amended from time to time, and will comply with all necessary registration and/or filing requirements of the relevant PRC government authorities (including the China Securities Regulatory Commission).
- (b) for the purpose of this resolution:

“Domestic Share(s)” means ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi;

“H Share(s)” means overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on The Stock Exchange of Hong Kong Limited;

“Relevant Period” means the period from the passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
- (ii) the expiration of the 12-month period following the passing of this resolution; and
- (iii) the date on which the authority granted to the Board of Directors set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting.

SECOND SUPPLEMENTAL NOTICE OF THE AGM

- (c) contingent upon the Directors resolving to issue and allot the Domestic Shares and H Shares pursuant to subparagraph (a) of this resolution, the Board of Directors be and is hereby authorised to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new Domestic Shares and/or H Shares including but not limited to determining the time and place of issue, making all necessary applications to the relevant authorities and entering into an underwriting agreement (or any other agreement), to determine the use of proceeds and to make all necessary filings and registrations with the relevant PRC, Hong Kong and/or other authorities, and to amend the articles of association of the Company as it thinks fit so as to reflect the increase in the registered capital and the new share capital structure of the Company after the issue and allotment of the Domestic Shares and H Shares pursuant to subparagraph (a) of this resolution and to take any necessary actions and to go through any necessary procedures (including but not limited to obtaining approvals from relevant regulatory authorities and completing registration processes with relevant industrial and commercial administration) to give effect to the issue of shares.”

By order of the Board of Directors
Shandong Fengxiang Co., Ltd.
Zhu Lingjie
Chairman

Shandong, the PRC, 5 May 2023

Notes:

1. Details of the above resolutions are set out in the second supplemental circular of the Company dated 5 May 2023.
2. The second supplemental proxy form in respect of the above resolutions is enclosed with the second supplemental circular.
3. The second supplemental proxy form will not affect the validity of any proxy forms duly completed and delivered by you in respect of the resolutions set out in the original notice of the AGM dated 27 April 2023 and the first supplemental notice of the AGM dated 5 May 2023. If you have validly appointed a proxy to attend and act for you at the AGM but do not duly complete and deliver the second supplemental proxy form, your proxy will be entitled to vote at the discretion on the resolution set out in this supplemental notice. If you do not duly complete and deliver the original proxy form and/or the first supplemental proxy form for the AGM but have duly completed and delivered the second supplemental proxy form and validly appointed a proxy to attend and act for you at the AGM, your proxy will be entitled to vote at the discretion on the resolutions set out in the original notice and the first supplemental notice. If the proxy being appointed to attend the AGM under the second supplemental proxy form is different from the proxy appointed under the original proxy form and/or the first supplemental proxy form and both proxies attended the AGM, the proxy validly appointed under the second supplemental proxy form shall be designated to vote at the AGM. If a shareholder of the Company wishes to provide specific instruction to his proxy(ies) regarding the voting of all resolutions set out in the original proxy form and the supplemental proxy forms, he should duly complete and submit both proxy forms in accordance with the instructions set out therein.

SECOND SUPPLEMENTAL NOTICE OF THE AGM

4. The second supplemental proxy form together with the power of attorney or other authority (if any) shall be deposited at the Company's H share registrar in Hong Kong (for holders of H Shares) or at the address of the Company's registered office in the PRC (for holders of Domestic Shares) not less than 24 hours before the time appointed for holding the AGM (i.e. not later than 9:00 a.m. on Thursday, 18 May 2023) or any adjourned meeting (as the case may be). If the instrument appointing the proxy is signed by a person authorised by the appointor, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H share registrar in Hong Kong or the address of the Company's registered office in the PRC (as may be applicable).
5. Please refer to the Circular, the original notice of the AGM and the first supplemental notice of the AGM for details in respect of the resolutions to be proposed and tabled before the AGM, eligibility for attending the AGM, registration procedures for attending the AGM, appointment by proxy, voting by way of poll and other relevant matters.

As at the date of this supplemental notice, the Board of Directors comprises Mr. Xiao Dongsheng and Mr. Shi Lei as executive Directors; Mr. Qiu Zhongwei, Mr. Lu Wei, Mr. Zhu Lingjie and Ms. Zhou Ruijia as non-executive Directors; and Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man as independent non-executive Directors.



凤祥食品

SHANDONG FENGXIANG CO., LTD.

山東鳳祥股份有限公司

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

(Stock Code: 9977)

SUPPLEMENTAL NOTICE OF THE 2023 SECOND H SHARE CLASS MEETING

Reference is made to the first supplemental circular of the Company (the “**First Supplemental Circular**”) of Shandong Fengxiang Co., Ltd. (the “**Company**”) and the original notice of the class meeting for the holders of H shares (the “**H Share Class Meeting**”) dated 5 May 2023, which set out the details of the resolution to be proposed at the H Share Class Meeting for the holders of H shares’ approval. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the second supplemental circular of the Company dated 5 May 2023 (the “**Second Supplemental Circular**”).

SUPPLEMENTAL NOTICE IS HEREBY GIVEN THAT the H Share Class Meeting will be held as originally scheduled at 2nd Floor, Fengxiang Food Research and Technology Centre, Yanggu County, Liaocheng City, Shandong Province, the PRC on Friday, 19 May 2023 at 9:30 a.m. or immediately after the conclusion of the annual general meeting of the Company (the “**AGM**”) to consider and, if thought fit, passing with or without amendments, the following resolutions as special resolutions in addition to the resolutions set out in the original notice of the H Share Class Meeting.

SPECIAL RESOLUTIONS

2. To consider and approve the proposed amendments to the articles of association of the Company:

“**THAT:**

- (a) the proposed amendments to the articles of association of the Company (details of which are set out in “Appendix I — Proposed Amendments to the Articles of Association” in the Second Supplemental Circular (the “**Articles Amendments**”), be and are hereby approved and confirmed; and
- (b) any one or more Directors, the secretary of the Board of Directors and their authorised persons be and are hereby authorised to make changes to the articles of association of the Company in accordance with the final amendments to the Listing

SUPPLEMENTAL NOTICE OF THE 2023 SECOND H SHARE CLASS MEETING

Rules and handle all necessary applications, submissions, registrations and filings and other related matters (including revisions to wordings as requested by the relevant regulatory authorities in the PRC) in connection with the Articles Amendments and any of the foregoing.”

3. To consider and approve the proposed amendments to the Rules of Procedure for the General Meeting (details of which are set out in “Appendix II — Proposed Amendments to the Rules of Procedure for the General Meeting” in the Second Supplemental Circular).
4. To consider and approve the proposed amendments to the Rules of Procedure for the Board of Directors (details of which are set out in “Appendix III — Proposed Amendments to the Rules of Procedure for the Board of Directors” in the Second Supplemental Circular).
5. To consider and approve the proposed amendments to the Rules of Procedure for the Board of Supervisors (details of which are set out in “Appendix IV — Proposed Amendments to the Rules of Procedure for the Board of Supervisors” in the Second Supplemental Circular).
6. To consider and approve the grant of a general mandate to the Board of Directors to issue shares of the Company:

“THAT:

- (a) the Board of Directors be and is hereby granted a general and unconditional mandate to separately and concurrently, issue, allot and/or deal with the additional Domestic Shares and/or H Shares, and to make or grant offers, agreements and options which would or might require to issue, allot and/or deal with Domestic Shares and/or H Shares, subject to the following terms:
 - (i) such mandate shall not extend beyond the Relevant Period save that the Board of Directors may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;
 - (ii) as at the date of the resolution to be made herein, the aggregate number of Domestic Shares and H Shares to be issued, allotted and/or dealt with or agreed conditionally or unconditionally to be issued, allotted and/or dealt with (whether pursuant to an option or otherwise) by the Board of Directors, shall not exceed (x) 20% of each of the Domestic Shares and H Shares in issue, respectively, as at the date of passing this resolution, and (y) 20% of the total issued shares of the Company (including Domestic Shares and H Shares) in issue as at the date of passing this resolution upon the Articles Amendments becoming effective; and

SUPPLEMENTAL NOTICE OF THE 2023 SECOND H SHARE CLASS MEETING

- (iii) the Board of Directors will only exercise its power under such mandate in accordance with the relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the articles of association of the Company, and the applicable laws and regulations of the PRC, as amended from time to time, and will comply with all necessary registration and filing requirements of the relevant PRC government authorities (including the China Securities Regulatory Commission).
- (b) for the purpose of this resolution:
 - “Domestic Share(s)” means ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi;
 - “H Share(s)” means overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on The Stock Exchange of Hong Kong Limited;
 - “Relevant Period” means the period from the passing of this resolution until the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
 - (ii) the expiration of the 12-month period following the passing of this resolution; and
 - (iii) the date on which the authority granted to the Board of Directors set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting.
- (c) contingent upon the Directors resolving to issue and allot the Domestic Shares and H Shares pursuant to subparagraph (a) of this resolution, the Board of Directors be and is hereby authorised to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new Domestic Shares and/or H Shares including but not limited to determining the time and place of issue, making all necessary applications to the relevant authorities and entering into an underwriting agreement (or any other agreement), to determine the use of proceeds and to make all necessary filings and registrations with the relevant PRC, Hong Kong and/or other authorities, and to amend the articles of association of the Company as it thinks fit so as to reflect the increase in the registered capital and the new share capital structure of the Company after the issue and allotment of the Domestic Shares and H Shares pursuant to subparagraph (a) of this resolution and to take any necessary

SUPPLEMENTAL NOTICE OF THE 2023 SECOND H SHARE CLASS MEETING

actions and to go through any necessary procedures (including but not limited to obtaining approvals from relevant regulatory authorities and completing registration processes with relevant industrial and commercial administration) to give effect to the issue of shares.”

By order of the Board of Directors
Shandong Fengxiang Co., Ltd.
Zhu Lingjie
Chairman

Shandong, the PRC, 5 May 2023

Notes:

1. Details of the above resolutions are set out in the Second Supplemental Circular of the Company dated 5 May 2023.
2. The supplemental proxy form in respect of the above resolutions is enclosed with the Second Supplemental Circular.
3. The supplemental proxy form will not affect the validity of any proxy form duly completed and delivered by you in respect of the resolution set out in the original notice of the H Share Class Meeting dated 5 May 2023. If you have validly appointed a proxy to attend and act for you at the H Share Class Meeting but do not duly complete and deliver this supplemental proxy form, your proxy will be entitled to vote at the discretion on the resolutions set out in the supplemental notice. If you do not duly complete and deliver the original proxy form for the H Share Class Meeting but have duly completed and delivered this supplemental proxy form and validly appointed a proxy to attend and act for you at the H Share Class Meeting, your proxy will be entitled to vote at the discretion on the resolution set out in the original notice. If the proxy being appointed to attend the H Share Class Meeting under this supplemental proxy form is different from the proxy appointed under the original proxy form and both proxies attended the H Share Class Meeting, the proxy validly appointed under this supplemental proxy form shall be designated to vote at the H Share Class Meeting. If a shareholder of the Company wishes to provide specific instruction to his proxy(ies) regarding the voting of all resolutions set out in the original proxy form and this supplemental proxy form, he should duly complete and submit both proxy forms in accordance with the instructions set out therein.
4. This supplemental proxy form together with the power of attorney or other authority (if any) shall be deposited at the Company's H share registrar in Hong Kong not less than 24 hours before the time appointed for holding the AGM (i.e. not later than 9:00 a.m. on Thursday, 18 May 2023) or any adjourned meeting (as the case may be). If the instrument appointing the proxy is signed by a person authorised by the appointor, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H share registrar in Hong Kong.
5. Please refer to the First Supplemental Circular and the original notice of the H Share Class Meeting for details in respect of the resolutions to be proposed and tabled before the H Share Class Meeting, eligibility for attending the H Share Class Meeting, registration procedures for attending the H Share Class Meeting, appointment by proxy, voting by way of poll and other relevant matters.

As at the date of this supplemental notice, the Board of Directors comprises Mr. Xiao Dongsheng and Mr. Shi Lei as executive Directors; Mr. Qiu Zhongwei, Mr. Lu Wei, Mr. Zhu Lingjie and Ms. Zhou Ruijia as non-executive Directors; and Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man as independent non-executive Directors.



凤祥食品

SHANDONG FENGXIANG CO., LTD.

山東鳳祥股份有限公司

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

(Stock Code: 9977)

**SUPPLEMENTAL NOTICE OF THE 2023 FIRST DOMESTIC
SHARE CLASS MEETING**

Reference is made to the first supplemental circular of the Company (the “**First Supplemental Circular**”) of Shandong Fengxiang Co., Ltd. (the “**Company**”) and the original notice of the class meeting for the holders of domestic shares (the “**Domestic Share Class Meeting**”) dated 5 May 2023, which set out the details of the resolution to be proposed at the Domestic Share Class Meeting for the holders of domestic shares’ approval. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the second supplemental circular of the Company dated 5 May 2023 (the “**Second Supplemental Circular**”).

SUPPLEMENTAL NOTICE IS HEREBY GIVEN THAT the Domestic Share Class Meeting will be held as originally scheduled at 2nd Floor, Fengxiang Food Research and Technology Centre, Yanggu County, Liaocheng City, Shandong Province, the PRC on Friday, 19 May 2023 at 10:00 a.m. or immediately after the conclusion of the class meeting for the holders of H shares (the “**H Share Class Meeting**”) to consider and, if thought fit, passing with or without amendments, the following resolutions as special resolutions in addition to the resolutions set out in the original notice of the Domestic Share Class Meeting:

SPECIAL RESOLUTIONS

2. To consider and approve the proposed amendments to the articles of association of the Company:

“**THAT:**

- (a) the proposed amendments to the articles of association of the Company (details of which are set out in “Appendix I — Proposed Amendments to the Articles of Association” in the Second Supplemental Circular (the “**Articles Amendments**”)), be and are hereby approved and confirmed; and

SUPPLEMENTAL NOTICE OF THE 2023 FIRST DOMESTIC SHARE CLASS MEETING

- (b) any one or more Directors, the secretary of the Board of Directors and their authorised persons be and are hereby authorised to make changes to the articles of association of the Company in accordance with the final amendments to the Listing Rules and handle all necessary applications, submissions, registrations and filings and other related matters (including revisions to wordings as requested by the relevant regulatory authorities in the PRC) in connection with the Articles Amendments and any of the foregoing.”
3. To consider and approve the proposed amendments to the Rules of Procedure for the General Meeting (details of which are set out in “Appendix II — Proposed Amendments to the Rules of Procedure for the General Meeting” in the Second Supplemental Circular).
 4. To consider and approve the proposed amendments to the Rules of Procedure for the Board of Directors (details of which are set out in “Appendix III — Proposed Amendments to the Rules of Procedure for the Board of Directors” in the Second Supplemental Circular).
 5. To consider and approve the proposed amendments to the Rules of Procedure for the Board of Supervisors (details of which are set out in “Appendix IV — Proposed Amendments to the Rules of Procedure for the Board of Supervisors” in the Second Supplemental Circular).
 6. To consider and approve the grant of a general mandate to the Board of Directors to issue shares of the Company:

“THAT:

- (a) the Board of Directors be and is hereby granted a general and unconditional mandate to separately and concurrently, issue, allot and/or deal with the additional Domestic Shares and/or H Shares, and to make or grant offers, agreements and options which would or might require to issue, allot and/or deal with Domestic Shares and/or H Shares, subject to the following terms:
 - (i) such mandate shall not extend beyond the Relevant Period save that the Board of Directors may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;
 - (ii) as at the date of the resolution to be made herein, the aggregate number of Domestic Shares and H Shares to be issued, allotted and/or dealt with or agreed conditionally or unconditionally to be issued, allotted and/or dealt with (whether pursuant to an option or otherwise) by the Board of Directors, shall not exceed (x) 20% of each of the Domestic Shares and H Shares in issue, respectively, as at the date of passing this resolution and (y) 20% of the total

SUPPLEMENTAL NOTICE OF THE 2023 FIRST DOMESTIC SHARE CLASS MEETING

issued shares of the Company (including Domestic Shares and H Shares) in issue as at the date of passing this resolution upon the Articles Amendments becoming effective; and

- (iii) the Board of Directors will only exercise its power under such mandate in accordance with the relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the articles of association of the Company, and the applicable laws and regulations of the PRC, as amended from time to time, and will comply with all necessary registration and filing requirements of the relevant PRC government authorities (including the China Securities Regulatory Commission).

- (b) for the purpose of this resolution:

“Domestic Share(s)” means ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi;

“H Share(s)” means overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on The Stock Exchange of Hong Kong Limited;

“Relevant Period” means the period from the passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
- (ii) the expiration of the 12-month period following the passing of this resolution; and
- (iii) the date on which the authority granted to the Board of Directors set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting.

SUPPLEMENTAL NOTICE OF THE 2023 FIRST DOMESTIC SHARE CLASS MEETING

- (c) contingent upon the Directors resolving to issue and allot the Domestic Shares and H Shares pursuant to subparagraph (a) of this resolution, the Board of Directors be and is hereby authorised to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new Domestic Shares and/or H Shares including but not limited to determining the time and place of issue, making all necessary applications to the relevant authorities and entering into an underwriting agreement (or any other agreement), to determine the use of proceeds and to make all necessary filings and registrations with the relevant PRC, Hong Kong and/or other authorities, and to amend the articles of association of the Company as it thinks fit so as to reflect the increase in the registered capital and the new share capital structure of the Company after the issue and allotment of the Domestic Shares and H Shares pursuant to subparagraph (a) of this resolution and to take any necessary actions and to go through any necessary procedures (including but not limited to obtaining approvals from relevant regulatory authorities and completing registration processes with relevant industrial and commercial administration) to give effect to the issue of shares.”

By order of the Board of Directors
Shandong Fengxiang Co., Ltd.
Zhu Lingjie
Chairman

Shandong, the PRC, 5 May 2023

Notes:

1. Details of the above resolutions are set out in the Second Supplemental Circular of the Company dated 5 May 2023.
2. The supplemental proxy form in respect of the above resolutions is enclosed with the Second Supplemental Circular.
3. The supplemental proxy form will not affect the validity of any proxy form duly completed and delivered by you in respect of the resolution set out in the original notice of the Domestic Share Class Meeting dated 5 May 2023. If you have validly appointed a proxy to attend and act for you at the Domestic Share Class Meeting but do not duly complete and deliver this supplemental proxy form, your proxy will be entitled to vote at the discretion on the resolutions set out in the supplemental notice. If you do not duly complete and deliver the original proxy form for the Domestic Share Class Meeting but have duly completed and delivered this supplemental proxy form and validly appointed a proxy to attend and act for you at the Domestic Share Class Meeting, your proxy will be entitled to vote at the discretion on the resolution set out in the original notice. If the proxy being appointed to attend the Domestic Share Class Meeting under this supplemental proxy form is different from the proxy appointed under the original proxy form and both proxies attended the Domestic Share Class Meeting, the proxy validly appointed under this supplemental proxy form shall be designated to vote at the Domestic Share Class Meeting. If a shareholder of the Company wishes to provide specific instruction to his proxy(ies) regarding the voting of all resolutions set out in the original proxy form and this supplemental proxy form, he should duly complete and submit both proxy forms in accordance with the instructions set out therein.
4. This supplemental proxy form together with the power of attorney or other authority (if any) shall be deposited at the address of the Company’s registered office in the PRC not less than 24 hours before the time appointed for holding the AGM (i.e. not later than 9:00 a.m. on Thursday, 18 May 2023) or any adjourned meeting (as the case

SUPPLEMENTAL NOTICE OF THE 2023 FIRST DOMESTIC SHARE CLASS MEETING

may be). If the instrument appointing the proxy is signed by a person authorised by the appointor, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the address of the Company's registered office in the PRC.

5. Please refer to the First Supplemental Circular and the original notice of the Domestic Share Class Meeting for details in respect of the resolutions to be proposed and tabled before the Domestic Share Class Meeting, eligibility for attending the Domestic Share Class Meeting, registration procedures for attending the Domestic Share Class Meeting, appointment by proxy, voting by way of poll and other relevant matters.

As at the date of this supplemental notice, the Board of Directors comprises Mr. Xiao Dongsheng and Mr. Shi Lei as executive Directors; Mr. Qiu Zhongwei, Mr. Lu Wei, Mr. Zhu Lingjie and Ms. Zhou Ruijia as non-executive Directors; and Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man as independent non-executive Directors.

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

The proposed amendments to the Articles of Association are set out below:

Chapter 1 General Provisions

Article 1 Shandong Fengxiang Co., Ltd. (hereinafter referred to as the “**Company**”) is a joint-stock limited company incorporated under the *Company Law of the People’s Republic of China* (hereinafter referred to as the “**Company Law**”), *Securities Law of the People’s Republic of China*, ~~*Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies*~~ (hereinafter referred to as the “~~**Special Regulations**~~”), ~~*Mandatory Provisions for Articles of Association of Companies to be Listed Overseas*~~, ~~*Reply on Opinions Concerning the Supplement and Amendment to Articles of Association by Companies to Be Listed in Hong Kong*~~, ~~*Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*~~ (“**Main Board Listing Rules**”) and other relevant State laws and administrative regulations.

The Company was established by way of promotion on 17 December 2010 and was registered with and obtained a business license from Liaocheng Administration for Industry and Commerce on 17 December 2010.

The unified social credit code of the Company is: 91371500723866545F.

The promoters of the Company are GMK Holdings Group Co., Ltd. and Shandong Fengxiang Investment Co., Ltd.

Article 2 Registered name of the Company:

Full name in Chinese: 山東鳳祥股份有限公司

Full name in English: Shandong Fengxiang Co., Ltd.

Article 3 Domicile of the Company: Liumiao Village, Anle Town, Yanggu County, Shandong Province

Postal code: 252325

Tel.: 0635–7136000

Fax: 0635–7136002

Article 4 The legal representative of the Company is the chairman of the Board of Directors of the Company.

Article 5 The business term of the Company is 30 years. The Company has the status of independent legal person. The Company shall bear liability for its debts with all its assets; shareholders of the Company bear their liabilities to the Company to the extent of the shares they subscribe for.

Article 6 The Articles of Association are norms of conduct for the Company, are adopted by the general meeting by special resolution, take effect when the resolutions ~~the overseas listed foreign shares of the Company~~ are approved by the general meeting ~~relevant national departments and relevant regulatory authorities to be listed on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Stock Exchange”)~~, and supersede the original articles of association filed with the administration for industry and commerce. From the date on which the Articles of Association came into effect, the Articles of Association constitute a legally binding document regulating the organisation and activities of the Company, and the rights and obligations between the Company and each shareholder and among the shareholders themselves.

Article 7 The Articles of Association shall be binding upon the Company and its shareholders, directors, supervisors, and other senior management members, who shall have the right to make any claims and propositions regarding the Company’s affairs based on the Articles of Association.

The shareholders of the Company may pursue actions against the Company in accordance with the Articles of Association, and the Company may pursue actions against its shareholders, directors, supervisors, and senior management members, in accordance with the Articles of Association; the shareholders of the Company may pursue actions against the Company’s directors, supervisors and other senior management members pursuant to the Articles of Association.

The actions, as referred to in the preceding paragraph, include the instituting of legal proceedings with a court or filing with an arbitral authority for arbitration.

Article 8 The Company may invest in other limited liability companies or joint-stock limited companies, and the Company’s liability towards such invested entities shall be limited to the amount of its capital contribution to them.

Unless otherwise provided by laws, the Company shall not be jointly and severally liable to such invested entities for their debts as their investor.

Article 9 Other senior management members mentioned herein refer to deputy general manager, financial officer and secretary to the Board of Directors.

Chapter 2 Objectives and Scope of Business of the Company

Article 10 The business objectives of the Company are to develop the Company into a world-class enterprise undertaking social responsibilities and giving back to the society, with an aim to create value for customers, provide job opportunities for employees and deliver satisfactory returns to shareholders.

Article 11 The business scope of the Company is: Licensed items: poultry breeding; poultry slaughtering; production of breeding livestock and poultry; operation of breeding livestock and poultry; food production; food operation; Internet sales of foods; grain purchase; feed production; veterinary drug operation; fertiliser production; animal carcass innocuous treatment; import and export of foods; import and export of goods; import and export of technologies; import and export agency. (For items required to be approved by law, operation may be conducted only with the approval of relevant departments, and specific licensed items should be determined by approval documentations or licenses issued by relevant government agencies) General items: sales of livestock and fishery feeds; sales of agricultural by-products; sales of fertiliser; technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; Chinese herbal medicine cultivation (except for Chinese rare and unique precious fine varieties); purchase and sale of Chinese herbal medicine (excluding Chinese medicine decoction pieces) of the place of origin; conference and exhibition services. (Except for projects that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws) (All business scope does not involve the content of Administrative Measures (Negative List) for Foreign Investment Access).

The business scope referred to in the preceding paragraph shall be subject to review by the company registration authority.

The Company may adjust its business scope according to changes in domestic and overseas markets, business development and natural capability and business needs, and shall register relevant changes with the relevant administration for industry and commerce.

Chapter 3 Shares and Registered Capital

Article 12 The Company shall have ordinary shares at all times; the ordinary shares issued by the Company include domestic shares and foreign shares. ~~With the~~ By registration/filing with approval of the company approval authority authorised by the State Council of the People's Republic of China ("China") (the "State Council"), the Company may create other classes of shares when needed.

If the Company creates other classes of shares, it shall specify the order of rights entitled to these different classes of shares in any distribution by dividend or other forms. If the share capital of the Company includes shares without voting rights, such shares shall be specified as "Without Voting Right". If the share capital includes shares with different voting rights, each class of shares (except those with most preferential voting right) shall be specified as "Restricted Voting Right" or "Limited Voting Right".

Article 13 The shares of the Company shall take the form of share certificates. All shares issued by the Company shall have par values, with each share having a par value of RMB1 (save as otherwise specified, yuan referred to herein is RMB).

RMB referred to in the preceding paragraph refers to the statutory currency of the People's Republic of China.

Article 14 Shares of the Company shall be issued in a ~~transparent~~, fair and just manner. Shares of the same class shall have the same right.

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price, and the same price shall be paid for each of the shares subscribed for by any entity or individual.

Domestic shares and overseas listed foreign shares issued by the Company shall rank *pari passu* over any distribution by way of dividend or any other forms of distribution.

Article 15 The Company may issue its shares to both domestic and foreign investors by registration/filing with the ~~approval of~~ securities regulatory authorities of the State Council.

Foreign investors as referred to in the preceding paragraph shall mean those investors in foreign countries and in Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan, who subscribe for shares of the Company. Domestic investors shall mean those investors in the People's Republic of China, excluding the aforementioned regions, who subscribe for shares of the Company.

Article 16 Shares that the Company issues to domestic investors for subscription in RMB shall be referred to as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares listed outside the PRC are referred to as overseas listed foreign shares.

Foreign currency referred to in the preceding paragraph means the statutory currency, other than RMB, of another country or region, which is recognised by the foreign exchange authority of the State and can be used to pay the share price to the Company.

Both holders of domestic shares and holders of foreign shares are holders of ordinary shares, and have and bear the same rights and obligations.

Article 17 Foreign shares issued by the Company which are listed on the Hong Kong Stock Exchange shall be called H shares. H shares are shares which have been admitted for listing on the Hong Kong Stock Exchange, the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

Article 18 The Company, at the time of its establishment, issued 86,000,000 ordinary shares to its promoters, all of which are subscribed for and held by the promoters of the Company, among which:

Name of shareholder	Number of shares subscribed (10,000 shares)	Shareholding percentage (%)
GMK Holdings Group Co., Ltd.	5,160	60
Shandong Fengxiang Investment Co., Ltd.	<u>3,440</u>	<u>40</u>
Total	<u><u>8,600</u></u>	<u><u>100</u></u>

Article 19 Subject to the approval of the securities regulatory authorities of the State Council, the Company may issue no more than 408,250,000 overseas new listed foreign shares, all of which are ordinary shares. Upon the completion of the issuance of overseas listed foreign shares, the shareholding structure of the Company shall be as follows: ~~In the event that the Over allotment Option is not exercised, the total share capital of the Company will be 1,400,000,000 shares, of which 1,045,000,000 domestic shares account for approximately 74.6% of the total share capital and 355,000,000 overseas listed foreign shares account for approximately 25.4% of the total share capital; in the event that the Over allotment Option is exercised in full, the total share capital of the Company will be 1,453,250,000 shares, of which 1,045,000,000 domestic shares account for approximately 71.9% of the total share capital and 408,250,000 overseas listed foreign shares account for approximately 28.1% of the total share capital.~~

~~**Article 20** Upon approval by the securities regulatory authorities of the State Council in respect of the plan of the Company to issue overseas listed foreign shares and domestic shares, the Board of the Company may make implementation arrangements for such plan by means of separate issuance.~~

~~The Company may implement its plan to separately issue overseas listed foreign shares and domestic shares pursuant to the preceding paragraph within 15 months from the date of approval by the securities regulatory authorities of the State Council.~~

~~**Article 21** In the event that there are overseas listed foreign shares and domestic shares included in the total number of shares specified in the issuance plan of the Company, such shares shall be fully subscribed for at one time, or if the shares cannot be fully subscribed for at one time due to special circumstances, such shares may be issued in separate tranches, subject to the approval of the securities regulatory authorities of the State Council.~~

Article 202 The registered capital of the Company is RMB1,400,000,000.

~~**Article 231** Unless otherwise provided by the PRC laws, administrative regulations and relevant requirements of the securities regulatory authority of the place where the Company's shares are listed, fully paid shares of the Company are freely transferable and are not subject to any lien. The~~

shares of the Company can be legally transferred. Transfer of overseas listed foreign shares listed in Hong Kong shall be registered with the Hong Kong-based share registry designated by the Company.

Chapter 4 Increase, Decrease and Repurchase of Shares

Article 224 In light of the demands of operation and development and based on laws, regulations and the Articles of Association, after obtaining special resolutions of the general meeting, the Company may increase its capital through the following ways:

- (I) public issuance of shares~~offering new shares to non-given investors;~~
- (II) non-public issuance of shares~~allotment of new shares to existing shareholders;~~
- (III) offering bonus shares to existing shareholders;
- ~~(IV) offering new shares to employees by option;~~
- (IV) transferring capital reserve funds;
- ~~(V)~~ other methods provided by laws and administrative regulations or permitted by relevant regulatory authorities.

The Company's issuance of new shares to increase capital shall be handled in accordance with the procedures provided for in relevant State laws and administrative regulations after having been approved in accordance with the Articles of Association.

Article 235 The Company may reduce its registered capital in accordance with the provisions of the Articles of Association. The reduction of registered capital shall follow the procedures set forth in the *Company Law* and other relevant regulations and provisions of the Articles of Association.

Article 246 When the Company is to reduce its registered capital, it must prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of adopting the resolution to reduce its registered capital and shall publish an announcement about the resolution in the newspapers ~~at least three times~~ within 30 days. Creditors shall, within 30 days since receiving a notice or within ~~90~~45 days since the date of the ~~first public~~ announcement for those who have not received a notice, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee for repayment.

The reduced registered capital of the Company may not be less than the statutory minimum (if any).

Article 257 The Company may, in the following circumstance, repurchase its shares pursuant to laws, administrative regulations, *Main Board Listing Rules*, departmental rules and the Articles of Association and report to relevant national competent authorities for registration/filing (if necessary):

- (I) to reduce ~~cancel the shares for the purpose of reducing~~ the registered capital of the Company;
- (II) to merge with other companies holding the shares of the Company;
- (III) to give the shares for employee stock ownership plan or stock ownership incentive;
- (IV) to be requested to repurchase the shares held by the shareholders who object to the resolutions adopted at the general meeting concerning consolidation and division of the Company;
- (V) to convert the shares to corporate bonds that are issued by the Company and convertible to stocks;
- (VI) to be necessary to safeguard the value of the Company and the interests of its shareholders;

Except for the above, the Company shall not purchase its own shares.~~(VII) other circumstances where laws and administrative regulations so permit.~~

The purchase by the Company of its own shares for the reasons set forth in Items (I) and (II) above shall be subject to the resolutions adopted at the general meeting; the purchase of shares under Items (III), (V) and (VI) above, shall be subject to the resolutions adopted at the Board of Directors meeting where over two-thirds of the directors are present, in accordance with provisions of the Articles of Associations or the authorisation by the general meeting.

Where the laws, administrative regulations, departmental rules, the Articles of Association, and stock exchanges and securities regulatory authorities of the place where the Company's shares are listed have other requirements on the relevant matters involved in the aforementioned share repurchase, the provisions shall prevail.

Article 268 The Company may repurchase its shares through public and centralised trading or other methods as permitted by laws and regulations and the China Securities Regulatory Commission (the "CSRC"). The repurchase of the Company's shares, upon the approval by the relevant national competent authorities, may be conducted in any of the following manners:

- (I) making a repurchase offer to all shareholders in the same proportion;
- (II) repurchase through open transactions in a stock exchange;
- (III) repurchase by way of off-market agreement outside a stock exchange;
- (IV) other circumstances approved by laws, administrative regulations or regulatory authorities.

Article 279 When the Company is to repurchase shares by way of off-market agreement outside a stock exchange, prior approval shall be obtained from the general meeting in accordance with the Articles of Association. Upon prior approval of the general meeting obtained in the same manner, the Company may rescind or change contracts concluded in the manner set forth above or waive any of its rights under such contracts.

For the purposes of the above paragraph, contracts for the repurchase of shares shall include (but not be limited to) agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.

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

~~**Article 30** With regard to redeemable shares which the Company has the right to repurchase, if they are not repurchased via market or by way of bidding, the price of these shares shall be restricted to the highest price within a certain extent; if they are repurchased by way of bidding, the proposal for bidding shall be made to all shareholders under the same conditions.~~

Article 2831 Shares lawfully repurchased by the Company under Item (I) of Article 27 herein shall be cancelled within 10 days from the date of repurchase; shares repurchased under Items (II) and (IV) of Article 27 herein shall be transferred or cancelled within six months; and in the event of acquisition of the shares by the Company in accordance with Items (III), (V) and (VI) of Article 27 herein, the total shares held by the Company shall not exceed 10% of the total shares issued by the Company, and such shares shall be transferred or cancelled within three years.

After the Company lawfully cancelled such shares, the Company shall apply to the original company registration authority for registration of the change of its registered capital and make relevant announcement.

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

Article 2932 The Company shall not accept objects pledged with shares of the Company.

~~**Article 33** Unless the Company has already entered the liquidation stage, it must comply with the following provisions in buying back its issued and outstanding shares:~~

- ~~(1) where the Company buys back shares at their par value, the amount thereof shall be deducted from the book balance of distributable profit and from the proceeds of a new share issuance made to repurchase the old shares;~~

~~(II) where the Company buy backs shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profit and from the proceeds of a new share issuance made to buy back the old shares. The portion in excess of the par value shall be handled according to the following methods:~~

- ~~1. where the shares bought back were issued at their par value, the amount shall be deducted from the book balance of distributable profit;~~
- ~~2. where the shares bought back were issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profit and from the proceeds of a new share issuance made to buy back the old shares; however, the amount deducted from the proceeds of the new share issuance may not exceed the total premium obtained at the time of issuance of the old shares nor may it exceed the amount in the Company's share premium account (or capital reserve funds account) (including the premiums from the new share issuance) at the time of buy back;~~

~~(III) the amount paid by the Company for the purposes set forth below shall be paid out of the Company's distributable profits:~~

- ~~1. acquisition of the right to repurchase its own shares;~~
- ~~2. modification of any contract for repurchase of its own shares;~~
- ~~3. release from any of its obligations under any repurchase contracts.~~

~~(IV) after the par value of the cancelled shares has been deducted from the registered capital of the Company in accordance with relevant regulations, that portion of the amount deducted from the distributable profit and used to buy back shares at the par value shall be included in the Company's share premium account (or capital reserve funds account).~~

Chapter 5 Financial Assistance for Purchasing the Company's Shares

~~Article 3034 The Company or its subsidiaries (including the affiliated enterprises of the Company) shall not provide any assistance to a person who is acquiring or is proposing to acquire the shares of the Company by way of gift, advancement, guarantee, indemnity or loans or other means. ~~shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the shares in the Company. Such purchasers of the Company's shares referred to above shall include persons that directly or indirectly undertake obligations for the purpose of purchasing shares in the Company.~~~~

~~The Company or its subsidiaries shall not at any time provide any financial assistance in any form to the above obligors in order to reduce or discharge their obligations.~~

~~The provisions of this article do not apply to the circumstances set out in Article 36 of the Articles of Association.~~

~~Article 35~~ Financial assistance referred to in this chapter shall include but not be limited to:

- ~~(I) gift;~~
- ~~(II) guarantee (including the case where the guarantor undertakes liability or provides property to ensure fulfillment of obligations by the obligor), compensation (excluding compensation arising out of the Company's own error), termination or waiver of rights;~~
- ~~(III) provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled prior to the obligation of performance by the other party to the contract, or a change in the party to such loan or contract as well as the assignment of rights under such loan or contract; and~~
- ~~(IV) financial assistance in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a major reduction in the Company's net assets.~~

~~"Undertake obligations" as referred to herein include the undertaking of an obligation by the obligor by entering into a contract or making an arrangement or by changing its financial position in any other way; whether or not such contract or arrangement is enforceable and whether or not such obligation is undertaken by the obligor individually or jointly with any other person.~~

~~Article 36~~ The following acts are not deemed as prohibited under Article 34 of the Articles of Association:

- ~~(I) where the Company provides the relevant financial assistance truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares of the Company, or the financial assistance is an incidental part of an overall plan of the Company;~~
- ~~(II) lawful distribution of the Company's property in the form of dividends;~~
- ~~(III) distribution of dividends in the form of shares;~~
- ~~(IV) a reduction of registered capital, repurchase of shares, adjustment to shareholding structure effected in accordance with these Articles of Association;~~
- ~~(V) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Company or that if the same results in a reduction, the financial assistance is paid out of the Company's distributable profits); and~~
- ~~(VI) the provision of funds by the Company for an employee shareholding plan (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profits);~~

Chapter 6 Share Certificates and Share Register

Article 317 Share certificates of the Company shall be in registered form.

In addition to those provided in the *Company Law*, a share certificate of the Company shall also contain any other matters required to be specified by the stock exchange(s) on which the Company's shares are listed.

~~During the listing of the Company's H shares on the Hong Kong Stock Exchange, the Company shall at any time ensure that the following statements are included in all title documents (including H shares certificates) relating to its securities listed on the Hong Kong Stock Exchange, and shall instruct and cause its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any individual holder unless and until such individual holder delivers to such share registrar a completed and signed form in respect of such shares bearing the following statements:~~

- ~~(I) the purchaser of the shares and the Company and each of its shareholders, and the Company and each of the shareholders agree to observe and comply with the requirements of the *Company Law* and other relevant laws, administrative regulations, *Special Regulations* and the Articles of Association;~~
- ~~(II) the purchaser of the shares agrees with the Company, each of the Company's shareholders, directors, supervisors and senior management members, and the Company, acting on behalf of itself and each of the directors, supervisors and senior management members, agrees with each of the shareholders that, they will refer to arbitration for settlement of all disputes and claims of rights in relation to the Company's affairs arising from the Articles of Association or any rights or obligations under the *Company Law* or other relevant laws or administrative regulations in accordance with the provisions of the Articles of Association, and that any referral to arbitration shall be deemed as an authorisation to an arbitral court to hold a public hearing and announce its arbitration award to the public. Such award shall be final and conclusive;~~
- ~~(III) the purchaser of the shares agrees with the Company and each of the shareholders of the Company that the shares of the Company may be freely transferable by the holder;~~
- ~~(IV) the purchaser of the shares authorises the Company to enter into a contract on his/her behalf with each of the directors and senior management members, pursuant to which the directors and senior management members undertake to observe and fulfill their responsibilities under the Articles of Association to the shareholders.~~

Article 328 The H shares of the Company may be transferred, donated, inherited and pledged in accordance with the relevant laws, administrative regulations and the Articles of Association. The instruments of transfer and other documents in relation to the ownership of shares shall be registered with the share registrar entrusted by the Company.

Article 339 The H share certificates shall be signed by the chairman of the Board of Directors. Where the stock exchange on which the Company's shares are listed requires the share certificates to be signed by other senior management members, the share certificates shall also be signed by such senior management members. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The share certificates shall be affixed or printed with the Company's seal under the authorisation of the Board of Directors. The signatures of the chairman of the Board of Directors of the Company or other relevant senior management members on the share certificates may also be in printed form.

Under the conditions of paperless issuance and transactions, other requirements stipulated by the securities regulatory authorities and stock exchanges of the place where the Company's shares are listed shall prevail.

Article 344 ~~The Company shall keep a share register according to the certificates issued by the securities registration authority. The share register shall be the sufficient evidence for the shareholders' shareholding in the Company. The Company shall establish a share register recording the following matters:~~

- ~~(I) the name (title), address (domicile), occupation or nature of each shareholder;~~
- ~~(II) the class and number of shares held by each shareholder;~~
- ~~(III) the amount paid up or payable in respect of shares held by each shareholder;~~
- ~~(IV) the serial numbers of the shares held by each shareholder;~~
- ~~(V) the date on which each shareholder is registered as shareholder;~~
- ~~(VI) the date on which each shareholder ceases to be a shareholder.~~

~~The share register shall be the sufficient evidence for the shareholders' shareholding in the Company unless there is evidence to the contrary.~~

Article 354 Subject to the Articles of Association and all other applicable requirements and upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names (titles) being entered in the share register.

All instruments of transfer and other documents relating to or affecting the ownership of any H shares shall be registered. If any fees are charged in respect of such registration, such fees shall not exceed the highest fees as prescribed by the Hong Kong Stock Exchange.

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

- ~~(I) where power is taken to limit the number of shareholders in a joint account, such limit shall not prevent the registration of a maximum of four persons;~~

- ~~(II) all joint holders of any shares shall jointly and severally assume obligation for all amounts payable for relevant shares;~~
- ~~(III) if one of the joint holders deceased, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares, but the Board of Directors shall have the right, for the purpose of making amendments to the share register, to demand a death certificate of the relevant shareholder where it deems appropriate to do so; and~~
- ~~(IV) in case of joint holders of any shares, only the joint holder that is listed first in the share register shall be entitled to take relevant shares from the Company, receive notices of the Company, and attend the general meetings of the Company or exercise the full voting right of the relevant shares. Any notice served to the aforesaid person shall be deemed as having been served to all the joint holders of the relevant shares. Any one of the joint holders may sign a proxy form, but if more than one joint holder attends the general meeting in person or by proxy, the resolution made by the joint holder with priority shall be accepted as the sole resolution made on behalf of other joint holders (regardless of whether it is made in person or by proxy). In this respect, the priority of shareholders shall be determined according to the order of ranking of the joint holders of relevant shares in the share register.~~

Article 3642 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authorities of the State Council and overseas securities regulatory authorities, maintain its original register of holders of overseas listed foreign shares outside China 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.

The Company shall maintain a duplicate of the register of holders of overseas listed foreign shares at the Company's domicile. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate registers of holders of overseas listed foreign shares at all times.

If there is any inconsistency between the original and the duplicate registers of holders of overseas listed foreign shares, the original version shall prevail.

Article 3743 The Company shall keep a complete share register. The share register shall include the following parts:

- (I) Share register kept at the domicile of the Company, save as specified in (II) and (III) herein;
- (II) Register of holders of overseas listed foreign shares kept at the overseas stock exchange;
- (III) Share register that the Board of Directors decides to keep at other place for the purpose of listing of the Company's shares.

~~Article 44~~ The respective parts of the share register shall not overlap each other. In the event of transfer of shares registered in a specific part of the share register, the said shares shall not be registered in any other part of the share register in the duration of the registration of the said shares.

~~Any change or correction of any part of the share register shall comply with the law of the location where the said part is kept.~~

Article 3845 Transfer of any overseas listed foreign shares shall be executed with a written instrument of transfer with a common format or other format accepted by the Board of Directors (including the standard transfer format or transfer form specified from time to time by Hong Kong Stock Exchange), which instrument may be signed by hand or (if the transferor or transferee is a company) affixed with the corporate seal. If the transferor or transferee of the Company's shares is a recognised clearing house (hereinafter referred to as "**Recognised Clearing House**") or agent thereof defined in Hong Kong laws, the written instrument of transfer may be signed in printed form.

All overseas listed foreign shares listed in Hong Kong for which full payment has been made may be transferred freely in accordance with the Articles of Association; save under the following conditions, the Board of Directors may refuse to recognise any instrument of transfer without providing any reason:

- (I) The instrument of transfer and other documents relating to or affecting ownership of any shares shall be registered and a registration fee which shall not exceed the ceiling prescribed from time to time in the *Main Board Listing Rules* shall be paid to the Company as per the standard specified in the *Main Board Listing Rules*;
- (II) The instrument of transfer only involves overseas listed foreign shares listed in Hong Kong, i.e. H shares;
- (III) Stamp duty payable as required by Hong Kong laws has been paid for the instrument of transfer;
- (IV) It is required to provide relevant share certificates and evidence reasonably required by the Board of Directors to prove that the transferor has the right to transfer the said shares;
- (V) If the shares are transferred to joint holders, the number of joint holders shall not exceed four;
- (VI) The Relevant Shares are not subject to lien of any company; and
- (VII) No shares shall be transferred to any minors or mentally defective persons or any other legally incapacitated persons.

If the Board of Directors refuses to register the share transfer, the Company shall send the transferor and the transferee a notice of refusal to register the said share transfer within 2 months after the request for transfer is submitted.

All instruments of transfer shall be kept at the legal address of the Company or other place designated by the Board of Directors from time to time.

Article 3946 The shares of the Company held by the promoters shall not be transferred within one year after incorporation of the Company. Shares issued prior to the public offering of the Company shall not be transferred within one year from the date when the shares of the Company are listed and traded on the stock exchange.

Directors, supervisors and senior management members of the Company shall declare to the Company their shareholdings in the Company and any changes in such shareholdings. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the Company every year. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. They shall not transfer the shares they hold in the Company within half a year after they leave their positions in the Company. If the transfer restrictions in this paragraph involve H shares, the said transfer shall comply with relevant provisions under the *Main Board Listing Rules*.

Article 4047 With the approval of the securities regulatory authorities of the State Council, holders of domestic shares of the Company may transfer all or part of their shares to overseas investors and list the said shares on an overseas stock exchange; all or part of the domestic shares may be converted into foreign shares, and the foreign shares so converted may be listed on an overseas stock exchange. Listing of the transferred or converted shares on an overseas stock exchange shall also comply with the regulatory procedure, regulations and requirements of the overseas stock market. No general meeting ~~or class meeting~~ is required to be held to resolve on the listing of the transferred shares or foreign shares converted from domestic shares on an overseas stock exchange. After the domestic shares are converted into overseas listed foreign shares, the converted shares shall be the same class of shares as the original overseas listed foreign shares.

Article 4148 Change of share register arising from share transfer shall not be registered within ~~30~~20 days before convening of a general meeting or 5 days before the benchmark date on which the Company decides to distribute dividends. Where the listing rules or law and regulations of the place where the Company's shares are listed have special provisions, such provisions shall apply.

Article 4249 If the Company convenes a general meeting, distributes dividends, conducts liquidation or executes any other act requiring recognition of ~~equity~~shareholder's capacity, the Board of Directors or the convener of the meeting shall designate a certain date as equity determination date, at the end of which the registered shareholders shall be shareholders with the relevant entitlements~~of the Company~~.

Article 4350 If any person objects to the share register and asks to have his/her name recorded in or deleted from the share register, the said person may apply to the court with jurisdiction to correct the share register.

Article 4454 If any shareholder in the share register or any person requesting to have his/her name recorded in the share register has lost his/her share certificates (hereinafter referred to as “**Original Share Certificates**”), the said shareholder or person may apply to the Company to reissue new share certificates for the said shares (hereinafter referred to as “**Relevant Shares**”).

Application for reissue of share certificates lost by holders of domestic shares shall be processed pursuant to the *Company Law*.

Application for reissue of share certificates lost by holders of overseas listed foreign shares shall be processed pursuant to the law, rules of the stock exchange or other relevant regulations of the place where the original of the register of holders of overseas listed foreign shares is kept.

Application for reissue of share certificates lost by holders of H shares shall meet the following requirements:

- (I) The applicant shall submit an application with the standard format designated by the Company and attach a notarial deed or statutory statement. The contents of the notarial deed or statutory statement shall include the reason for application, information and evidence about how the share certificates are lost, and a statement that no any other person may request to be registered as shareholder for the Relevant Shares.
- (II) Before deciding to reissue new share certificates, the Company has not received any statement that nobody other than the applicant requests to be registered as shareholder for the said shares.
- (III) After deciding to reissue new share certificates to the applicant, the Company shall publish announcements of reissue of new share certificates on the newspapers designated by the Board of Directors; the announcement period is 90 days, with at least one announcement in 30 days. The newspapers designated by the Board of Directors shall include at least one of the Chinese and English newspapers recognised by Hong Kong Stock Exchange, respectively.
- (IV) Before publishing the announcement of reissue of new share certificates, the Company shall submit a copy of the announcement to be issued to Hong Kong Stock Exchange, and may publish the announcement only after receiving a reply from the Stock Exchange confirming that the said announcement has been displayed in Hong Kong Stock Exchange. The duration of display of the said announcement in Hong Kong Stock Exchange is 90 days. If the application for reissuing share certificates is not approved by the registered holder of the Relevant Shares, the Company shall mail a copy of the to-be-published announcement to the said shareholder.
- (V) If, after expiry of the 90-day period of announcement and display specified in (III) and (IV) of this article, the Company has not received any objection to reissue of share certificates from any person, the Company may issue new share certificates as requested by the applicant.

(VI) When the Company reissues new share certificates as per this article, the Company shall immediately deregister the original share certificates, and record such deregistration and reissue in the share register.

(VII) All the expenses for deregistering the original share certificates and reissuing new share certificates shall be borne by the applicant. The Company may refuse to take any action before the applicant provides any reasonable guarantee.

Article 4552 After the Company reissues new share certificates in accordance with the Articles of Association, the name of the goodwill purchaser of the said new share certificates or the shareholder (if it is a goodwill purchaser) later registered as owner of the said shares shall not be deleted from the share register.

Article 4653 The Company has no obligation to compensate any person for any loss arising from deregistration of the original share certificates or reissue of new share certificates, unless the said person can prove that the Company has committed any fraud.

Chapter 7 Rights and Obligations of Shareholders

~~**Article 4754** Shareholders of the Company are persons lawfully holding shares of the Company, with names recorded in the share register.~~

The shareholders enjoy rights and fulfil obligations according to the class and number of their shares; holders of shares of the same class shall enjoy the same rights and bear the same obligations. ~~All types of shareholders of the Company share the same rights over dividends or any distribution in other forms.~~

~~All types of shareholders of the Company share the same rights over dividends or any distribution in other forms. If any shareholder of the Company is a legal person, its legal representative or proxy thereof exercise its rights on its behalf.~~

~~The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her shares to the Company.~~

Article 4855 Holders of ~~ordinary~~ shares of the Company shall enjoy rights as follows:

- (I) collect dividends and other forms of interests distributed based on the number of shares held by them;
- (II) Legally request, convene, preside over, attend or entrust a proxy to attend and speak at shareholders' meetings and exercise relevant voting right as per their shareholdings;
- (III) supervise and administrate the business operation of the Company, and make suggestions or enquiries accordingly;

- (IV) transfer, donate or pledge shares held by the shareholders in compliance with laws, administrative regulations and the Articles of Association. Shareholders holding 5% or more of the Company's shares with voting rights pledge the said shares shall submit a written report to the Company within 3 business days after the pledge occurs;
- (V) inspect the Articles of Association, the share register, record of bondholders, minutes of general meetings, resolutions of meetings of the Board of Directors, resolutions of meetings of the Board of Supervisors and financial reports;~~obtain relevant information in accordance with the Articles of Association, including:~~
- ~~1. receipt of a copy of the Articles of Association after payment of reasonable expenses;~~
 - ~~2. the right to inspect and the right to inspect and reproduce the following documents after payment of reasonable expenses:~~
 - ~~(1) copies of all the parts of the share register;~~
 - ~~(2) personal data of directors, supervisors, general manager and other senior management members of the Company, including:~~
 - ~~(a) present and former names and aliases;~~
 - ~~(b) principal addresses (domiciles);~~
 - ~~(c) nationalities;~~
 - ~~(d) full time and all part time occupations and positions; and~~
 - ~~(e) identity certificates and numbers thereof.~~
 - ~~(3) report of the Company's issued share capital;~~
 - ~~(4) report showing the number and par value of each class of shares repurchased by the Company since the last fiscal year, total amount paid therefor, and the highest and lowest prices paid for each class of securities repurchased by the Company since the last fiscal year (by domestic shares and foreign shares);~~
 - ~~(5) latest audited financial statements of the Company and the reports of the Board, auditors and the Board of Supervisors;~~
 - ~~(6) special resolutions of the Company;~~
 - ~~(7) minutes of general meetings (for reference of shareholders only); and~~
 - ~~(8) copy of the latest annual report filed with the PRC State Administration for Industry and Commerce or other competent authority;~~

~~The Company shall keep at its Hong Kong address the documents as referred to in (1) to (8) (excluding (2)) above and other applicable documents as per the requirements of the Main Board Listing Rules for free reference of the public and holders of overseas listed foreign shares and for reproduction by shareholders at reasonable charges.~~

~~The Company may refuse to provide any contents if the contents so inspected and reproduced involve business secrets and insider information of the Company and personal privacy of relevant persons.~~

~~If any shareholder proposes to inspect the aforesaid relevant information or asks for relevant data, the said shareholder shall provide the Company with written documents bearing evidence of the class and number of shares held by the said shareholder in the Company. The Company shall verify the identity of the said shareholder before providing relevant information or data required by the shareholder.~~

- (VI) participate in the distribution of the Company's remaining assets based on the number of shares held by the shareholders when the Company is terminated or liquidated;
- (VII) request the Company to purchase their shares if the shareholders object to the resolutions adopted by the general meeting on merger or division of the Company;
- (VIII) other rights conferred by laws, administrative regulations, departmental rules or the Articles of Association.

Article 4956 Holders of ~~ordinary~~ shares of the Company shall undertake the following obligations:

- (I) abide by laws, administrative regulations and the Articles of Association;
- (II) contribute share capital according to the shares subscribed by them and the methods of subscription;
- ~~(III) bear the losses and debts of the Company to the extent of the shares subscribed by them;~~
- ~~(III)~~ not exit shares after approval of registration by the Company unless otherwise stipulated by laws and regulations;
- (IV) not abuse shareholders' rights to damage the interests of the Company or other shareholders or abuse the independent legal person status of the Company and limited liability of the shareholders to damage the interests of the creditors of the Company. Shareholders of the Company who abuse their shareholders' rights and cause damages to the Company or other shareholders shall bear compensation liability in accordance with the law. Shareholders of the Company who abuse the independent legal person status of the Company and limited liability of shareholders to evade debts and seriously damage the interests of the creditors of the Company shall bear joint and several liability for the Company's debts.
- ~~(V)~~ other obligations imposed by laws, administrative regulations and the Articles of Association.

~~Save as otherwise specified, shareholders do not have the obligation to increase any share capital unless under the conditions accepted by the subscribers at the time of subscription.~~

Article 5057 The controlling shareholder(s) or the de facto controller(s) shall not use their connected relationship to prejudice the interests of the Company. In violation of such provisions, he/she shall be liable to compensate the Company for the losses thereof.

The controlling shareholder(s) and the de facto controller(s) of the Company have the duty to act in good faith towards the Company and public shareholders of the Company. The controlling shareholder(s) shall strictly exercise their rights as a capital contributor in accordance with laws and shall not take advantage of profit distribution, asset restructuring, external investment, capital appropriation and loan guarantee to the detriment of the legal interests of the Company and public shareholders. Nor shall they take the advantage of their controlling position to the detriment of the Company and public shareholders. ~~In addition to obligations imposed by laws, administrative regulations or the listing rules of the stock exchange of the place where the Company's shares are listed, while exercising shareholder's rights, the controlling shareholders shall not make such decisions by exercising their voting rights to the detriment of all or part of the shareholders' interests as below:~~

- ~~(I) relieving a director or supervisor of the responsibility to act honestly in the best interest of the Company;~~
- ~~(II) approving a director or a supervisor (for his/her own or other person's benefit) to deprive the Company of its property in any form, including (but not limited to) any opportunities that are favourable to the Company; or~~
- ~~(III) approving a director or a supervisor (for his/her own or other person's benefit) to deprive other shareholders of their rights or interests, including (but not limited to) rights to distributions and voting rights, unless pursuant to a restructuring of the Company submitted to and adopted by the general meeting in accordance with the Articles of Association.~~

Article 5158 The term "controlling shareholder" in the Articles of Association shall refer to the shareholder satisfying any of the following conditions:

- (I) when acting alone or acting in concert with others, such shareholder has the power to decide the selection of more than half of members of the Company's Board through actually controlling the voting rights of the Company's shares ~~elect half or a greater number of the directors;~~
- (II) when acting alone or acting in concert with others, such shareholder has the power to exercise or control the exercise of more than 30% (inclusive) of the Company's voting rights;
- (III) when acting alone or acting in concert with others, such shareholder holds more than ~~30~~50% (inclusive) of outstanding shares of the Company, unless there is evidence to the contrary;

- (IV) when acting alone or acting in concert with others, such shareholder has control of adequate voting rights to exert influential power on resolutions of general meetings of the Company;~~can obtain actual control of the Company in any other manner.~~
- (V) when acting alone or acting in concert with others, such shareholder has control of or determine matters including major decisions on operation and important appointments;
- (VI) other circumstances as considered by the securities regulatory authorities of the place of listing of the Company's shares.

“Acting in concert” mentioned herein means that two or more persons reach an agreement (verbal or written) whereby any of them obtains the voting rights over the Company in order to control or consolidate the control over the Company.

Chapter 8 General Meeting

Article ~~5259~~ The general meeting is the organ of authority of the Company, which exercises its functions and powers in accordance with the law.

Article ~~5360~~ The general meeting may exercise the following functions and powers:

- (I) to decide on the Company's operational objectives and investment plans;
- (II) to elect and replace the directors (not being representative(s) of employees) and to decide on the matters relating to the remuneration of directors;
- (III) to elect and replace supervisors who are representatives of shareholders and to decide on matters relating to the remuneration of supervisors;
- (IV) to review and approve the reports of the Board of Directors;
- (V) to review and approve the reports of the Board of Supervisors;
- (VI) to review and approve the Company's annual financial budgets and final accounts;
- (VII) to review and approve the Company's profit distribution proposals and loss recovery proposals;
- (VIII) to decide on any increase or reduction of the Company's registered capital;
- (IX) to decide on the issue of corporate bonds;
- (X) to decide on the merger, division, change of corporate form, dissolution and liquidation of the Company;
- (XI) to amend the Company's Articles of Association;

- (XII) to decide on the appointment, removal or non-reappointment of an accounting firm;
- (XIII) to review proposals raised by the shareholder(s) who individually or jointly represent(s) more than 3% of the total shares of the Company;
- (XIV) to consider and approve external guarantees as provided in Article 61;
- (XIV) to review the Company's loan (both within the annual budget and extra-annual budget), external investment, sale of assets, acquisition, lease, mortgage, pledge or any other matters in relation to asset disposal and guarantee with an amount of more than 30% of the Company's audited total assets for the latest period;
- (XV) to consider and approve matters relating to changes in the use of proceeds to decide on the repurchase of the Company's shares;
- (XVI) to review equity incentive scheme and employee incentive scheme;
- (XVII) to review other matters which, in accordance with the laws, regulations and Articles of Association of the Company, must be approved by a general meeting;
- ~~(XVIII)~~ to decide on other matters required by the listing rules of the stock exchange of the place where the Company's shares are listed;-
- (XX) the annual general meeting of the Company may grant the Board of Directors a mandate to decide on issuing shares not more than 20% of the total issued shares (or class shares, where applicable) of the Company for the time being to particular subjects, and the mandate shall elapse on the date of the next annual general meeting subject to relevant laws and regulations, normative documents and relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed.

The general meeting can authorise or entrust the Board of Directors to handle the matters authorised or entrusted thereby not in violation of laws and regulations and mandatory provisions under relevant laws and regulations of the listing place.

Article 5461 The following external guarantees of the Company shall be considered and approved by the shareholders' general meeting:

- (I) any guarantee provided after the total amount of external guarantees of the Company and its controlled subsidiaries exceeds 50% of the Company's most recent audited net assets;
- (II) any guarantee provided after the total amount of external guarantees of the Company exceeds 30% of the most recent audited total assets;
- (III) guarantees of the Company with an amount exceeding 30% of the Company's most recent audited total assets;

(IV) guarantees provided to subjects with an asset-liability ratio of over 70%;

(V) any single guarantee with an amount exceeding 10% of the most recent audited net assets;

(VI) guarantee provided to shareholders, de facto controllers and their related parties. ~~Provision of guarantee for the Company's shareholders or de facto controllers by the Company shall be resolved at the general meeting.~~

When the general meeting is considering a proposal to provide guarantee for any shareholder or de facto controller, the said shareholder or the shareholders controlled by the said de facto controller shall not participate in the voting on the said proposal, and the said proposal shall be subject to adoption by other attending shareholders holding more than half of the voting rights.

If any director, general manager or other senior management member violates the examination and approval right and consideration procedure concerning external guarantee specified in the laws, administrative regulations or the Articles of Association of the Company, the aforesaid person shall be liable for compensating the Company for any loss incurred thereto, and the Company may pursue action against the said person pursuant to law.

Article 5562 Save that the Company is under exceptional circumstances such as crisis, ~~The~~ the Company may not enter into any contract with anyone other than a director, ~~supervisor,~~ general manager and other senior management members to assign all or a significant part of the management of the Company's business to the said person, unless with being approved by way of special resolution at the prior approval of a general meeting.

Article 5663 There are two types of general meetings: the annual general meetings and the extraordinary general meetings. Annual general meeting shall be held once every year within six months after the end of the last accounting year.

Extraordinary general meeting shall be held when it is required. The Board of Directors shall hold an extraordinary general meeting within two months after the date on which any of the following circumstances occur:

- (I) the number of directors is less than the number stipulated by the *Company Law* or less than two-thirds of the number specified in the Articles of Association;
- (II) the outstanding losses of the Company amounted to one-third of the Company's total paid-in share capital;
- (III) shareholders individually or in aggregate holding more than 10% (inclusive) of the Company's shares request in writing that an extraordinary general meeting is convened;
- (IV) the Board of Directors deems necessary or the Board of Supervisors proposes that the meeting be convened;
- ~~(V) two or more independent non executive directors propose that the meeting be convened; and~~

(V~~4~~) other situations, as stipulated in laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed or the Articles of Association.

In the event of the aforesaid (III), ~~and (IV) and (V)~~, the topics of the meeting proposed by the requester shall be included in the agenda of the meeting.

Article 5764 If shareholders require convening an extraordinary general meeting ~~or class meeting~~, the following procedure shall be followed:

- (I) Shareholder(s) holding more than 10% of the Company's shares, individually or jointly, shall have the right to request the Board of Directors in writing to convene an extraordinary general meeting. The Board of Directors shall provide its written feedback on agreeing or disagreeing to convene an extraordinary general meeting within 10 days after receiving the proposal in accordance with the provisions of laws, administrative regulations and the Articles of Association.
- (II) If the Board of Directors agrees to convene an extraordinary general meeting, a notice of general meeting shall be issued within 5 days after the resolution of the Board of Directors meeting is made. The changes to the original proposal in the notice shall be subject to consent of the shareholders who make the said proposal.
- (III) If the Board of Directors disagrees to convene an extraordinary general meeting or fails to make any feedback within 10 days after receiving the proposal, shareholder(s) holding more than 10% of the Company's shares, individually or jointly, shall have the right to request the Board of Supervisors in writing to convene an extraordinary general meeting.
- (IV) If the Board of Supervisors agrees to convene an extraordinary general meeting, a notice of general meeting shall be issued within 5 days. The changes to the original proposal in the notice shall be subject to consent of the shareholders who make the said proposal.
- (V) If the Board of Supervisors fails to issue a notice of general meeting within a specified period, it shall be deemed that the Board of Supervisors shall not convene and preside over the general meeting, the shareholder(s) individually or jointly holding 10% or more of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting by himself/herself/themselves.

The Board of Supervisors or shareholders convene a general meeting because the Board of Directors fails to convene the meeting upon the aforementioned request, the reasonable expenses incurred shall be borne by the Company.

Where the Board of Supervisors or shareholders decide(s) to convene a general meeting by itself/themselves, it/they shall notify the Board of Directors in writing. Prior to the announcement of the resolution of the general meeting, the percentage of shares held by the convening shareholders shall not be less than 10%.

- ~~(I) Two or more shareholders jointly holding more than 10% (inclusive) of shares with voting rights at the general meeting to be convened may sign one or several written requests with the same format and content to propose to the Board to convene the extraordinary general meeting or class meeting, and specify the topics of the meeting. The Board shall convene the extraordinary general meeting or class meeting responsively after receipt of the aforesaid written request. The aforesaid amount of shareholding is calculated on the day when the shareholders tender the written request.~~
- ~~(II) If the Board fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the shareholders tendering the said request may request the Board of Supervisors to convene an extraordinary general meeting or class meeting.~~
- ~~(III) If the Board of Supervisors fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the shareholders individually or jointly holding more than 10% of shares with voting rights at the meeting to be convened for 90 consecutive days may by themselves convene a meeting within 4 months after the Board receives the said request, and the convening procedure shall to the extent possible be the same as the procedure by which the Board convenes the general meeting.~~

~~Where the shareholders convene a meeting because the Board or the Board of Supervisors fails to convene the meeting pursuant to the aforesaid provision, the reasonable expenses incurred shall be borne by the Company and shall be deducted from the monies payable by the Company to the defaulting directors or supervisors.~~

Article 5865 When the Company convenes a general meeting, shareholders individually or jointly holding more than 3% of the shares of the Company may submit an interim proposal in writing to the Board of Directors ten days before the general meeting is held. The Board of Directors shall notify other shareholders within two days upon receipt of the proposal, and submit the said interim proposal to the general meeting for deliberation. The contents of the interim proposal shall fall within the functions and powers of the general meeting, and the proposal shall have a clear topic and specific matters on which resolutions are to be made.

Article 5966 When the Company convenes an annual general meeting, the date and venue of the meeting and the matters to be considered at the meeting shall be notified to all shareholders 20 days before the meeting; the holding of an extraordinary general meeting shall be notified to all shareholders 15 days prior to the meeting. When calculating the starting period, the day on which the general meeting is convened by the Company shall be excluded.

~~The date of issue of the notice mentioned herein is the date upon which the Company or the share registry commissioned by the Company serves the relevant notice to the post office.~~

~~Save as otherwise provided in the Articles of Association, the notice of the general meeting shall be delivered to the shareholders (whether or not entitled to vote at the general meeting) by the means of notice as provided in the Articles of Association or other means as permitted by the stock~~

~~exchange(s) where the shares of the Company are listed courier or per paid mail to the recipient's address in the share register. For holders of domestic shares, the notice of the general meeting may also be issued by way of announcement.~~

~~The announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the securities regulatory authorities of the State Council during the period between 20 days to 25 days before the annual general meeting is held or between 15 days to 20 days before the extraordinary general meeting is held. Once the announcement is made, all holders of domestic shares shall be deemed to have received the notice of the relevant general meeting.~~

The notice of the general meeting issued to holders of overseas listed foreign shares may be published through the website designated by Hong Kong Stock Exchange and the Company's website, and once the notice is published, all holders of overseas listed foreign shares shall be deemed to have received the notice of the relevant general meeting.

Article 6067 The general meeting shall not resolve on matters not covered in the notice specified in Articles 65 and 66 of the Articles of Association.

Article 6168 The notice of a general meeting shall ~~meet the following requirements~~ include the following:

- ~~(I) it shall be made in writing;~~
- ~~(II) it shall specify the time, place and ~~date term~~ duration of the meeting;~~
- ~~(III) matters and proposals to be considered at the meeting it shall describe the matters to be discussed at the meeting;~~
- ~~(IV) it shall provide necessary information and explanations to the shareholders, so as to enable them to make informed decisions on the matters to be discussed. This principle shall apply (but not limited to) when the Company proposes a merger, repurchase of shares, reorganisation of share capital or other restructuring, and it shall provide the specific conditions and contracts (if any) of the transaction under discussions and earnestly explain the cause and result of the transaction;~~
- ~~(V) it shall disclose the nature and extent of material interests, if any, of any director, supervisor, general manager or other senior management members of the Company in any matter to be discussed; and provide an explanation of the differences, if any, between the way in which the matter to be discussed would affect such director, supervisor, general manager or other senior management members of the Company in his/her capacity as shareholders and the way in which such matter would affect other shareholders of the same class;~~
- ~~(VI) it shall contain the full text of any special resolutions proposed to be passed at the meeting;~~

~~(VII) it shall contain a conspicuous written statement that the shareholders all holders of ordinary shares are entitled to attend the general meeting and and vote have the right to appoint one or more proxies in writing to attend and vote on their behalf and that such proxy is not required to be a shareholder; and~~

(IV) the shareholding record date of the shareholders entitled to attend the general meeting.

Once a notice of general meeting is issued, the meeting shall not be postponed or cancelled and the resolutions contained in the notice shall not be withdrawn without proper reasons. In the event of postponement or cancellation, the convener shall announce and explain the reasons within two working days before the original date of meeting.

~~(VIII) it shall state the time and place for the delivery of the power of attorney for the voting proxy for the meeting.~~

Article 6269 The accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by any person entitled to receive such notice, shall not invalidate the meeting or the resolutions adopted thereat.

Article 6370 Where the election of directors and supervisors will be discussed at a general meeting, the notice of the general meeting shall, contain the details of the proposed directors and supervisors, including at least the following particulars:

(I) personal particulars such as education background, working experience and concurrent positions;

(II) whether there is any connected relationship with the Company or the controlling shareholder and de facto controller of the Company;

(III) shareholding in the Company; and

(IV) whether they have been subject to any penalties by the CSRC and other relevant departments.

~~Any shareholders entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who need not be a shareholder or shareholders) as his/her proxies to attend and vote on his/her behalf. Such proxy may exercise the following rights according to his/her entrustment by the shareholder:~~

~~(I) the shareholder's right to speak at the general meeting;~~

~~(II) the right to severally or jointly request to vote by ballot;~~

~~(III) the exercise of voting right by a show of hand or ballot. Where there is more than one proxy, the said proxies shall vote by ballot.~~

Article 6471 If an individual shareholder attends the meeting in person, such shareholder shall present his/her identity card and other valid certificates or evidence or stock account card which can be used to substantiate his/her identity. If a proxy is appointed to attend the meeting, the proxy shall present his/her valid identity card and proxy form issued by the shareholder.

With respect to a corporate shareholder, its legal representative or a proxy appointed by the legal representative shall attend the meeting. If the legal representative attends the meeting, he/she shall present his/her own identity card, valid proof evidencing his/her qualification of serving as the legal representative. If a proxy is appointed to attend the meeting, the proxy shall present his/her own identity card and the written proxy form issued in accordance with law by the legal representative of the corporate shareholder. The appointment of a proxy by a shareholder shall be in writing and signed by the appointer or the agent authorised by the shareholders in writing; or if the appointer is a legal person, shall be affixed with the legal person's seal or signed by its director or formally authorised agent.

Article 6572 ~~The power of attorney for voting shall be deposited at the domicile of the Company or such other place as specified in the notice of meeting at least 24 hours prior to the meeting at which the proxy is authorised to vote. Where such a power of attorney for voting is signed by a person authorised by the appointer, the power of attorney authorising signature or other authorisation documents shall be notarised. The notarised power of attorney or other authorisation documents shall, together with the power of attorney for voting, be deposited at the Company's domicile or at such other place as specified in the notice of meeting.~~

Where the appointer is a legal person, its legal representative or a person authorised by the Board of Directors or other decision-making body shall attend the general meeting of the Company as a representative.

If the shareholder is a Recognised Clearing House (or agent thereof) meeting the definitions in the relevant Hong Kong ordinances formulated from time to time, the said shareholder may authorise one or more persons as he/she deems appropriate to act as his/her proxy at any general meeting ~~or class meeting~~; however, where several persons are thus authorised, the power of attorney shall clearly state the number and class of the shares represented by each of the persons thus authorised. The power of attorney shall be signed by the persons authorised by the Recognised Clearing House. The person thus authorised may represent the Recognised Clearing House (or agent thereof) in exercising its rights at any meeting (without being required to present share certificate, certified power of attorney and/or further evidence of due authorisation) as if that person is an individual shareholder of the Company.

Article 6673 ~~Any form issued by the Board of Directors of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted during discussions at the meeting. The power of attorney shall specify that in the absence of instructions from the shareholder, whether or not the proxy may vote as he/she thinks fit.~~

Save as provided above, the aforesaid power of attorney shall also specify (I) the number of shares to be represented by the proxy, the name of the proxy; (II) whether or not the proxy has any voting right(s); (III) the respective instructions on voting in favour of, against or abstention from voting in respect of each item of businesses on the agenda of the general meeting of shareholders; whether or not the proxy has any voting right(s) in respect of interim proposals which may possibly be included in the agenda of the general meeting; and, if the proxy has such voting right(s), specific instructions as to the exercise of those voting rights;(IV) the date of issue and validity period; (V) the signature (or seal) of the proxy. In case the proxy is a corporate shareholder, the proxy form shall be affixed with the corporate's seal thereon. ~~If several persons are appointed as the shareholder's proxies, the power of attorney shall specify the number of shares to be represented by each proxy.~~

~~Any proxy attending a general meeting on behalf of a shareholder shall present his/her identity certificate and power of attorney signed by the appointer or the appointer's legal representative, which power of attorney shall specify the date of issue. Where a legal person shareholder appoints its legal representative to attend the meeting, the legal representative shall present his/her identity certificate and the copy of the notarised certified resolutions of the Board or other authorities of the legal person appointing the said legal representative or other certified copy permitted by the Company.~~

~~**Article 74** If, before voting, the appointer has passed away, lost his/her ability to act, withdrawn the appointment, withdrawn the authorisation to sign the power of attorney, or transferred relevant shares, the vote cast by the proxy in accordance with the power of attorney shall remain valid so long as the Company has not received the written notice regarding such matters before the commencement of relevant meeting.~~

Article 6775 General meetings shall be convened and presided over by the chairman. Where the chairman cannot or does not fulfil the duty thereof, the meeting shall be presided over by a director selected by a majority of directors ~~the Board of Directors may designate a director of the Company to convene and preside over the meeting in proxy; if no person is designated to preside over the meeting, the attending shareholders may elect a person to preside over the meeting; if for any reason the shareholders cannot elect a person to preside over the meeting, the shareholder (including proxies thereof) holding the most voting shares among the attending shareholders (except the HKSCC Nominees) shall preside over the meeting.~~

A general meeting convened by the Board of Supervisors itself shall be presided over by the chairman of the Board of Supervisors. Where the chairman of the Board of Supervisors cannot or does not fulfil the duty thereof, more than half of the supervisors may jointly elect a supervisor to preside over the meeting.

A general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener.

Where a general meeting is held and the chairman of the meeting violates the rules of procedure which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as chairman, subject to the approval of more than half of the attending shareholders having the voting rights. If for any reason the shareholders cannot elect a person to preside over the meeting, the shareholder (including proxies thereof) holding the most voting shares among the attending shareholders shall preside over the meeting.

Article 6876 Resolutions of a general meeting are divided into ordinary resolutions and special resolutions.

Ordinary resolutions shall be passed by votes representing more than half of the voting rights held by shareholders (including proxies thereof) attending the general meeting.

Special resolutions shall be passed by votes representing more than two thirds of voting rights held by shareholders (including proxies thereof) attending the general meeting.

The attending shareholders (including proxies thereof) shall declare their affirmative, negative or abstention votes on every issue to be voted on. ~~Abstentions will not be counted when the Company calculates the voting results concerning the said issue.~~

Article 6977 Shareholders (including proxies thereof) who vote at a general meeting shall exercise their voting rights in proportion to the amount of voting shares they represent. Each share carries the right to one vote. However, the Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the general meeting.

According to applicable laws and regulations and the *Main Board Listing Rules*, where any shareholder is required to waive his/her voting rights or is restricted to cast only affirmative or negative vote on a certain resolution, any vote cast by the said shareholder or proxy thereof in violation of the relevant provisions or restrictions shall not be counted into the voting results.

Article 7078 Voting at general meetings shall be conducted by show of hands unless otherwise specified in the applicable listing rules of the place of listing or other securities laws and regulations; ~~or the following persons requiring voting by ballot, before or after voting by show of hands:~~

- ~~(I) chairman of the meeting;~~
- ~~(II) at least two shareholders with voting rights or proxies thereof;~~
- ~~(III) shareholder(s) (including proxies thereof) severally or jointly holding more than 10% (inclusive) of shares with voting rights at the meeting.~~

~~Unless anybody requires voting by ballot, the chairman of the meeting shall announce the result of voting by show of hands on proposals, which result shall be recorded in the minutes as final evidence, without specifying the number or percentage of pros for or cons against the resolutions adopted at the meeting.~~

~~The request for voting by ballot may be revoked by the person tendering the request.~~

Article 7179 If the issue required to be voted by ballot relates to election of chairman or termination of meeting, voting by ballot shall be conducted immediately; in respect of other issues required to be voted by ballot, the chairman may decide the time of voting by ballot, and the meeting may proceed to consider other issues, and the voting results shall be deemed as resolutions passed at the said meeting.

Article 7280 On a poll, a shareholder (including proxy thereof) entitled to two or more votes needs not cast all his/her votes in the same way of pros, cons or abstention.

Article 7384 In case of an equality of votes, the chairman of the meeting shall be entitled to an additional vote.

Article 7482 The following matters shall be approved by ordinary resolutions at a general meeting:

- (I) working reports of the Board of Directors and the Board of Supervisors;
- (II) profit distribution proposals and loss recovery proposals formulated by the Board of Directors;
- (III) appointment and removal of members of the Board of Directors and the Board of Supervisors (excluding employee representative supervisors), their remunerations and methods of payment;
- (IV) annual financial budgets, final accounts, annual reports ~~balance sheets, income statements and other financial statements~~ of the Company; and
- (V) other matters than those that should be passed by special resolutions pursuant to the laws, administrative regulations or the Articles of Association.

Article 7583 The following matters shall be approved by special resolutions at a general meeting:

- (I) increase or reduction of the Company's share capital or issuance of any class of shares, warrants and other similar securities;
- ~~(II) issuance of bonds of the Company;~~
- ~~(III) division, merger, dissolution and liquidation of the Company;~~
- ~~(III~~V~~)~~ change of corporate form;

- (IV) loan (both within the annual budget and extra-annual budget), external investment, sale of assets, acquisition, lease, mortgage, pledge or any other matters in relation to asset disposal and guarantee with an amount of more than 30% of the Company's audited total assets for the latest period;
- (VI) amendment to the Articles of Association and consideration and approval of the articles of association formulated by the Board of Directors;
- (VII) consideration and implementation of the equity incentive scheme;
- (VIII) any other matter specified in the laws, administrative regulations or the Articles of Association and confirmed by an ordinary resolution at a general meeting that it may have material impact on the Company and accordingly shall be approved by special resolutions.
- (IX) other matters requiring adoption by special resolutions pursuant to the *Main Board Listing Rules*.

Article 7684 When convening a ~~If the general meeting requires,~~ all the directors, supervisors, and secretary of the Board of Directors shall attend the meeting, and the general manager and senior management members of the Company shall be present at ~~to attend the meeting, they shall attend the meeting.~~ The directors, supervisors, general manager and other senior management members ~~attending or present at the meeting shall answer or explain inquiries made by shareholders except that the business secrets of the Company are involved and cannot be disclosed at the general meeting.~~

Article 7785 The chairman of the meeting shall be responsible for determining whether a resolution has been passed pursuant to voting results. His/her decision, ~~which shall be final and conclusive,~~ shall be announced at the meeting and recorded in the minutes.

Article 7886 The method and procedure for nomination of directors and supervisors (excluding employee representative supervisors) to be elected at a general meeting are as follows:

- (I) shareholder(s) severally or jointly holding more than 3% of the outstanding voting shares of the Company may propose in writing director candidates or supervisor candidates who are not employee representatives to the general meeting, but the number of nominees shall comply with the Articles of Association and shall not exceed the number of directors or supervisors to be elected. ~~The said proposals shall be submitted to the Company at least 7 days before convening of the general meeting.~~
- (II) directors or supervisors may propose a list of director or supervisor candidates as per the number specified in the Articles of Association and the number of the directors or supervisors to be elected and submit it to the Board of Directors and the Board of Supervisors for examination respectively. After the Board of Directors or the Board of Supervisors examined the list and resolved on the candidates of directors or supervisors, they shall submit the results to the general meeting through written proposal.

~~(III) the written notice of the intention to nominate director candidates or supervisor candidates who are not employee representatives and the nominee's will to accept the nomination, as well as relevant written documents about the information of the nominee shall be submitted to the Company at least 7 days before convening of the general meeting (The 7 day notice period shall start no earlier than the next day after the issue of the notice of the meeting for such election designated and end no later than 7 days prior to the general meeting). The Board of Directors and the Board of Supervisors shall provide shareholders with the brief biographies and background information of the director or supervisor candidates.~~

~~(IV) the period given by the Company to nominate director or supervisor candidates and nominees for submitting the aforesaid notice and documents (the period shall be calculated from the day following the date of issue of the notice of general meeting) shall not be less than 7 days.~~

~~(V) the director or supervisor candidates other than directors and supervisors selected on a cumulative voting system shall be voted on separately at the general meeting.~~

~~(VI) in the event of a temporary vacancy of director or supervisor, the Board of Directors or the Board of Supervisors shall propose to elect or replace one at the general meeting.~~

Article 7987 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote, he/she may have the ballots counted. If the chairman of the meeting has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the voting result, demand that the ballots be counted and the chairman of the meeting shall have the ballots counted immediately.

~~**Article 8088** If ballots are counted at a general meeting, the counting result shall be recorded in the meeting minutes.~~

The minutes together with the attendance record of shareholders and the powers of attorney of the proxies shall be kept at the domicile of the Company.

~~**Article 89** Shareholders may have access to copies of the minutes free of charge during the office hours of the Company. If any shareholder asks for copies of relevant meeting minutes, the Company shall send out the said copies within 7 days upon authentication of the said shareholder and receipt of reasonable expenses.~~

~~Chapter 9 Special Voting Procedures for Class Shareholders~~

~~**Article 90** Holders of different classes of shares are class shareholders.~~

~~Class shareholders shall enjoy rights and assume obligations pursuant to the laws, administrative regulations and the Articles of Association.~~

~~Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be shareholders of different classes. If the share capital of the Company includes shares without voting rights, such shares shall be specified as “Without Voting Right”.~~

~~If the share capital includes shares with different voting rights, each class of shares (except those with most preferential voting right) shall be specified as “Restricted Voting Right” or “Limited Voting Right”.~~

~~**Article 91** Any proposed change or annulment by the Company to the rights of class shareholders shall not come into effect unless approved by special resolutions at a general meeting and a separate general meeting convened by the class shareholders so affected in accordance with Articles 93 to 97 of the Articles of Association.~~

~~Where any change in domestic and overseas laws, administrative regulations and listing rules of the place of listing or any decision made by the domestic or overseas regulatory authority gives rise to change or annulment of the rights of class shareholders, approval by a general meeting or class meeting is unnecessary.~~

~~Where the holders of domestic shares of the Company transfer all or part of their shares to overseas investors and list the said shares overseas, or convert all or part of their domestic shares into foreign shares and list the said shares on overseas stock exchanges, it shall not be deemed that the Company proposes to change or annul the rights of class shareholders.~~

~~**Article 92** The rights of a certain class shareholder shall be deemed to have been changed or abrogated in the following conditions:~~

- ~~(I) an increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;~~
- ~~(II) conversion of all or part of the shares of such class into shares of another class, or vice versa or the grant of a right to convert;~~
- ~~(III) cancellation or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;~~
- ~~(IV) reduction or cancellation of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of such class;~~
- ~~(V) an addition, cancellation or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights of placing or rights to acquire securities of the Company attached to shares of such class;~~
- ~~(VI) cancellation or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;~~

- ~~(VII) creation of a new class of shares with voting rights, distribution rights or other privileges which are equal or superior to those of the shares of such class;~~
- ~~(VIII) imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;~~
- ~~(IX) issue of rights to subscribe for, or convert into, shares of such class or another class;~~
- ~~(X) an increase in the rights and privileges of shares of another class;~~
- ~~(XI) restructuring of the Company which causes shareholders of different classes to bear liability on a disproportionate basis during the restructuring; and~~
- ~~(XII) an amendment or cancellation of any provision of this chapter.~~

~~**Article 93** Where issues specified in (II) to (VIII), (XI) to (XII) of Article 92 of the Articles of Association are involved, the affected class shareholders, whether or not they are entitled to vote at general meetings originally, shall have the right to vote at class meetings. However, interested shareholder(s) shall not be entitled to vote at such class meetings.~~

~~Interested shareholders as specified in the preceding paragraph refer to:~~

- ~~(I) if the Company has made a repurchase offer to all shareholders in the same proportion or has repurchased its own shares through open transactions on the Hong Kong Stock Exchange in accordance with Article 28 of the Articles of Association, the controlling shareholders as defined in Article 58 of the Articles of Association shall be “interested shareholders”;~~
- ~~(II) if the Company has repurchased its own shares by an agreement outside the Hong Kong Stock Exchange in accordance with Article 28 of the Articles of Association, shareholders in relation to such an agreement shall be “interested shareholders”;~~
- ~~(III) under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest that is different from the interest of other shareholders of the same class shall be “interested shareholders”.~~

~~**Article 94** Resolutions of a class meeting shall be approved by votes representing more than two thirds of voting rights of shareholders of that class present at the meeting who, in accordance with Article 93 of the Articles of Association, are entitled to vote at the meeting.~~

~~**Article 95** The written notice of class meeting of the Company shall be sent at the same time as that of non class meeting proposed to be convened together, to inform all the registered shareholders of that class of the matters to be examined at the meeting as well as the date and place of the meeting.~~

~~The duration of the aforesaid period shall not include the day on which the meeting is convened.~~

~~Where the relevant laws, regulations of the PRC and the listing rules of the place where the Company's shares are listed have special provisions, such provisions shall apply.~~

~~**Article 96** Notice of class meetings needs to be delivered only to the shareholders who are entitled to vote thereat.~~

~~The procedures pursuant to which a class meeting is held shall, to the extent possible, be identical to the procedures according to which a general meeting is held. Provisions of the Articles of Association in relation to procedures for the holding of a general meeting shall be applicable to class meetings.~~

~~**Article 97** Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be shareholders of different classes. The special voting procedures for class shareholders shall not apply in the following circumstances:~~

- ~~(I) where, as approved by way of a special resolution of the general meeting, the Company issues, either separately or concurrently, domestic shares and overseas listed foreign shares every 12 months, and the number of the domestic shares and overseas listed foreign shares intended to be issued does not exceed 20% of the issued and outstanding shares of the respective categories;~~
- ~~(II) where the plan for, issuance of domestic shares and overseas listed foreign shares upon the incorporation of the Company is completed within 15 months since being approved by the securities regulatory authorities of the State Council;~~
- ~~(III) where the holders of domestic shares of the Company transfer their shares to the foreign investors and such shares are listed on an oversea stock exchange after approval from the securities regulatory authorities of the State Council;~~
- ~~(IV) all or part of domestic shares are converted into foreign shares and the converted foreign shares are listed on overseas stock exchanges.~~

Chapter 10 Board of Directors

Section 1 Directors

~~**Article 8198** Directors shall be elected or replaced by the general meeting and serve a term of office of three years. A director may serve consecutive terms if re-elected upon the expiration of his/her term. However, the successive terms of independent non-executive directors shall not exceed nine years. Where the listing rules or law and regulations of the place where the Company's shares are listed have special provisions, such provisions shall apply.~~

The term of a director shall start from the date on which the said director assumes office to the expiry of the current Board. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until a duly reelected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

Article 8299 A director may resign before his/her term of office expires. In resigning his/her duties, a director shall tender a written resignation to the Board of Directors. The Board of Directors will disclose relevant information as soon as possible.

If any director resigns so that the membership of the Board of Directors falls short of the quorum, the said director shall continue fulfilling the duties as director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until a new director is elected.

Save as provided in the preceding paragraph, a director's resignation shall be effective when his/her resignation is served to the Board of Directors.

~~Subject to relevant laws and regulations and regulatory rules of the listing place of the Company, if the Board appoints a new director to fill a temporary vacancy, the appointed director shall be subject to election by shareholders at the first general meeting after the appointment.~~

~~Any person appointed as director by the Board to fill a temporary vacancy or add the quota of directors of the Board shall serve until the next annual general meeting of the Company, at which time the said person is eligible for re-election.~~

~~The Company is entitled to dismiss any director (including managing director or other executive director) within his/her term of office by an ordinary resolution at the general meeting provided that no provision is made in laws (however, the claim of such director for damage compensation under any contract shall not be affected).~~

~~A notice of the intention to elect a person as director and a notice by that person indicating his/her acceptance of such election shall be given to the Company at least 7 days in advance.~~

~~The period of the aforesaid notice shall commence on the date on which the Company issues the notice of meeting for the election and shall end no later than 7 days (or earlier) prior to the date appointed for the meeting.~~

Article 83100 If resignation of a director takes effect or if his/her term of office expires, the said director shall go through all handover formalities with the Board of Directors. His/her honest obligation to the Company and shareholders thereof shall not terminate automatically ~~at~~ within two years after the end of his/her term of office but shall still be valid ~~within the reasonable period specified in the Articles of Association.~~

Article 84101 If any director fails to attend Board of Directors meetings in person or by proxy for two consecutive times, the said director shall be deemed incapable of performing his/her duties, and the Board of Directors shall suggest that the general meeting dismiss the said director.

Article ~~85102~~ The Company shall have independent non-executive directors. Unless otherwise specified in this section, the provisions on the qualifications and obligations of directors in Chapter 14 of the Articles of Association shall apply to independent non-executive directors. At least one independent non-executive director of the Company shall be an accounting professional. Independent non-executive directors shall honestly fulfil their duties and protect the interests of the Company, in particular the legitimate rights and interests of public shareholders, to ensure the sufficient representation of the interests of all shareholders.

Article ~~86103~~ If any director leaves his/her office without authorisation or violates the laws, administrative regulations, departmental rules or the Articles of Association in fulfilling his/her duties before his/her term of office expires, thereby incurring any loss to the Company, the said director shall be liable for compensation.

Article ~~87104~~ Save as specified in the Articles of Association or properly authorised by the Board of Directors, no director shall act on behalf of the Company or the Board of Directors in his/her personal name. If a director acts in his/her own name but a third party may reasonably think the said director is acting on behalf of the Company or the Board of Directors, the said director shall make a prior statement of his/her standpoint and capacity.

Section 2 Board of Directors

Article ~~88105~~ The Company shall establish a Board of Directors, which shall comprise of six to nine directors. The number of independent non-executive directors, at any time, shall be at least 3, and shall represent more than one third of members of the Board of Directors.

Independent non-executive directors may directly report to the general meeting, the securities regulatory authorities of the State Council and other relevant authorities.

A director may serve concurrently as general manager or other senior management member, but the directors serving concurrently as such and employee representative holding the office of director shall not be more than half of the directors of the Company.

The Board of Directors shall have one chairman. The chairman shall be elected or removed by more than half of all the directors, shall serve a term of three years, and is eligible for re-election.

~~The number of senior management members of the controlling shareholders serving concurrently as chairman or executive directors of the Company shall not exceed 2.~~

~~Directors need not hold shares of the Company.~~

An independent non-executive director shall serve a term of three years and is eligible for re-election. ~~If the independent director has served for~~ but no more than nine years. ~~whether or not he/she will be reelected shall be approved by shareholders through an independent resolution upon consideration. The documents attached to the resolution sent to shareholders shall specify why the~~

~~Board considers the said person is independent and believes the said person should be reelected~~
Where the listing rules or law and regulations of the place where the Company's shares are listed have special provisions, such provisions shall apply.

Article 89106 The Board of Directors shall be accountable to the general meeting and exercise the following functions and powers:

- (I) to convene general meetings, make proposals or motions to the general meeting, propose relevant matters to the general meetings for adoption and report on its work to the general meeting;
- (II) to implement the resolutions of the general meetings;
- (III) to decide on the Company's operational plans and investment proposals;
- (IV) to formulate proposals for the Company's annual financial budgets and final accounts;
- (V) to formulate the Company's profit distribution proposals and loss recovery proposals;
- (VI) to formulate proposals for the increase or reduction of the Company's registered capital, the issue of shares, corporate bonds or other securities, and the listing;
- (VII) to formulate proposals for acquisition and disposal of the Company's material assets, repurchase of shares of the Company, or merger, division, dissolution and change of corporate form;
- (VIII) to decide on the setup of the Company's internal management organs;
- (IX) to appoint or dismiss the Company's general manager or secretary to the Board of Directors and, based on the general manager's nomination, to appoint or dismiss the Company's deputy general manager, financial officer and other senior management members;
- (X) to decide on the remunerations of and rewards and punishments for the aforesaid senior management members;
- (XI) to formulate the Company's basic management system;
- (XII) to formulate proposals for any amendment to the Articles of Association and formulate the articles of association;
- (XIII) to consider matters including investment, acquisition or disposal of assets, financing, connected transactions which should be resolved on by the Board of Directors pursuant to the Listing Rules of the Hong Kong Stock Exchange;
- (XIV) to propose to the general meeting to appoint or replace the accounting firm which audits the Company's accounts;

(XV) to hear the work report of the general manager of the Company and examine on the general manager's work;

(XVI) to decide on the loan (both within the annual budget and extra-annual budget), external investment, sale of assets, acquisition, lease, mortgage, pledge or any other matters in relation to asset disposal and guarantee with an amount of more than 10% but less than 30% of the Company's audited total assets for the latest period;

(XVII) to resolve on the important issues of the Company other than those which should be resolved at general meetings pursuant to the *Company Law* and the Articles of Association;

(XVIII) to exercise other functions and powers conferred by the laws and regulations, the Listing Rules of the Hong Kong Stock Exchange, the Articles of Association or the general meeting.

The Board of Directors shall also be responsible for the following issues:

(I) to formulate the Company's corporate governance system and review and improve its corporate governance;

(II) to review and supervise the training for and continuous professional development of the directors and senior management members;

(III) to review and supervise the systems formulated and observation thereof by the Company and make relevant disclosures as per the laws and relevant provisions of the securities regulatory authority of the place where the Company's shares are listed;

(IV) to work out the Company's code of conduct and relevant compliance manual for its employees and directors, and review and supervise their behaviors.

The Board of Directors shall be responsible for the above corporate governance functions and may also assign its responsibilities to one or more special committees under it.

~~The Board may resolve on the issues specified in the preceding paragraph by approval of more than half of the directors save for the issues specified in (VI), (VII) and (XII) or other listing rules, in which approval of more than two thirds of the directors is required.~~

Resolutions made by the Board of Directors in relation to connected transactions shall not be valid unless signed by the independent non-executive directors.

~~**Article 107** For the disposal of any fixed assets by the Board, if the aggregate of the expected value of the fixed assets proposed to be disposed of and the value of the fixed assets which had been disposed of within 4 months preceding such proposal for disposal exceeds 33% of the value of the fixed assets value as shown in the most recent balance sheet considered at a general meeting, the Board shall not dispose of or approve the disposal of such fixed assets without the approval by the general meeting.~~

~~The disposal of fixed assets referred to in this article includes the transfer of interests of certain assets, but excludes the provision of fixed assets as pledges to any guarantees.~~

~~Any breach of paragraph 1 of this article shall not affect the validity of any transaction entered into by the Company in disposing of fixed assets.~~

Article 90108 The chairman shall exercise the following functions and powers:

- (I) to preside over general meetings, and convene and preside over Board of Directors meetings;
- (II) to supervise and examine the implementation of the resolutions of the Board of Directors;
- (III) to sign the shares, corporate bonds and other securities issued by the Company;
- (IV) to sign important documents of the Board of Directors and other documents that should be signed by the legal representative of the Company, and exercise functions and powers of the legal representative;
- (V) in case of force majeure or major emergency in which a Board of Directors meeting cannot be held in time, to exercise the special right of disposal in respect of the business of the Company in compliance with laws and in the interests of the Company, and report to the Board of Directors afterwards;
- (VI) to organise formulation of regulations on the operation of the Board of Directors, and coordinate the operation of the Board of Directors;
- (VII) to listen to regular or irregular work reports of the senior management members of the Company, and propose guiding opinions on implementation of the resolutions of the Board of Directors;
- (VIII) to nominate candidates for the general manager of the Company and secretary to the Board of Directors;
- (IX) to handle external affairs on behalf of the Company and sign economic contracts concerning investments, cooperative operations, joint ventures and loans;
- (X) to exercise other functions and powers specified in relevant laws, regulations or the Articles of Association and granted by the Board of Directors.

Where the chairman cannot fulfill his functions and powers, more than half of the directors may jointly elect a director to preside over the meeting.

Where necessary, the Board of Directors may authorise the chairman to exercise part of the functions and powers of the Board of Directors while the Board of Directors is not in session.

Article 91409 The Board of Directors shall meet regularly and Board of Directors meetings shall be held at least four times a year, and shall be convened by the chairman. A written notice shall be sent to all the directors and supervisors at least 14 days prior to the convening of the meeting.

In the event of any of the following, the chairman shall convene and preside over a provisional Board of Directors meeting within 10 days after receipt of the proposal:

(I) It is proposed by shareholders representing more than one tenth of the voting rights;

(II) It is jointly proposed by more than one third of the directors;

~~(III) It is proposed by the chairman;~~

~~(IV) It is proposed by more than two or more independent non-executive directors;~~

~~(V)~~ It is proposed by the Board of Supervisors;

~~(VI) It is proposed by the general manager;~~

~~(VII)~~ If any other circumstance as specified in the Articles of Association or relevant laws and regulations occurs.

Article 92440 A regular meeting of the Board of Directors shall be notified to all the directors, supervisors and general manager 14 days prior to the convening of the meeting, and an interim meeting shall be notified to all the directors, supervisors and general manager five days prior to the convening of the meeting. The responsible organ of the Company shall submit a written notice of the meeting to all the directors, supervisors and general manager by direct service, fax, express mail or other means of electronic communication. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.

Where a provisional Board of Directors meeting needs to be convened as soon as possible in emergency, the notice of meeting may be sent by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.

Article 93444 A Board of Directors meeting shall be attended by more than half of the directors.

Every director shall have the right to one vote. Resolutions made by the Board of Directors shall be approved by more than half of all the directors, save as otherwise specified by laws, administrative regulations and the Articles of Association.

~~If the pros and cons are the same, the chairman shall be entitled to an additional vote.~~

Article 94112 Directors shall attend Board of Directors meetings in person. Where any director cannot attend the meeting for any reason, he/she may appoint another director in writing to attend the meeting on his/her behalf, with the form of proxy containing the name of the proxy, the matters delegated, the scope of authorisation and the validity period of such authorisation, and being signed or stamped by the appointer~~with the power of attorney specifying the scope of authorisation.~~

The director attending the meeting on behalf of another director shall exercise rights within the range authorised. Where a director is not present at a Board of Directors meeting and also fails to appoint a proxy to act on his/her behalf, the said director shall be deemed to have waived his/her rights to vote at the meeting.

Article 95113 In respect of any important issue to be decided by the Board of Directors of the Company, a notice and adequate information shall be sent to all the directors before the deadline specified in the Articles of Association, in strict accordance with the specified procedure. The director may request additional information. Where more than one fourth of the attending directors or more than two independent non-executive directors think they cannot make judgments on relevant issues due to inadequate information or other reasons, they can jointly propose to adjourn the Board of Directors meeting or suspend discussing some topics considered at the said meeting, and the Board of Directors shall approve such proposal.

Article 96114 The Board of Directors shall file resolutions of the meeting as minutes, which shall be signed by the attending directors and the minutes recorder. The directors shall be responsible for the resolutions passed at the Board of Directors meeting. Where a resolution of the Board of Directors violates any law, administrative regulation or the Articles of Association, thereby causing serious losses to the Company, the directors participating in the resolution shall be liable for compensation to the Company; however, the director may be exempted from liability if it is proved that he/she expressed his/her objection at the time of voting, which is recorded in the minutes of the meeting. Any attending director shall be entitled to have an explanatory note made in the minutes regarding his/her speech at the meeting. The minutes of Board of Directors meetings shall be kept as archives of the Company by the secretary to the Board of Directors for 10 years.

Section 3 Special Committees under the Board of Directors

Article 97115 The Board of Directors shall have three special committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. The composition and rules of procedure of the special committees shall be separately agreed upon by the Board of Directors. Where necessary, the Board of Directors may set up other special committees. The special committees are ad hoc committees under the Board of Directors which provide suggestions or advisory opinions for the Board of Directors on important decisions. A special committee may not make any resolution on behalf of the Board of Directors, but may exercise decision-making power on matters authorised by the Board of Directors under its special authority.

Chapter 11 Secretary to the Board of Directors of the Company

Article ~~98116~~ The Company shall have one secretary to the Board of Directors. The Secretary to the Board of Directors shall be a member of the senior management of the Company.

Article ~~99117~~ The secretary to the Board of Directors of the Company shall be a natural person who has the requisite professional knowledge and experience, and shall be nominated by the chairman, appointed or dismissed by the Board of Directors. His main duties include:

- (I) ensure that the Company has complete organisation documents and records; keep and manage the information of shareholders; help directors with the daily work of the Board of Directors;
- (II) organise and arrange for Board of Directors meetings and general meetings; prepare meeting materials, handle relevant meeting affairs; make minutes of the meetings and ensure their accuracy; prepare and maintain the documents and records of the meeting and take the initiative in the implementation of the relevant resolutions. report and make recommendations to the Board of Directors on important issues in implementation;
- (III) act as the liaison officer of the Company with the securities regulatory authorities, be responsible for organising preparation and timely submission of the reports and documents required by the regulatory authorities as well as accepting and organising the implementation of any assignment from the regulatory authorities;
- (IV) coordinate and organise the Company's information disclosure; establish and improve the information disclosure system; attend all of the Company's meetings involving information disclosure; and keep informed of the Company's material operation decisions and relevant information;
- (V) ensure that the share register of the Company is established appropriately and that the persons who have the right of access to the relevant records and documents of the Company obtain the same in due time;
- (VI) be responsible for addressing information disclosure of the Company, lead the formulation and execution of the information disclosure management system and the internal reporting system of important information, and urge the Company and relevant parties to fulfill the information disclosure obligation according to laws;
- (VII) handle and coordinate public relations between the Company and relevant regulatory agencies, intermediaries and the media;
- (VIII) perform other functions and powers as conferred by the Board of Directors as well as other functions and powers as required by the laws, regulations and the stock exchange of the place where the Company's shares are listed.

Article ~~100448~~ A director or other senior management members of the Company may serve concurrently as secretary to the Board of Directors. The accountants of the accounting firm engaged by the Company and management personnel of controlling shareholders shall not serve concurrently as secretary to the Board of Directors.

~~In the event a director serves concurrently as secretary to the Board, where any act requires to be executed by the director and the secretary to the Board separately, the said director serving concurrently as secretary to the Board shall not execute the said act in both capacities.~~

Chapter 12 General Manager and Other Senior Management Members

Article ~~101449~~ The Company shall have one general manager, who shall be nominated by the chairman and appointed or dismissed by the Board of Directors. A director may serve concurrently as general manager, deputy general manager or other senior management member, but the number of directors serving concurrently as such and directors who are employee representatives shall not be more than half of the directors of the Company.

Article ~~102420~~ The general manager may serve a term of three years and may serve consecutive terms upon reappointment.

Article ~~103424~~ The general manager shall be accountable to the Board and exercise the following functions and powers:

- (I) manage the business operations of the Company and report to the Board of Directors;
- (II) organise the implementation of resolutions of the Board of Directors, annual business plans and investment plans of the Company;
- (III) draft the Company's basic management system and plans for the establishment of the internal management structure of the Company;
- (IV) formulate the specific rules of the Company;
- (V) propose to the Board of Directors to appoint or dismiss the deputy general manager, financial officer and other senior management members of the Company;
- (VI) appoint or dismiss management personnel and general staff other than those that should be appointed or dismissed by the Board of Directors, propose policies on the salaries, welfares, rewards and penalties related to the employees of the Company;
- (VII) propose the convening of a provisional Board of Directors meeting;
- (VIII) decide on other issues of the Company within the authority granted by the Board of Directors;

(IX) decide on the loan (both within the annual budget and extra-annual budget), external investment, purchase or sale of assets, acquisition, lease, mortgage, pledge or any other matters in relation to asset disposal and guarantee with an amount of less than 10% of the Company's audited total assets for the latest period;

(X) exercise other functions and powers conferred in the Articles of Association and by the Board of Directors . The senior management members other than the general manager shall assist the general manager in his work and may exercise part of his/her functions and powers upon his/her entrustment.

Article ~~104122~~ The general manager shall attend Board of Directors meetings, and if he/she is not a director, he/she shall not have any voting right at Board of Directors meetings.

Article ~~105123~~ In exercising functions and powers, the general manager of the Company shall fulfil the obligation of honesty and diligence in accordance with laws, administrative regulations and the Articles of Association.

Article ~~106124~~ The Company shall have one financial officer, who shall be appointed or dismissed by the Board of Directors, and shall be accountable to the Board of Directors and the general manager.

Chapter 13 Board of Supervisors

Article ~~107125~~ The Company shall have a Board of Supervisors, which shall perform supervisory functions according to laws, administrative regulations and the Articles of Association.

Article ~~108126~~ The Board of Supervisors shall comprise three supervisors, one of whom shall be the chairman of the Board of Supervisors. Each supervisor shall serve a term of three years, which is renewable upon re-election and re-appointment.

The chairman shall be appointed or dismissed by more than half ~~votes of more than two thirds (inclusive)~~ of the members of the Board of Supervisors.

Article ~~109127~~ The Board of Supervisors shall comprise two shareholder representatives and one employee representative. In particular, shareholder representatives shall be elected and dismissed at general meetings, and the employee representative supervisor shall be elected democratically at the employee representatives' meetings, employees' meetings or in other forms.

~~The Board of Supervisors shall have more than half of external supervisors (referring to supervisors not holding any post in the Company, including shareholder representative supervisors, same below), who shall have the right to independently report to the general meeting in respect of the honesty and due diligence of the senior management members.~~

Article ~~110128~~ Directors, general manager and other senior management members of the Company shall not serve as supervisors concurrently.

Article ~~111429~~ The Board of Supervisors shall be accountable to the general meeting and shall exercise the following functions and powers in accordance with the law:

- (I) to review and issue written review comments on the regular reports of the Company prepared by the Board of Directors;
- (II) to supervise the actions of directors, general manager and other senior management members ~~to ensure that they do not act in contravention of any laws, administrative regulations or the Articles of Association~~ during the performance of their functions, and to propose removal of directors and senior management members who have violated laws, administrative regulations, the Articles of Association or the resolutions of the general meetings;
- (III) to require directors and senior management members to make corrections if their conduct has damaged the interests of the Company;
- (IV~~H~~) to review the financial position of the Company;
- (~~F~~V) to verify the financial information such as the financial report, business report and profit distribution proposal to be submitted by the Board of Directors to the general meetings and to appoint, in the name of the Company, certified public accountants and practicing auditors to assist in the re-examination of such information should any doubt arise in respect thereof;
- (VI) to propose the convening of extraordinary general meetings and, in case the Board of Directors does not perform the obligations to convene and preside over the general meetings in accordance with *Company Law*, to convene and preside the general meetings;
- (VII) to submit proposals to the general meeting;
- (VIII) to propose the convening of a provisional Board of Directors meeting;
- (~~VIII~~X) to initiate legal proceedings against directors and senior management members in accordance with ~~Article 151~~ of the *Company Law*;
- (IX) to exercise other functions and powers stipulated by laws, administrative regulations and the Articles of Association.

Supervisors shall attend Board of Directors meetings.

Article ~~112430~~ Meetings of the Board of Supervisors shall be held at least once every six months, and shall be convened by the chairman of the Board of Supervisors. The notice of the meeting shall be served on all the supervisors in writing ten days prior to the convening of the meeting. Where the chairman of the Board of Supervisors cannot or does not fulfill the duties thereof, more than half of the supervisors may elect a supervisor to convene and preside over the meetings of the Board of Supervisors.

Supervisors may propose to convene a provisional meeting of the Board of Supervisors. Where the Board of Supervisors holds regular or temporary meetings, the staff of the Board of Supervisors shall, within a reasonable period of time in advance, submit a written notice of the meeting to all supervisors by direct service, fax, e-mail or other means. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.

Where a provisional meeting of the Board of Supervisors needs to be convened in emergency, the notice of the meeting may be sent at any time by telephone or by other verbal means, but the convener shall make explanations at the meeting.

Article ~~113131~~ Rules of procedure: At meetings of the Board of Supervisors, each attendant shall cast one vote, by open ballot or in writing.

Voting procedure: the voting intention of a supervisor may be pro, con or abstention. Every attending supervisor shall choose one of the aforesaid intentions. If any director doesn't make any choice or chooses two or more intentions at the same time, the chairman of the meeting shall require the said supervisor to make a choice again, if he/she refuses to do so, he/she shall be deemed as having abstained from voting; any supervisor who has left the meeting midway without coming back and making any choice shall be deemed as having abstained from voting.

Resolutions of the Board of Supervisors shall be approved by more than half ~~two-thirds (inclusive)~~ of the members of the Board of Supervisor. The Board of Supervisors shall take minutes of the decisions on the matters discussed, and the supervisors present at the meeting shall sign their names in the minutes. Any supervisor shall be entitled to have an explanatory note made in the minutes regarding his/her speech at the meeting. The minutes of the meetings of the Board of Supervisors shall be kept as corporate documents for at least ten years ~~at the domicile of the Company~~.

Article ~~114132~~ If the Board of Supervisors finds the Company's operations are abnormal, it may conduct an investigation; if necessary, it may employ such professionals as lawyers and accounting firms to assist it in its work, and the reasonable expenses for such expenses shall be borne by the Company.

Article ~~115133~~ Supervisors shall honestly fulfil the supervisory duty in accordance with laws, administrative regulations and the Articles of Association.

Chapter 14 Qualifications and Obligations of Directors, Supervisors and Senior Management Members of the Company

Article ~~116134~~ In any of the following circumstances, a person shall not serve as director, supervisor, general manager or other senior management member of the Company:

- (I) a person without or with limited capacity for civil conduct;

- (II) a person who is sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property or disruption of the order of the socialist market economy, where less than 5 years have elapsed since the sentence was served; or who has been deprived of his/her political rights for committing a crime, where less than 5 years have elapsed since the sentence was served;
- (III) a person who is a director or plant manager or manager of a company or enterprise in bankruptcy liquidation and is personally held responsible for the bankruptcy of such company or enterprise, where less than 3 years have lapsed from the date of completion of the bankruptcy liquidation of the said company or enterprise;
- (IV) a person who is the legal representative of a company or enterprise whose business license has been revoked or which has been ordered to close down due to violation of laws and is personally held responsible for such circumstance, where less than 3 years have lapsed from the date on which the business license of the company or enterprise has been revoked;
- (V) a person who has a large amount of outstanding debts which have become overdue;
- ~~(VI) a person who is currently under investigation by judicial authorities for violation of criminal law;~~
- ~~(VII) a person who, according to relevant laws and administrative regulations, cannot act as a leader of an enterprise;~~
- ~~(VIII) a person other than a natural person;~~
- ~~(VIII) a person who are subject to the CSRC's punishment which prohibits he/she from entering into the securities market for a period which has not yet expired a person who has been convicted by the relevant competent authority that he/she has violated relevant securities regulations and acted fraudulently or dishonestly, where less than 5 years have lapsed from the date of such conviction;~~
- ~~(VIII) other circumstances specified in relevant laws and regulations of the place where the Company's shares are listed.~~

~~**Article 135** The validity of an act carried out by a director, general manager and other senior management member on behalf of the Company as against a bona fide third party shall not be affected by any irregularity in his/her employment, election or qualification.~~

~~**Article 136** In exercising the functions and powers conferred by the Company, the directors, supervisors, general manager and other senior management members of the Company shall fulfil the following obligations to each shareholder in addition to the obligations required by laws, administrative regulations or the listing rules of the stock exchange on which the Company's shares are listed:~~

- ~~(1) not cause the Company to operate beyond the business scope stipulated in its business license;~~

- ~~(II) act honestly in the best interests of the Company;~~
- ~~(III) not expropriate the Company's property in any way, including (but not limited to) opportunities beneficial to the Company;~~
- ~~(IV) not expropriate the individual rights of shareholders, including (but not limited to) the rights to distribution and voting rights, save and except pursuant to a restructuring of the Company which has been submitted to the general meeting for approval in accordance with the Articles of Association.~~

~~**Article 137** Each of the Company's directors, supervisors, general manager and other senior management members owes the duty that in the exercise of his/her powers or discharge of his/her obligations, to exercise the care, diligence and skill that a reasonable prudent person would exercise under similar circumstances.~~

~~**Article 138** Each of the Company's directors, supervisors, general manager and other senior management officers shall perform his/her duties on the principle of honesty, and shall not put himself/herself in a position where his/her interests and his/her obligations may conflict. The said principle includes (but not limited to) the following obligations:~~

- ~~(I) act honestly in the best interests of the Company;~~
- ~~(II) exercise his/her powers within his/her terms of reference and not act ultra vires;~~
- ~~(III) exercise the discretion vested in him/her personally and not allow himself/herself to act under the control of any other party; and unless permitted by laws, administrative regulations or with the informed consent of the shareholders given at a general meeting, not delegate the exercise of his/her discretion to others;~~
- ~~(IV) be equitable towards shareholders of the same class and fair towards shareholders of different classes;~~
- ~~(V) not conclude any contract, conduct any transaction or make any arrangement with the Company saved as specified in the Articles of Association or with the informed consent from the general meeting;~~
- ~~(VI) not use the Company's property in any way for his/her own benefit without the informed consent of the shareholders given at a general meeting;~~
- ~~(VII) not exploit his/her powers to accept bribes or to obtain other illegal income, expropriate the Company's property in any way, including (but not limited to) opportunities beneficial to the Company;~~
- ~~(VIII) not accept commissions in connection with the Company's transactions without the informed consent of the shareholders given at a general meeting;~~

- ~~(IX) comply with the Articles of Association, perform his/her official duties faithfully, protect the interests of the Company and not exploit his/her position and power in the Company for his/her own interests;~~
- ~~(X) not compete with the Company in any form without the informed consent of the shareholders given at a general meeting;~~
- ~~(XI) not misappropriate the funds of the Company, not deposit the assets or funds of the Company in the name of an individual or open an account in any other name; not violate the provisions of the Articles of Association, lend the funds of the Company to other persons or use the property of the Company as security for the shareholders of the Company or other individuals without the consent of the general meeting or the Board;~~
- ~~(XII) not use their connected relations to damage the interests of the Company;~~
- ~~(XIII) not disclose any confidential information in relation to the Company which he/she has obtained during his/her term of office without the informed consent of the shareholders give at a general meeting; nor shall he/she use such information other than for the Company's benefit, save that disclosure of such information to the court or other governmental authorities is permitted if:~~
- ~~1. as required by law;~~
 - ~~2. as required in the interests of the public; and~~
 - ~~3. required for the interests of the said director, supervisor, general manager and other senior management members. Earnings obtained by the said persons in this article in violation to the provisions herein shall belong to the Company, and such persons shall be liable for compensation for any loss incurred to the Company.~~

~~**Article 139** Directors, supervisors, general manager and other senior management members of the Company shall not direct the following persons or institutions ("**Related Parties**") to do anything that they shall not do:~~

- ~~(I) the spouses or minor children of the Company's directors, supervisors, general manager or other senior management members;~~
- ~~(II) the trustees of the Company's directors, supervisors, general manager or other senior management members or any person referred to in sub paragraph (I) of this article;~~
- ~~(III) the partners of the Company's directors, supervisors, general manager or other senior management members or any person referred to in sub paragraphs (I) and (II) of this article;~~

- ~~(IV) companies effectively and independently controlled by directors, supervisors, general manager and other senior members of the Company or companies effectively and jointly controlled with the persons set out in sub paragraphs (I), (II) and (III) of this article or other directions, supervisors, general manager and other senior management members of the Company; and~~
- ~~(V) directors, supervisors, general managers and other senior management members of the controlled companies referred to in sub paragraph (IV) of this article.~~

Article 117140 The fiduciary duties of a director, supervisor, general manager and other senior management members of the Company do not necessarily cease upon termination of their tenure. The duty of confidentiality in respect to trade secrets of the Company survives the termination of their tenures. The duration of other obligations shall be determined on the basis of equitable principles, depending on the length of time between the occurrence of the event and departure, and on the circumstances and conditions under which the relationship with the Company ends.

~~**Article 141** The liabilities of directors, supervisors, general manager and other senior management members of the Company for breaching a specific obligation may be exempted through an informed resolution given by shareholders at a general meeting, save for the circumstances specified in Article 57 of the Articles of Association.~~

~~**Article 142** Where a director, supervisor, general manager or other senior management member of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, he/she shall disclose the nature and extent of his/her interest to the Board at the earliest opportunity, whether or not such matters are subject to the approval of the under normal circumstances.~~

~~Except in so far as such exceptions are specifically specified in the Articles of Association approved by the Hong Kong Stock Exchange, no directors shall vote on any contract, transaction or arrangement or any other relevant proposal in which they or any of their close contacts (as defined in the applicable *Main Board Listing Rules* effective from time to time) have material interests. When determining whether a quorum for the meeting is attained, relevant directors shall not be counted in the quorum. Unless the directors, supervisors, general manager and other senior management members of the Company having material interests have disclosed the said interests to the Board as per paragraph 1 herein, and the Board has approved the matter at a meeting where they were not entitled to vote and be counted in the quorum, the Company shall have the right to cancel the said contracts, transactions or arrangements, save for the circumstance in which the other parties are goodwill parties uninformed of the default of the said directors, supervisors, general manager and other senior management members.~~

~~If the Related Parties of the directors, supervisors, general manager and other senior management members of the Company have any interests in a contract, transaction or arrangement, the said directors, supervisors, general manager and other senior management members shall also be deemed as having interests.~~

~~**Article 143** If the directors, supervisors, general manager and other senior management members of the Company, before the Company first considers entering into relevant contracts, transactions or arrangements, have notified the Board in writing that they will have interests in the contracts, transactions or arrangements to be concluded with the Company in the future because of the reasons set out in the notice, they will be deemed as having executed disclosure as specified in the preceding article of this chapter.~~

~~**Article 144** The Company shall not pay taxes in any form for its directors, supervisors, general manager and other senior management members.~~

~~**Article 145** The Company shall not directly or indirectly provide any loan or loan guarantee to the directors, supervisors, general manager and other senior management members of the Company and its controlling shareholders, or to the Related Parties of the aforesaid persons. The preceding paragraph shall not apply in the following circumstances:~~

- ~~(I) The Company provides loans or loan guarantees for its subsidiaries;~~
- ~~(II) The Company, in accordance with the appointment contracts approved at the general meeting, provides loans, loan guarantees or other monies to the directors, supervisors, general manager and other senior management members of the Company so that they may pay the expenses incurred for the Company or for fulfilling duties of the Company; and~~
- ~~(III) if the normal business scope of the Company extends to the provision of loans and loan guarantees, the Company may provide loans and loan guarantees to the relevant directors, supervisors, general manager and other senior management members, provided that the conditions for the provision of loans or loan guarantees shall be normal business conditions.~~

~~**Article 146** If the Company provides loans in violation of the provisions of the preceding article, regardless of the loan conditions, the person who receives the money shall pay it back immediately.~~

~~**Article 147** The Company shall not be forced to execute loan guarantee provided in violation of Paragraph 1 of Article 145 except in the following circumstances:~~

- ~~(I) The lender was not aware of the relevant circumstances when he/she provided a loan to a related party of any of the directors, supervisors, general managers and other senior management members of the Company or its controlling shareholders;~~
- ~~(II) The collateral provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.~~

~~**Article 148** The guarantee as referred to in the preceding articles shall include the act of the guarantor to undertake liability or provide property to ensure fulfilment of obligations by the obligor.~~

~~**Article 149** Where a director, supervisor, general manager or other senior management members of the Company has breached his/her obligations owed to the Company, the Company has, in addition to any rights and remedies provided for in the laws and administrative regulations, the right to take the following measures:~~

- ~~(I) To demand such director, supervisor, general manager or other senior management member compensate for losses sustained by the Company as a result of such breach;~~
- ~~(II) To rescind any contract or transaction that has been entered into by the Company with such director, supervisor, general manager or other senior management member, or with a third party (where such third party has known or should have known that such director, supervisor, general manager or other senior management member that represents the Company has breached his/her duties owed to the Company);~~
- ~~(III) To demand such director, supervisor, general manager or other senior management member to surrender profits obtained as a result of the breach of his/her obligations;~~
- ~~(IV) To recover any monies received by the director, supervisor, general manager or other senior management member that should have been received by the Company, including (without limitation) commissions;~~
- ~~(V) To demand the return of interest earned or which may have been earned by such director, supervisor, general manager or other senior management member on the monies that should have been paid to the Company; and~~
- ~~(VI) To institute legal proceedings to rule that the properties obtained by such director, supervisor, general manager or other senior management member for breach of obligations shall belong to the Company.~~

~~**Article 150** The Company shall, with the prior approval of the general meeting, enter into a written contract with its director, supervisor or senior management member regarding his/her remunerations. The written contract shall cover at least the following matters:~~

- ~~(I) The directors, supervisors and senior management members shall undertake to the Company to observe and comply with the *Company Law*, *Special Regulations*, the *Articles of Association*, *Code on Takeovers and Mergers*, *Code on Share Repurchases* and other provisions of the Hong Kong Stock Exchange, and agree that the Company will be entitled to the remedial measures under the *Articles of Association* and relevant contract and positions thereof shall not be transferred;~~
- ~~(II) The directors, supervisors or senior management members shall undertake to the companies representing respective shareholders to observe and fulfil their due duties for the shareholders under the *Articles of Association*;~~
- ~~(VI) Arbitration clauses as specified in Article 193 of the *Articles of Association*.~~

~~The aforesaid remunerations include:~~

- ~~(I) Remunerations in respect to his/her service as director, supervisor or senior management member of the Company;~~
- ~~(II) Remunerations in respect to his/her service as director, supervisor or senior management member of any subsidiary of the Company;~~
- ~~(III) Remunerations in respect to the provision of other services in connection with the management of the Company and any of its subsidiaries; and~~
- ~~(IV) Payment to the director or supervisor as compensation for loss of office or as consideration in connection with his/her retirement.~~

~~No proceedings may be brought by a director or supervisor against the Company for any benefit due to him/her in respect to the matters mentioned in this Article except pursuant to the contract mentioned above.~~

~~The Company shall, on a regular basis, provide details about the remunerations obtained by directors, supervisors and senior management members from the Company to the shareholders.~~

~~**Article 151** The contracts entered into between the Company and its directors or supervisors concerning remunerations shall prescribe that in the event that the Company is being acquired, the Company's directors and supervisors shall, subject to the prior approval of shareholders at a general meeting, have the right to receive compensation or other payment in respect to their loss of office or retirement. For the purposes of the preceding paragraph, the acquisition of the Company includes any of the following:~~

- ~~(I) An offer made by any person to all shareholders; or~~
- ~~(II) An offer made by any person such that the offeror will become the controlling shareholder. The definition of a controlling shareholder is the same as that in the Articles of Association.~~

~~If the relevant director or supervisor does not comply with this Article, any sum received by him/her shall belong to those persons who have sold their shares as a result of the acceptance of such offer, and the expenses incurred in distributing that sum on a pro rata basis among those persons shall be borne by the relevant director or supervisor and shall not be deducted from the distributed sum.~~

Chapter 15 Financial Accounting System

~~**Article 118152** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant authorities of the State.~~

Article ~~119~~¹⁵³ The fiscal year of the Company is Gregorian calendar year, i.e. from 1 January to 31 December every year.

At the end of each fiscal year, the Company shall prepare a financial report which shall be audited and verified according to law. The financial statements of the Company shall be prepared in accordance with the requirements of China Accounting Standards for Business Enterprises and ~~the requirements of~~ applicable laws and regulations.

Article ~~120~~¹⁵⁴ The Board of Directors of the Company shall make available before the shareholders at every annual general meeting such financial reports prepared by the Company in accordance with the relevant laws, administrative regulations and regulatory documents promulgated by the local government and the competent authorities.

Article ~~121~~¹⁵⁵ The Company shall not maintain books of accounts other than those provided for by law. The Company's assets shall not be deposited in an account maintained in the name of any individual.

Article ~~122~~¹⁵⁶ The Company's financial reports shall ~~be made available for shareholders' inspection at the Company 20 days prior to the date of the annual general meeting. Each shareholder of the Company has the right to receive a copy of such financial reports mentioned in this Chapter.~~

~~The financial reports in the preceding paragraph shall include directors' report, balance sheet (including documents to be attached in accordance with PRC laws, other laws, and administrative regulations), profit and loss statement (income statement), statement of income and expenditure (cash flow statement) or (under condition of not violating PRC laws) financial highlights approved by Hong Kong Stock Exchange.~~

The Company shall, at least 21 days before convening of the annual general meeting, deliver or send by prepaid mail the aforesaid financial reports (including each document to be attached to the balance sheet as prescribed by law) to all holders of overseas listed foreign shares at the address registered in the share register. The Company may also do the same by announcement (including through the Company's website) in accordance with the laws, administrative regulations, department rules and relevant regulations of the securities regulatory authority of the place where the Company's shares are listed.

Article ~~123~~¹⁵⁷ The Company shall publish its financial reports twice every fiscal year. The interim financial report shall be published within 60 days after the first 6 months of each fiscal year and the annual financial report shall be published within 120 days after each fiscal year.

~~The interim results or financial data announced or disclosed by the Company shall be prepared in accordance with China Accounting Standards for Business Enterprises and the requirements of applicable laws and regulations.~~

Chapter 16 Profit Distribution

Article ~~124158~~ After being adjusted in accordance with relevant regulations of the State, the Company shall distribute profits in the following order:

- (I) Pay income tax according to law;
- (II) Make up for losses of previous years;
- (III) Withdraw ~~10%~~ as statutory common reserve fund;
- (IV) Withdraw discretionary common reserve fund subject to resolutions of the general meeting;
- (V) Withdraw various employee welfare funds that should be undertaken by enterprises according to law;
- (VI) Pay dividends to shareholders.

Such withdrawal may be stopped when the statutory common reserve fund of the Company has accumulated to at least 50% of the registered capital of the Company. After withdrawal of statutory common reserve fund, the ~~Board~~ general meeting may decide whether to withdraw discretionary common reserve fund. The Company shall not distribute any profit to shareholders before making up for its losses and withdrawing statutory common reserve fund. The Company's shares held by the Company are not entitled to any profit distribution.

Article ~~125159~~ Capital reserve fund includes the following items:

- (I) Premium received when shares are issued at a premium to their par value;
- (II) Any other income required by the finance regulatory department of the State Council to be included in the capital reserve fund.

Article ~~126160~~ Where the Company, upon adoption of a resolution by the general meeting, is to convert the common reserve fund into capital stock, new shares shall be distributed to the shareholders in proportion to their original shareholdings. Where the statutory common reserve fund is converted into capital stock, the balance of the reserve fund shall not fall below 25% of the Company's registered capital prior to such conversion.

Article ~~127161~~ The Company may distribute dividends in either (both) of the following forms:

- (I) Cash;
- (II) Shares.

Article ~~128162~~ Monies paid for any shares before dunning shall have dividends, but the shareholders are not entitled to dividends announced later for the said monies.

Article ~~129~~163 The Company shall appoint collection agents for holders of overseas listed foreign shares. The collection agents shall, on behalf of the related shareholders, collect dividends and other payables distributed by the Company for the overseas listed foreign shares, and keep the said monies for payment to the said shareholders.

The collection agents appointed by the Company shall meet the relevant requirements of the laws of the listing place or the relevant regulations of the stock exchange.

The collection agents appointed by the Company for holders of foreign shares listed on Hong Kong Stock Exchange shall be trust companies registered pursuant to the *Trustee Ordinance* of Hong Kong.

Provided that the relevant PRC laws and regulations are observed, the Company may exercise the right to seize dividends not collected, but the said right shall not be exercised before expiry of the applicable validity period.

If the Company ceases sending dividend warrants to holders of overseas listed foreign shares by post, it shall be stipulated that such dividend warrants haven't been cashed and that the Company shall not exercise such right until such dividend warrants have been so left uncashed on two consecutive occasions. The Company may also, however, exercise such power where such dividend warrants are sent back due to the initial failure of service to the addressee.

Regarding the right to issue warrants to unregistered holders, no new warrants may be issued in place of the lost ones unless the Company confirms, beyond all reasonable doubts, the original warrants have been destroyed. The Company is entitled to sell the share certificates of uncontactable holders of overseas listed foreign shares in a manner the Board of Directors deems fit, subject to the following terms:

- (I) Dividends have been distributed for the said shares for at least three times in a period of 12 years, but are not claimed in the said period; and
- (II) Upon expiry of the 12-year period, the Company publishes an announcement on one newspaper or more newspapers in the place where the Company's shares are listed, stating its intention to dispose of the shares, and notifies Hong Kong Stock Exchange of such intention.

Article ~~130~~164 Cash dividends and other monies paid by the Company to holders of domestic shares shall be paid in RMB. Cash dividends and other monies paid by the Company to holders of overseas listed foreign shares shall be stated and announced in RMB and paid in HKD. Foreign currency needed by the Company to pay cash dividends and other monies to holders of overseas listed foreign shares shall be obtained pursuant to relevant State regulations on foreign exchange.

Article ~~131~~165 Save as otherwise specified in relevant laws and administrative regulations, if the cash dividends and other monies are paid in HKD, the exchange rate shall be the average selling rate of foreign exchange issued by People's Bank of China one Gregorian week before announcement of the dividends and other monies.

Chapter 17 Appointment of Accounting Firm

Article ~~132~~¹⁶⁶ The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the State to audit its financial statements, verify its net assets and other relevant consultancy services for a term of one year which is subject to renewal.

The appointment of the accounting firm of the Company shall be decided at a general meeting, and the Board shall not appoint the accounting firm prior to obtaining approval at the general meeting. The audit fees payable to the accounting firm shall be decided at the general meeting. ~~audit the Company's annual financial reports and review the Company's other financial reports.~~

~~The first accounting firm of the Company may be appointed at the inaugural meeting prior to the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.~~

~~If the inaugural meeting does not exercise the powers according to the preceding paragraph, those powers shall be exercised by the Board.~~

Article ~~133~~¹⁶⁷ The term of appointment of the accounting firm for the Company shall be from conclusion of one annual general meeting to conclusion of the next annual general meeting.

Article ~~134~~¹⁶⁸ The accounting firm appointed by the Company shall have the following rights:

- (I) To access the account books, records and vouchers of the Company at any time, and to ask a director, general manager or other senior management member to provide relevant documents and explanations;
- (II) To require the Company to take all reasonable measures to obtain from its subsidiaries such information and explanation as are necessary for the fulfilment of its duties;
- (III) To attend general meetings and to receive all notices of, and other information relating to, any general meeting which any shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as the accounting firm of the Company.

The Company shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial reports and other accounting information, and shall not reject, conceal or misstate any information.

Article ~~135~~¹⁶⁹ If there is a vacancy in the position of the accounting firm, the Board of Directors may appoint an accounting firm to fill such vacancy before the convening of the general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period of vacancy.

Article ~~136~~¹⁷⁰ The appointment, removal or non-reappointment of the accounting firm, the remuneration of the accounting firm or the manner in which such firm is to be remunerated shall be determined by the general meeting. Regardless of the terms in the contract concluded between the

accounting firm and the Company, the general meeting may, through an ordinary resolution, dismiss the said accounting firm before expiry of the term thereof. In the event of any rights claimed by the accounting firm against the Company, the said rights shall not be affected.

~~Article 171 The remuneration of the accounting firm or the manner in which such firm is to be remunerated shall be determined by the general meeting. The remuneration of the accounting firm appointed by the Board shall be determined by the Board.~~

~~Article 172 The appointment, removal or non reappointment of an accounting firm by the Company shall be decided by a resolution of the general meeting. Such resolution shall be filed with the securities authority of the State Council.~~

~~The general meeting shall comply with the following provisions in passing a resolution to appoint a non incumbent accounting firm to fill any vacancy of accounting firms or continue appointing an accounting firm appointed by the Board to fill the vacancy or dismiss an incumbent accounting firm:~~

- ~~(I) A copy of the appointment or removal proposal shall be sent to the accounting firm which is proposed to be appointed or dismissed or which has left its post in the relevant fiscal year before the notice of the general meeting is given to the shareholders. The leaving of an accounting firm may refer to the removal, registration or retirement of such firm.~~
- ~~(II) If the retiring accounting firm makes a written statement and requests the Company to give the shareholders notice of such statement, the Company shall (unless the statement has been received after the prescribed time) take the following measures:
 - ~~1. Describe in the notice issued for the resolution that the accounting firm about to terminate service have made a statement; and~~
 - ~~2. Send to the shareholders who have the right to get the notice of general meeting a copy of the statement as an attachment to the notice in the form specified in the Articles of Association.~~~~
- ~~(III) If the Company fails to send out the statement of the accounting firm as per item (II) herein, the relevant accounting firm may require that the said statement be read at the general meeting and may lodge a complaint.~~
- ~~(IV) The retiring accounting firm shall be entitled to attend the following meetings:
 - ~~1. The general meeting at which its term of appointment expires;~~
 - ~~2. The general meeting for filling vacancy because of its termination of service; and~~
 - ~~3. The general meeting held because of its resignation.~~~~

~~The accounting firm about to terminate service has the right to receive all the notices of the aforesaid meetings or other information relating to the meetings, and deliver speeches at the meetings in relation to the matters concerning the accounting firm.~~

Article ~~137~~¹⁷³ Where the Company dismisses or does not continue appointing the accounting firm, prior notice shall be given to the accounting firm, and the accounting firm shall be entitled to state its opinions to the general meeting. Where the accounting firm tenders its resignation, it shall state to the general meeting whether the Company has anything inappropriate.

~~The accounting firm may resign by placing a written notice of resignation at the legal address of the Company. The said notice shall take effect on the date of placement of the resignation notice at the legal address of the Company, or on a later date specified in the notice. The said notice shall include the following statements:~~

- ~~1. a statement that its resignation does not involve any information to be disclosed to the shareholders or creditors of the Company; or~~
- ~~2. a statement that any such information is to be disclosed.~~

~~The Company shall send a copy of the written notice mentioned in Paragraph 2 of this article to relevant competent authority within 14 days after receipt of the said notice. If the notice contains the statement mentioned in Item 2 of Paragraph 2 of this article, the Company shall keep a copy of the said statement at the Company for inspection by the shareholders. If the notice contains the statement mentioned in Item 2 of Paragraph 2 of this article, the Company shall also send the aforesaid copy by prepaid mail to each holder (shareholder who has the right to obtain the financial reports of the Company) of overseas listed foreign shares at the address as shown in the share register.~~

~~If the notice of resignation of the accounting firm contains the statement mentioned in Item 2 of Paragraph 2 of this article, the accounting firm may require the Board to convene an extraordinary general meeting to listen to its explanation about the resignation.~~

Chapter 18 Notice

Article ~~138~~¹⁷⁴ The notice of the Company may be served as follows:

- (I) by personal delivery;
- (II) by post;
- (III) by fax or email;
- (IV) by publication on the website designated by the Company and the Hong Kong Stock Exchange in accordance with the laws, administrative regulations and the listing rules of the stock exchange of the place where the Company's shares are listed;

(V) by announcement;

(VI) by other means agreed upon by the Company or the recipient in advance or approved by the recipient after receipt of the notice;

(VII) by other means approved by the relevant regulatory authority of the place where the Company's shares are listed or stipulated in the Articles of Association.

Save as otherwise specified in the context, the "announcement" as mentioned herein, in respect of the announcement sent to holders of domestic shares or required to be sent in China pursuant to relevant regulations and the Articles of Association, refers to announcement published in the ~~newspapers~~ information disclosure media in China, which ~~newspapers~~ information disclosure media shall be as specified in the Chinese laws and administrative regulations or designated by the securities regulatory authorities of the State Council; if the Company sends the notice to the holders of overseas listed foreign shares by announcement, an electronic version for immediate publication shall be submitted on the same day to the Hong Kong Stock Exchange via the electronic publication system of the Hong Kong Stock Exchange pursuant to the local listing rules for publication on the website of the Hong Kong Stock Exchange, or an announcement shall be published in newspapers (including publication of advertisements in the newspapers) according to the local listing rules. The announcement shall also be published on the website of the Company. In addition, save as otherwise specified in the Articles of Association, the said notice shall be sent by personal delivery or prepaid mail to the registered addresses in the register of holders of overseas listed foreign shares, so that the shareholders are fully informed and have enough time to exercise their rights or act in accordance with the notice.

The holders of overseas listed foreign shares of the Company may obtain in written form (by e-mail or by post) the information about the Company that the Company shall send to the shareholders, and may choose to receive either or both of the Chinese and English versions. The holders of overseas listed foreign shares may, in a reasonable period, also notify the Company in writing in advance to revise the means of receiving the aforesaid information and the relevant version thereof according to proper procedures.

To prove that they have sent the notices, documents, information or written statements to the Company, the shareholders or directors shall provide evidence showing that the relevant notices, documents, information or written statements have been sent to the correct address before the designated deadline by ordinary means or by prepaid mail.

Although the Company is required to provide and/or send information about the Company to shareholders in writing according to the preceding paragraph, regarding the means used by the Company to provide and/or send information about the Company to the shareholders according to the requirements of the Listing Rules of the Hong Kong Stock Exchange, if the Company has obtained the shareholders' prior written consent or implied consent according to relevant laws and regulations and the Listing Rules of the Hong Kong Stock Exchange amended from time to time, it may send or provide information about the Company to shareholders of the Company by electronic means or via publication on website of the Company. Information about the Company includes but

is not limited to circulars, annual reports, interim reports, quarterly reports, notices of general meetings and other information about the Company listed in the Listing Rules of the Hong Kong Stock Exchange.

If the Company has obtained the right to issue notices via advertisements, such advertisements may be published in newspapers and there is no prohibition on sending a notice to shareholders whose registered addresses are in places other than Hong Kong.

Article ~~139175~~ Save as otherwise specified in the Articles of Association, the means of service of notice specified in the preceding article shall apply to notices of general meetings, Board of Directors meetings and Board of Supervisors meetings held by the Company.

Article ~~140176~~ If the notice of the Company is sent by personal delivery, the recipient shall affix signature (or seal) to the Return on Service and the signing date shall be the date of service; if the notice of the Company is sent by post, the day 48 hours after handover to the post office shall be the date of service; if the notice of the Company is sent by fax, email or publication on the website, the sending date shall be the date of service; if the notice of the Company is sent by announcement, the date of first announcement shall be the date of service. The relevant announcement shall be published on the designated ~~newspapers and periodicals~~ information disclosure media.

Article ~~141177~~ If the listing rules of the stock exchange of the place where the Company's shares are listed stipulate that the Company send, post, distribute, send, announce or otherwise provide relevant documents of the Company in English and Chinese, if the Company has made appropriate arrangements to confirm whether the shareholders hope to receive only the English version or the Chinese version, the Company may (as per the intent stated by the shareholders) send only the English version or the Chinese version to the related shareholders within the range allowed by the applicable laws and regulations and pursuant to the applicable laws and regulations.

Chapter 19 Merger and Division of the Company

Article ~~142178~~ In respect of the merger or division of the Company, the Board of Directors of the Company shall propose a plan and have it adopted following the procedure specified in the Articles of Association, and go through relevant examination and approval formalities pursuant to laws. Any shareholder objecting to the merger or division of the Company shall have the right to require the Company or the shareholders approving the merger or division of the Company to purchase his/her shares at a fair price. Resolution on merger or division of the Company shall be archived as document for reference by the shareholders.

The aforesaid document shall also be served by mail to holders of overseas listed foreign shares.

Article ~~143179~~ Merger of the Company may be in two forms: merger by absorption and merger by consolidation. In the event of merger of the Company, the parties concerned shall conclude a merger agreement and prepare a balance sheet and a property inventory. The Company shall notify its creditors within 10 days after the adoption of the merger resolution and shall publish

announcements in newspapers within 30 days. The creditors may require the Company to repay debts or provide corresponding guarantees within 30 days after receipt of the notice or within 45 days after the announcement if the creditors haven't received the notice.

The claims and debts of the parties concerned after merger of the Company shall be inherited by the company subsisting after merger or by the newly established company.

Article ~~144180~~ Where the Company is divided, its properties shall be divided accordingly.

Where the Company is divided, a balance sheet and a property inventory shall be prepared. The Company shall notify its creditors within 10 days after the adoption of the merger resolution and shall publish announcements in newspapers within 30 days.

The companies after division shall bear joint liability for the debts of the Company before division as per the agreements concluded, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before division.

Article ~~145181~~ Change in registered particulars arising from a merger or division of the Company shall be registered with the company registration authority according to laws. If the Company is dissolved, it shall be deregistered according to laws. If a new company is established, such establishment shall be registered according to laws.

Chapter 20 Dissolution and Liquidation of the Company

Article ~~146182~~ The Company dissolves for the following reasons:

- (I) the operation period expires;
- (II) the general meeting resolves to do so;
- (III) merger or division of the Company entails dissolution;
- (IV) the business license is revoked according to laws, or the Company is ordered to close or is cancelled;
- (V) if the Company gets into serious trouble in operations and management and continuation may incur material losses of interests to the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Company may request the people's court to dissolve the Company according to laws;
- ~~(VI) the Company is declared bankrupt according to laws because it is unable to pay its debts as they fall due.~~

Article ~~147183~~ Where the Company is dissolved pursuant to Items (I), (II), (IV) or (V) of Article 182 of the Articles of Association, it shall establish a liquidation committee for liquidation within 15 days after the dissolution circumstance arises. The members of the liquidation committee shall

be determined by directors or an ordinary resolution of the general meeting. If the liquidation committee is not duly set up, the creditors may request the people's court to designate related persons to form a liquidation committee to carry out liquidation. ~~If the Company is dissolved pursuant to Item (III) of Article 182, liquidation shall be effected by the parties to the merger or division in accordance with the contracts concluded at the time of merger or division. If the Company is dissolved pursuant to Item (IV) of Article 182, a liquidation committee comprising shareholders, relevant departments and relevant professionals shall be established by relevant competent authority to carry out liquidation. If the Company is dissolved pursuant to Item (VI) of Article 182, a liquidation committee comprising shareholders, relevant departments and relevant professionals shall be established by the people's court in accordance with relevant laws to carry out liquidation.~~

Article 148184 If the Board of Directors decides to liquidate the Company (save for liquidation when the Company is declared bankrupt), the notice of general meeting to be held therefor shall contain a statement that the Board of Directors has made thorough investigation on the conditions of the Company and that the Company may repay all the debts of the Company within 12 months after commencement of liquidation.

After the resolution on liquidation by a special resolution is adopted at the general meeting, the functions and powers of the Board of Directors shall be terminated immediately.

~~The liquidation committee shall, as per the instructions of the general meeting, report to the general meeting at least once a year on the revenues and expenses of the liquidation committee, the businesses of the Company and the progress of liquidation, and shall deliver a final report to the general meeting at the end of liquidation.~~

Article 149185 The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (I) to examine and take possession of the Company's assets and prepare a balance sheet and a property inventory;
- (II) to inform creditors by notice or announcement;
- (III) to deal with the outstanding businesses of the Company relating to liquidation;
- (IV) to pay off the taxes owed and the taxes arising during liquidation;
- (V) to settle claims and debts;
- (VI) to dispose of the remaining assets of the Company after repayment of debts;
- (VII) to represent the Company in civil proceedings.

Article ~~150186~~ The liquidation committee shall notify all creditors within 10 days after its establishment and shall make announcements in newspapers within 60 days. The creditors shall declare their rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after announcement if the creditors haven't received the notice. The creditors shall explain matters relating to their rights and Provide relevant evidential documents. The liquidation committee shall register the creditor's rights.

The liquidation committee shall not pay off any debts to any creditors during the period of declaration of creditor's rights.

Article ~~151487~~ After the liquidation committee has examined and taken possession of the assets of the Company and has prepared a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit such proposal to the general meeting or relevant competent authority for confirmation.

The assets of the Company shall be liquidated in the following order of priority: liquidation expenses; salaries, labour insurance premiums and statutory compensations for the employees of the Company; outstanding taxes; and other debts of the Company.

The remaining assets of the Company after repayment as specified in the preceding paragraph shall be distributed to the shareholders of the Company as per ~~the types of their shares and~~ their shareholding percentages.

The Company shall continue to exist during the liquidation period, although it cannot engage in business activities that are not related to the liquidation. ~~The Company shall not conduct any new business activity in the course of liquidation.~~

Article ~~152188~~ After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the people's court for declaration of bankruptcy of the Company.

Following a ruling by the people's court that the Company is bankrupt, the liquidation committee shall transfer to the people's court all matters relating to the liquidation.

Article ~~153189~~ After completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report, which shall be, ~~an income and expenditure statement and account books in respect of the liquidation period and, after verification of the Chinese certified public accountants, shall submitted the same~~ to the general meeting or the people's court for confirmation and be submitted to the general meeting or the people's court. ~~The liquidation committee shall, within 30 days after confirmation by the general meeting or the people's court, submit the aforesaid documentation~~ submitted to the company registration authority, and apply to cancel registration of the Company and announce termination of the Company.

Chapter 21 Amendment to the Articles of Association

Article ~~154190~~ The Company may amend the Articles of Association pursuant to laws, administrative regulations and the Articles of Association. The Company shall amend the Articles of Association in any of the following circumstances:

- (I) After amendments are made to the *Company Law* or other relevant laws and administrative regulations, the Articles of Association run counter to the said amendments;
- (II) The Company's conditions have changed, and such change is not covered in the Articles of Association;
- (III) The general meeting has resolved to amend the Articles of Association.

Article ~~155191~~ The Articles of Association shall be amended as per the following procedures:

- (I) The Board of Directors first approves the resolution on amendment to the Articles of Association and drafts a proposal on amendment to the Articles of Association;
- (II) The Board of Directors holds a general meeting and the proposal on amendment to the Articles of Association is voted on by the general meeting;
- (III) The general meeting approves the proposal on amendment to the Articles of Association via special resolutions;
- (IV) The Company submits the amended Articles of Association to the company registration authority for filing.

Article ~~156192~~ If the amendment to the Articles of Association shall be subject to approval by competent authorities, the Articles of Association shall be submitted to the authorities for approval ~~involves any content of the *Mandatory Provisions*, the said amendment shall be subject to approval by the company examination and approval authority authorised by the State Council and the Securities Commission of the State Council~~; if the amendment involves registration of the Company, the involved change shall be registered pursuant to laws.

Chapter 22 Settlement of Disputes

Article ~~157193~~ ~~The Company shall settle disputes following the rules below:~~

- ~~(I) In the event of any dispute or claim between a holder of overseas listed foreign shares and the Company, between a holder of overseas listed foreign shares and a director, supervisor, the general manager or other senior management members, and between a holder of overseas listed foreign shares and a holder of domestic shares arising from rights and obligations specified in the Articles of Association, *Company Law* and other relevant laws and administrative regulations and relating to the affairs of the Company, the parties concerned shall submit the said dispute or claim for arbitration.~~

~~The aforesaid dispute or claim submitted for arbitration shall be the entire claim or dispute; all the persons who complain for the same reason or who are required to participate in the settlement of the dispute or claim shall accept the arbitration award if they are the Company or its shareholders, directors, supervisors, the general manager, or other senior management members.~~

~~Disputes relating to definition of shareholders and share register may be settled other than through arbitration.~~

- ~~(II) The applicant for arbitration may select China International Economic and Trade Arbitration Commission for arbitration following the arbitration rules thereof or select Hong Kong International Arbitration Centre for arbitration following the securities arbitration rules thereof. Once an applicant submits a dispute or claim for arbitration, the other party must carry out the arbitration at the arbitration institution selected by the applicant.~~

~~If the applicant for arbitration selects Hong Kong International Arbitration Centre for arbitration, either party may request that the arbitration be conducted in Shenzhen following the securities arbitration rules of Hong Kong International Arbitration Centre.~~

- ~~(III) Settlement of dispute or claim set out in Item (I) by way of arbitration shall be governed by laws of the People's Republic of China (exclusive of Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan Region), save as otherwise specified by laws and administrative regulations.~~

- ~~(IV) The arbitration award made by the arbitral institution shall be final and binding on both parties.~~

- ~~(V) The said arbitration agreement is reached between the directors or senior management members and the Company, with the Company representing both itself and its shareholders.~~

- ~~(VI) Any arbitration submitted shall be deemed as authorising the arbitration tribunal to conduct public hearing and announce the arbitration award.~~

These articles are binding upon the Company, its shareholders, directors, supervisors, managers and other senior officers; the aforementioned persons may claim rights relating to the affairs of the Company in accordance with these articles. A shareholder may bring actions against the Company, the Company may bring actions against any of its shareholders, shareholders may bring actions against each other, and a shareholder may bring actions against the directors, supervisors, managers and other senior officers of the Company, in each case in accordance with these articles. The actions referred to in the preceding paragraph include court proceedings and applications for arbitration before an arbitration tribunal. The "senior officers" referred to in these Articles shall refer to the board secretary and the financial principal of the Company and other personnel as engaged by the Board as the senior officers of the Company.

Chapter 23 Supplementary Provisions

Article ~~158~~¹⁹² The meaning of the “accounting firm” mentioned in the Articles of Association is the same as that of “auditors”. An “effective controller” mentioned in the Articles of Association refers to a person who is not a shareholder of the Company but can effectively control the Company through investment, agreement or other arrangements.

The phrases “above”, “within” and “below” as referred to in the Articles of Association are inclusive while “exceed” and “other than” are exclusive.

“Connected transactions” as referred to in the Articles of Association shall be as defined in the *Listing Rules* of the Hong Kong Stock Exchange.

Article ~~159~~¹⁹⁵ The Articles of Association shall be executed in Chinese. Where the articles of association in any other language disagree with the Articles of Association, the Chinese version of Articles of Association shall prevail.

Article ~~160~~¹⁹⁶ After adoption at the general meeting, the Articles of Association shall take effect ~~as from the date on which H shares publicly issued by the Company are listed on the Hong Kong Stock Exchange.~~

Article ~~161~~¹⁹⁷ The Articles of Association shall be subject to the interpretation of the Board of Directors of the Company.

Article ~~162~~¹⁹⁸ The Board may formulate the articles of association pursuant to the Articles of Association and submit the same to the general meeting for approval by a special resolution. The articles of association shall not conflict with the Articles of Association.

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

The proposed amendments to the Rules of Procedure for the General Meeting are set out below:

Chapter I General Provisions

Article 1 To regulate the discussion methods and decision-making procedures of Shandong Fengxiang Co., Ltd.* (hereinafter referred to as the “Company”), procure shareholders and the general meeting to effectively perform their duties and improve the standard operation and scientific decision-making of the general meeting, the Rules are formulated in accordance with the Company Law of the PRC (hereinafter referred to as the “Company Law”), Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws and regulations, and the requirements of the Articles of Association of Shandong Fengxiang Co., Ltd.* (hereinafter referred to as the “Articles of Association”) and in light of the actual conditions of the Company.

Article 2 The Rules apply to the general meeting of the Company and shall be binding on the Company, all its shareholders, representatives of the shareholders, directors, supervisors, general manager, other senior management members and other relevant personnel present at the general meeting.

Article 3 The Board of Directors of the Company shall strictly follow relevant laws on the convening of general meetings, and shall organise general meetings in a serious and timely manner. All the directors of the Company shall be diligent and responsible for the normal convening of a general meeting, and shall not hinder the general meeting’s exercising its functions and powers according to law.

Any shareholder who holds the shares of the Company legally and validly is entitled to attend a general meeting in person or by proxy, and shall have various rights including the right to know, the right to speak, the right to raise questions and the right to vote pursuant to law. Shareholders and their proxies attending a general meeting shall comply with the provisions of relevant regulations, the Articles of Association and the Rules and take initiatives to maintain the order of the meeting, and shall not infringe upon the lawful rights and interests of other shareholders.

Article 4 The general meeting shall exercise its functions and powers within the scope stipulated by the Company Law, and shall not interfere with the shareholders’ disposal of their own rights. The issues to be considered and decided at a general meeting shall be determined pursuant to the Company Law and the Articles of Association.

Article 5 The secretary to the Board of Directors of the Company is responsible for all work of preparation and organisation for convening of general meetings.

Chapter 2 Functions and Powers of the General Meeting

Article 6 The general meeting comprising all shareholders is the organ of authority of the Company.

Article 7 The general meeting may exercise the following functions and powers in accordance with the law:

- (I) to decide on the Company's operational objectives and investment plans;
- (II) to elect and replace the directors (not being representative(s) of employees) and to decide on matters relating to the remuneration of directors;
- (III) to elect and replace supervisors who are representatives of shareholders and to decide on matters relating to the remuneration of supervisors;
- (IV) to review and approve the reports of the Board of Directors;
- (V) to review and approve the reports of the Board of Supervisors;
- (VI) to review and approve the Company's annual financial budgets and final accounts;
- (VII) to review and approve the Company's profit distribution proposals and loss recovery proposals;
- (VIII) to decide on any increase or reduction of the Company's registered capital;
- (IX) to decide on the issue of corporate bonds;
- (X) to decide on the merger, division, change of corporate form, dissolution and liquidation of the Company;
- (XI) to amend the Company's Articles of Association;
- (XII) to decide on the appointment, removal or non-reappointment of an accounting firm;
- (XIII) to review proposals raised by the shareholder(s) who individually or jointly represent(s) more than 3% of the total shares of the Company;
- ~~(XIV)~~ to consider and approve external guarantees as provided in Article 61;
- ~~(XV)~~ to review the Company's loan (both within the annual budget and extra-annual budget), external investment, sale of assets, acquisition, lease, mortgage, pledge or any other matters in relation to asset disposal and guarantee with an amount of more than 30% of the Company's audited total assets for the latest period;

~~(XVI)~~ to consider and approve matters relating to changes in the use of proceeds ~~to decide on the repurchase of the Company's shares;~~

~~(XVII)~~ to review equity incentive scheme and employee incentive scheme;

~~(XVIII)~~ to review other matters which, in accordance with the laws, regulations and Articles of Association, must be approved by a general meeting;

(XIX) to decide on other matters required by the listing rules of the stock exchange of the place where the Company's shares are listed; and-

~~(XX)~~ the annual general meeting of the Company may grant the Board of Directors a mandate to decide on issuing shares not more than 20% of the total issued shares (or class shares, where applicable) of the Company for the time being to particular subjects, and the mandate shall elapse on the date of the next annual general meeting subject to relevant laws and regulations, normative documents and relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed.

~~Provision of guarantee for the Company's shareholders or de facto controllers by the Company shall be resolved at a general meeting.~~

~~When the general meeting is considering a proposal to provide guarantee for any shareholder or de facto controller, the said shareholder or the shareholders controlled by the said de facto controller shall not participate in the voting on the said proposal, and the said proposal shall be subject to adoption by other attending shareholders holding more than half of the voting rights.~~

Article 8 The general meeting can authorise or entrust the Board of Directors to handle the matters authorised or entrusted thereby not in violation of laws and regulations and mandatory provisions under relevant laws and regulations of the listing place.

Article 9 The principle of authorisation of the general meeting on the Board of Directors: to ensure the Company's efficiency in decision-making and continuously improve the regulated operation and scientific decision-making of the Board on the premise of reasonably controlling operation risks.

The Board of Directors shall organise relevant experts and specialists to review relevant matters not in the functions and powers authorised by the general meeting on the Board of Directors, and submit the same to the general meeting for approval. Meanwhile, if relevant laws and regulations or relevant government requirements provide that relevant matters within the aforesaid functions and powers authorised by the general meeting on the Board of Directors must be resolved by the general meeting, the Board of Directors shall submit a proposal to the general meeting for approval according to such laws and regulations or government requirements.

Chapter 3 System of General Meetings

Article 10 There are two types of general meetings: the annual general meetings and the extraordinary general meetings. Annual general meeting shall be held once every year within six months after the end of the last accounting year. Extraordinary general meeting shall be held irregularly. The Board of Directors shall hold an extraordinary general meeting within two months after the date on which any of the following circumstances occur:

- (I) the number of directors is less than the number stipulated by the Company Law or less than two-thirds of the number specified in the Articles of Association of the Company;
- (II) the outstanding losses of the Company amounted to one-third of the Company's total paid-in share capital;
- (III) shareholders individually or in aggregate holding more than 10% (inclusive) of the Company's shares request in writing that an extraordinary general meeting is convened;
- (IV) the Board of Directors deems necessary or the Board of Supervisors proposes that the meeting be convened; and
- ~~(V) two or more independent non executive directors propose that the meeting be convened; and~~
- ~~(V)~~ other situations, as stipulated in laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed or the Articles of Association of the Company.

Article 11 Shareholders (including proxies thereof) attending a general meeting shall have various rights under laws, including the right to be informed, the right to speak, the right to raise questions and the right to vote.

Chapter 4 Convening of General Meetings

Article 12 The Board of Directors shall convene general meetings in a timely manner within the periods specified in Article 10 of the Rules.

Article 13 The Board of Supervisors shall be entitled to propose to the Board of Directors to convene an extraordinary general meeting, and shall put forward its proposal to the Board of Directors in writing. The Board of Directors shall, pursuant to laws, administrative regulations and the Articles of Association of the Company, give a written reply on whether or not to convene the extraordinary general meeting within 10 days after receipt of the proposal.

Where the Board of Directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board of Directors. Any changes to the original proposal set forth in the notice shall be subject to approval by the Board of Supervisors.

If the Board of Directors does not agree to convene the extraordinary general meeting or fails to give a written reply within 10 days after receipt of the proposal, the Board of Directors shall be deemed as unable to or failing to perform the duty of convening the general meeting, and the Board of Supervisors may convene and preside over the meeting by itself.

Article 14 If shareholders require convening an extraordinary general meeting ~~or class meeting~~, the following procedure shall be followed:

- (I) Shareholder(s) holding more than 10% of the Company's shares, individually or jointly, shall have the right to request the Board of Directors in writing to convene an extraordinary general meeting. The Board of Directors shall provide its written feedback on agreeing or disagreeing to convene an extraordinary general meeting within 10 days after receiving the proposal in accordance with the provisions of laws, administrative regulations and the Articles of Association. Two or more shareholders jointly holding more than 10% (inclusive) of shares with voting rights at the general meeting to be convened may sign one or several written requests with the same format and content to propose to the Board to convene the extraordinary general meeting or class meeting, and specify the topics of the meeting. The Board shall convene the extraordinary general meeting or class meeting responsively after receipt of the aforesaid written request. The aforesaid amount of shareholding is calculated on the day when the shareholders tender the written request.
- (II) If the Board of Directors agrees to convene an extraordinary general meeting, a notice of general meeting shall be issued within 5 days after the resolution of the Board of Directors meeting is made. The changes to the original proposal in the notice shall be subject to consent of the shareholders who make the said proposal. If the Board fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the shareholders tendering the said request may request the Board of Supervisors to convene an extraordinary general meeting or class meeting.
- (III) If the Board of Directors disagrees to convene an extraordinary general meeting or fails to make any feedback within 10 days after receiving the proposal, shareholder(s) holding more than 10% of the Company's shares, individually or jointly, shall have the right to request the Board of Supervisors in writing to convene an extraordinary general meeting. If the Board of Supervisors fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the shareholders individually or jointly holding more than 10% of shares with voting rights at the meeting to be convened for 90 consecutive days may by themselves convene a meeting within 4 months after the Board receives the said request, and the convening procedure shall to the extent possible be the same as the procedure by which the Board convenes the general meeting.
- (IV) If the Board of Supervisors agrees to convene an extraordinary general meeting, a notice of general meeting shall be issued within 5 days. The changes to the original proposal in the notice shall be subject to consent of the shareholders who make the said proposal.

(V) If the Board of Supervisors fails to issue a notice of general meeting within a specified period, it shall be deemed that the Board of Supervisors shall not convene and preside over the general meeting, the shareholder(s) individually or jointly holding 10% or more of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting by himself/herself/themselves.

Article 15 Where the shareholders convene a meeting because the Board of Directors or the Board of Supervisors fails to convene the meeting pursuant to the aforesaid provision, the reasonable expenses incurred shall be borne by the Company ~~and shall be deducted from the monies payable by the Company to the defaulting directors or supervisors.~~ Where the Board of Supervisors or shareholders decide(s) to convene a general meeting by itself/themselves, it/they shall notify the Board of Directors in writing. Prior to the announcement of the resolution of the general meeting, the percentage of shares held by the convening shareholders shall not be less than 10%.

Article 16 With regard to the general meeting convened by the Board of Supervisors or shareholders on its/their own initiative, the Board of Directors and its secretary shall offer cooperation. The Board of Directors shall provide the share register.

Article 17 The Company shall bear the expenses necessary for a general meeting convened by the Board of Supervisors or shareholders on its/their own initiative.

Chapter 5 Proposals and Notices of General Meetings

Article 18 The contents of a proposal shall fall within the functions and powers of the general meeting, and the proposal shall have a clear topic and specific matters on which resolutions are to be made, shall be submitted or served to the convener in writing, and shall comply with the relevant provisions of laws, administrative regulations and the Articles of Association.

Article 19 Where the Company convenes a general meeting, the Board of Directors, Board of Supervisors, and shareholder(s) individually or jointly holding more than 3% of the shares of the Company shall be entitled to make proposals to the Company.

Article 20 Shareholder(s) individually or jointly holding more than 3% of the shares of the Company may submit written interim proposals to the convener 10 days prior to the convening of the general meeting. The convener shall serve a supplementary notice of general meeting within two days after receipt of the proposals and announce the contents of the interim proposals.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of general meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of general meeting or not complying with Article 18 of the rules of procedure shall not be voted on or resolved at the general meeting.

Article 21 Proposals of an annual general meeting shall be considered and approved by the Board of Directors or Board of Supervisors before submission to the general meeting for consideration. Proposals of an extraordinary general meeting shall be considered and approved by the convener in accordance with the Articles of Association before submission to the general meeting for consideration.

Any proposer entitled to submit interim proposals pursuant to the Articles of Association may submit interim proposals pursuant thereto.

The convener shall act in the best interests of the Company and shareholders and consider the interim proposals proposed by the proposer in accordance with the Articles of Association and the following requirements:

- (I) Relevance. The convener shall consider the shareholder proposals; where issues involved in the proposal are directly related to the Company and fall within the scope of the functions of a general meeting as stipulated by the laws, regulations and the Articles of Association, the proposal shall be submitted to the general meeting for discussion. Proposals failing to meet the aforesaid requirement shall not be submitted to the general meeting for discussion.
- (II) Procedures. The convener may decide on procedural issues relating to the shareholder proposals. Where a proposal needs to be divided into different proposals or merged with other proposals to be voted on, the consent of the original proposer is required; where the original proposer does not agree with the change, the presider of the general meeting may request the general meeting to decide on the procedural issues and conduct the discussion in accordance with the procedures decided on by the general meeting.

Where the convener decides not to submit an interim proposal to the general meeting, explanations shall be made at the general meeting, and the contents of the proposal and explanations of the convener shall be announced together with the resolutions of the general meeting after completion of the general meeting.

Article 22 For an annual general meeting to be held, a notice shall be given to each shareholder 20 days in advance, which shall state the time and venue of the meeting, and the matters to be deliberated at the meeting. For an extraordinary general meeting, a notice shall be given to each shareholder 15 days in advance, which shall state the time and venue of the meeting, and the matters to be deliberated at the meeting. When calculating the starting period, the day on which the general meeting is convened by the Company shall be excluded. ~~The date of issue of the notice mentioned herein is the date upon which the Company or the share registry commissioned by the Company serves the relevant notice to the post office.~~

The notice of the general meeting shall be delivered to the shareholders (whether or not entitled to vote at the general meeting) by the means of notice as provided in the Articles of Association or other means as permitted by the stock exchange(s) where the shares of the Company are listed. Notices of general meetings served to holders of overseas listed foreign shares may be published on

~~the website designated by The Stock Exchange of Hong Kong Limited or the website of the Company. Once the announcement has been published, all holders of overseas listed shares shall be deemed to have received the notice of the relevant general meeting. Unless otherwise stipulated by the Articles of Association, the notice of a general meeting shall be delivered by hand or prepaid mail to all shareholders (whether or not they are entitled to vote at the general meeting). The address of the recipients shall be the address registered in the share register. For holders of domestic shares, the notice of general meetings may be issued in the form of announcement.~~

~~Announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the securities authority of the State Council during the period between 20 to 25 days prior to the date of convening of an annual general meeting, or 15 to 20 days prior to the date of convening of an extraordinary general meeting. Once the announcement has been published, all holders of domestic shares shall be deemed to have received the notice of relevant general meeting.~~

~~Notices of general meetings served to holders of overseas listed foreign shares may be published on the website designated by The Stock Exchange of Hong Kong Limited or the website of the Company. Once the announcement has been published, all holders of overseas listed shares shall be deemed to have received the notice of relevant general meeting.~~

The contents of the meeting notice and changes thereto are determined according to the Articles of Association.

Article 23 Notices or supplementary notices of general meetings shall adequately and completely disclose the specific contents of all proposals, as well as all the information or explanation which are necessary for the shareholders to make a reasonable judgment in respect of the issues to be discussed.

Article 24 The notice of a general meeting shall include the following ~~meet the following requirements:~~

~~(I) be made in writing;~~

~~(II) specify the time, venue and duration ~~date~~ of the meeting;~~

~~(III) matters and proposals to be considered at the meeting ~~state the matters to be discussed at the meeting;~~~~

~~(IV) it shall contain a conspicuous written statement that the shareholders all holders of ordinary shares are entitled to attend the general meeting and and vote have the right to appoint one or more proxies in writing to attend and vote on their behalf and that such proxy is not required to be a shareholder ~~provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but is not limited to) the provision of detailed terms and contract(s) (if any) of the proposed~~~~

~~transaction where a proposal is made to merge the Company, to repurchase shares of the Company, to reorganise its share capital or to make any other reorganisation of the Company, and the cause and effect of such proposal shall also be properly explained;~~

~~(V)(IV) the shareholding record date of the shareholders entitled to attend the general meeting contain a disclosure of the nature and extent of the material interests of any director, supervisor, general manager or other senior management member in the matters to be discussed and an explanation to the difference where the impact of the matters to be discussed on such director, supervisor, general manager or senior management member in their capacity as shareholders is different from the impact on other shareholders of the same class;~~

~~(VI) contain the full text of any special resolution proposed to be passed at the meeting;~~

~~(VII) contain a clear statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxy (proxies) to attend and vote at such meeting on his/her behalf and that such proxy need not be a shareholder; and~~

~~(VIII) specify the time and place for serving the power of attorney for the voting proxy for the meeting.~~

Article 25 If the election of directors or supervisors is proposed to be discussed at a general meeting, the notice of such meeting shall adequately disclose detailed information about the director or supervisor candidates, which information shall at least include:

- (I) personal particulars, including educational background, work experience, and part-time jobs;
- (II) whether one has any connected relations with the Company or its controlling shareholders and the actual controllers;
- (III) the number of shares one holds in the Company;
- (IV) whether one has been punished by relevant authority or the reprimand of the stock exchange; and
- (V) whether one may not serve as a director, supervisor, or senior management member of the Company in accordance with the Company Law.

In addition to the adoption of the cumulative voting system for the election of Directors and Supervisors, Each candidate for director or supervisor shall be proposed via a single proposal.

Article 26 The accidental omission to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate relevant general meeting and the resolutions adopted at the meeting.

Article 27 After the notice of a general meeting is issued, the meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation, the convener shall notify other shareholders and give the reasons therefor at least two workdays prior to the date on which the meeting is originally scheduled.

Chapter 6 Convening of General Meetings

Article 28 For each general meeting, the convener shall set a secretariat (hereinafter referred to as the “Secretariat”) for the meeting, which shall be mainly responsible for:

- (I) registering shareholders;
- (II) printing and distributing meeting documents;
- (III) registering and counting shareholders’ attendance to the meeting;
- (IV) accepting shareholders’ application for speaking at the meeting;
- (V) assisting in statistics of voting results; and
- (VI) handling other affairs of general meetings.

Article 29 Before the commencement of a general meeting, staff of the Secretariat shall register the attending shareholders at a prominent position outside the venue of the general meeting.

Staff of the Secretariat and the lawyer appointed by the Company shall jointly verify the validity of the shareholders’ qualifications based on the share register provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total number of their voting shares.

Article 30 The venue of general meetings convened by the Company shall be the domicile of the Company or the place specified in the Articles of Association.

A general meeting may be held on site or by other means. Shareholders attending a general meeting by other means rather than attending the meeting on the site shall be deemed to have attended such meeting.

Article 31 The Board of Directors and the Board of Supervisors of the Company shall take necessary measures to ensure the solemnity and proper order of the general meeting. The Company shall have the right to reject persons, other than shareholders (or proxies), directors, supervisors, secretary to the Board of Directors, senior management members, lawyer(s) engaged and persons invited by the Board of Directors, to enter the meeting venue according to law. The Company shall

take actions to stop anyone from disturbing the order of the general meeting, provoking a quarrel, making trouble or infringing the lawful rights and interests of other shareholders and refer the case to relevant authorities for settlement in time.

Article 32 All shareholders or proxies thereof shall be entitled to attend general meetings, and the Company and the convener shall not deny such right on any ground.

The shareholders may attend general meetings and exercise voting rights in person or appoint a proxy (proxies) to attend the meeting and exercise voting rights for them within the scope of authorisation.

Article 33 If an individual shareholder attends the meeting in person, he/she should present his/her identity card or other valid identification or proof showing his/her identity, and his/her stock account card; if he/she has appointed a proxy to attend the meeting, the proxy should present his/her valid identity card and the shareholder's power of attorney. ~~An individual shareholder shall present his/her identity card or other valid identity certificate; a proxy attending a general meeting on behalf of an individual shareholder shall present his/her valid identity card and power of attorney of the shareholder.~~

Article 34 A legal representative or a proxy appointed by the legal representative shall attend the meeting. If a legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate proving his/her qualification as a legal representative; if a proxy attends the meeting, the proxy shall present his/her identity card and a written power of attorney issued by the legal representative of the corporate shareholder in accordance with the law. ~~For a corporate shareholder, its legal representative or a proxy appointed thereby shall attend the meeting. The legal representative attending the meeting shall present his/her identity card or valid certificate bearing evidence of his/her qualifications as legal representative; a proxy attending the meeting on behalf of the legal representative shall present his/her identity card and written power of attorney issued by the legal representative of the corporate shareholder.~~

Article 35 The power of attorney issued by a shareholder to appoint a proxy to attend a general meeting shall specify:

- (I) the name of the proxy of shareholder~~the name of the proxy~~;
- (II) whether or not the proxy has any voting right~~has any voting right~~;
- (III) directive to vote for or against or abstain from voting on each and every matter under consideration included in the agenda of the general meeting;
- (IV) the date of issue and validity period of the power of attorney; and
- (V) signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal shall be affixed.

The power of attorney shall indicate whether the proxy may vote according to his/her own intention if the shareholder fails to give specific instructions.

Article 36 All directors, supervisors and the secretary of the Board of Directors shall be present at any general meeting of the Company and the general manager and other senior management shall attend the general meeting. ~~If all the directors, supervisors, general manager and senior management members of the Company are required to attend the general meeting, the directors, supervisors, general manager and other senior management members shall attend the general meeting. The directors, supervisors, general manager and other senior management members attending or present at the meeting shall answer or explain inquiries made by shareholders except that the business secrets of the Company are involved and cannot be disclosed at the general meeting.~~

Article 37 General meetings shall be convened and presided over by chairman of the Board of Directors. If the chairman is unable to perform his/her duties or fails to perform his/her duties, the meeting shall be presided over by a director selected by a majority of directors~~the Board may appoint a director of the Company to convene a meeting on his/her behalf and act as chairman of the meeting; if the chairman of the meeting is not appointed, shareholders present at the meeting may elect a person to act as chairman; if for any reason the shareholders are unable to elect the chairman, the shareholder present at the meeting who holds the most voting shares (including his/her proxy) shall act as chairman of the meeting.~~

A general meeting convened by the Board of Supervisors itself shall be presided over by the chairman of the Board of Supervisors. Where the chairman of the Board of Supervisors cannot or does not fulfill his/her duties, more than half of the supervisors may jointly elect a supervisor to preside over the meeting.

A general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener.

Where a general meeting is held and the chairman of the meeting violates the rules of procedure which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as chairman, subject to the approval of more than half of the attending shareholders having the voting rights. If for any reason the shareholders cannot elect a person to preside over the meeting, the shareholder (including his/her proxy) holding the most voting shares among the attending shareholders shall preside over the meeting.

Article 38 The Board of Directors and the Board of Supervisors shall report their work in the past year on the annual general meeting.

Article 39 Except in relation to company trade secrets which cannot be disclosed, subject to applicable laws and regulations, ~~D~~irectors, supervisors and senior management members shall make explanations in respect to the inquiries and suggestions made by shareholders at the general meeting.

Article 40 The presider shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of their voting shares, and the number of attending shareholders and their proxies and the total number of their voting shares shall be as recorded in the meeting's register.

Article 41 The Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the general meeting.

Article 42 General meetings shall have minutes, which shall be kept by the secretary to the Board of Directors and shall record the following information:

- (I) the date, venue and agenda of the meeting, and the name of the convener;
- (II) the names of the presider, and the directors, supervisors and senior management members attending or present at the meeting;
- (III) the number of shareholders and proxies attending the meeting, number of voting shares held by holders of ~~RMB ordinary domestic~~ shares (including proxies thereof) and holders of ~~domestic overseas~~ listed foreign shares (including proxies thereof) attending the meeting, and the percentages of the said shares in the total shares of the Company;
- (IV) process of discussion in respect of each proposal, highlights of speeches and the voting result by domestic shareholders and overseas listed foreign shareholders;
- (V) details of the inquiries or suggestions of the shareholders, and the corresponding response or explanations;
- (VI) names of the lawyer, counting officer and monitoring officer; and
- (VII) other issues that shall be recorded in the minutes in accordance with the Articles of Association.

Article 43 The convener shall ensure the meeting minutes are true, accurate and complete. The attending directors, supervisors, secretary to the Board of Directors, convener or representative thereof, and presider shall sign the meeting minutes. The meeting minutes, the signed attendance record of the attending shareholders and the power of attorney for attendance by proxy, the valid information relating to the voting by other means shall be kept for at least 10 years.

Article 44 The convener shall ensure that the general meeting is held continuously until final resolutions have been reached. In the event that the general meeting is suspended or the shareholders fail to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly.

Chapter 7 Voting and Resolutions of General Meetings

Article 45 Voting at general meetings shall be conducted by show of hands save as otherwise specified in the applicable listing rules of the listing place or other securities laws and regulations.~~Voting at general meetings shall be conducted by show of hands save as otherwise specified in the applicable listing rules of the listing place or other securities laws and regulations, or the following persons require voting by ballot before or after voting by show of hands:~~

- ~~(I) chairman of the meeting;~~
- ~~(II) at least two shareholders with voting rights or proxies thereof; and~~
- ~~(III) shareholder(s) (including proxies thereof) severally or jointly holding more than 10% (inclusive) of shares with voting rights at the meeting.~~

~~Unless anybody requires voting by ballot, the chairman of the meeting shall announce the result of voting by show of hands on proposals, which result shall be recorded in the minutes as final evidence, without specifying the number or percentage of pros for or cons against the resolutions adopted at the meeting.~~

~~The request for voting by ballot may be revoked by the person tendering the request.~~

Article 46 Resolutions of a general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions shall be passed by votes representing more than half of the voting rights held by shareholders (including proxies thereof) attending the general meeting.

Special resolutions shall be passed by votes representing more than two thirds of voting rights held by shareholders (including proxies thereof) attending the general meeting.

Article 47 The following matters shall be approved by ordinary resolutions at a general meeting:

- (I) work reports of the Board of Directors and the Board of Supervisors;
- (II) profit distribution plans and loss recovery plans formulated by the Board of Directors;
- (III) appointment and dismissal of the members of the Board of Directors and the Board of Supervisors (excluding employee supervisors), their remunerations and the method of payment thereof;
- (IV) annual budgets and ~~final accounts, balance sheets, income statements and other financial statements~~ of the Company;
- (V) annual reports of the Company; and

(VI) other issues than those should be passed by special resolutions pursuant to relevant laws, administrative regulations or the Articles of Association.

Article 48 The following matters shall be approved by special resolutions at a general meeting:

(I) increase or reduction in the registered capital of the Company and the issue of shares of any class, warrants and other similar securities;

~~(II) issue of corporate bonds of the Company;~~

~~(III) division, merger, dissolution and liquidation of the Company;~~

~~(IV) transformation of the Company;~~

~~(V) loan (including loan in and off annual budget), external investment, sale, acquisition, lease, mortgage and pledge of assets and other asset disposal and guarantee matters with the transaction amount exceeding 30% of the latest audited total assets of the Company;~~

~~(VI) amendment to the Articles of Association and consideration and approval of articles of association formulated by the Board of Directors;~~

~~(VII) consideration and implementation of equity incentive scheme;~~

~~(VIII) any other issue specified in the laws, administrative regulations or the Articles of Association and confirmed by an ordinary resolution at a general meeting that it may have a material impact on the Company and accordingly shall be approved by special resolutions; and~~

~~(IX) other issues requiring adoption by a special resolution pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.~~

Article 49 Shareholders (including proxies thereof) shall exercise their voting rights as per the voting shares they represent. Each share carries the right to one vote.

~~The Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the general meeting.~~

~~In the event of an equality of votes, the chairman of the meeting shall be entitled to an additional vote.~~

Article 50 The general meeting shall vote on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general meeting.

Article 51 No amendment shall be made to a proposal when it is considered at a general meeting; otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the general meeting.

Article 52 The same voting right can only be exercised in only one form: onsite or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

Article 53 Before proposals are voted on at the general meeting, two shareholders' representatives shall be appointed to count, and monitor counting of, the votes. Where any shareholder has interests in any issue considered, the said shareholder or proxy thereof shall not participate in counting and monitoring of counting of votes.

After voting of the attending shareholders, relevant staff of the Secretariat shall responsively collect votes cast by the shareholders and the lawyers, shareholders' representatives and supervisors' representatives shall be jointly responsible for the counting and monitoring of counting of votes.

Shareholders or proxies thereof voting over the network or otherwise shall have the right to check their voting results via the corresponding voting system.

Article 54 The presider of the meeting shall be responsible for announcing whether a resolution has been passed pursuant to the voting result, and shall announce the voting result at the meeting and record the result in the meeting minutes.

Article 55 A shareholder attending a general meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".

Article 56 If the presider of the meeting has any doubt as to the result of a resolution which has been put to vote at the general meeting, he/she may have the votes counted. If the presider has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the presider may, immediately after the announcement of the result, demand that the votes be counted and the presider shall have the votes counted immediately.

Article 57 Where a proposal on election of directors or supervisors is passed at the general meeting, the new directors or supervisors shall take office immediately after passing of the proposal on election at the general meeting and signing of confirmation of statements, unless the time for taking office is otherwise specified in the proposal on election passed at the general meeting.

Article 58 Where a proposal on cash dividends, bonus shares or increase of share capital by way of transfer from capital reserves, the Company shall implement the specific scheme within two months after conclusion of the general meeting.

Article 59 Resolutions of a general meeting that run counter to the laws and administrative regulations shall be void.

Where the meeting convening procedure and voting method of the general meeting run counter to the laws and administrative regulations or the Articles of Association or where the content of any resolution runs counter to the Articles of Association, the shareholders may request the people's court to cancel the said procedure, method or resolution within 60 days after adoption of the resolution.

Article 60 The convener of the general meeting may decide whether or not to tape the whole course of the meeting according to the actual needs for convening of the general meeting.

Chapter 8 Supplementary Provisions

Article 61 Save as otherwise specified, the terms used in the rules of procedure shall have the same meaning as set forth in the Articles of Association.

Article 62 Where any matter is not covered herein or where the rules of procedure conflict with the relevant regulations issued from time to time or the Articles of Association, the latter shall prevail.

Article 63 After adoption at the general meeting, the rules of procedure shall take effect in accordance with the resolution of the general meeting ~~from the date on which H shares publicly issued by the Company are listed on The Stock Exchange of Hong Kong Limited~~ and shall constitute an appendix to the Articles of Association.

Article 64 In respect of amendment to the rules of procedure, the Board of Directors shall propose an amendment draft and submit the same to the general meeting for consideration and approval.

Article 65 The phrases "above" and "within" as referred to in the rules of procedure are inclusive while "exceed", "less than" and "more than" are exclusive.

Article 66 The rules of procedure shall be subject to the interpretation of the Board of Directors.

* *For identification purposes only*

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

The proposed amendments to the Proposed Amendments to the Rules of Procedure for the Board of Directors are set out below:

Chapter 1 General Provisions

Article 1 To specify the duties and authority of the board of directors (hereinafter referred to as the “**Board of Directors**”) of Shandong Fengxiang Co., Ltd. (hereinafter referred to as the “**Company**”), regulate the meeting and working procedures of the Board of Directors, ensure the Board of Directors and directors of the Company perform their duties honestly and protect the interests of the Company and shareholders, the Company works out the rules of procedure in accordance with the Company Law of the PRC (hereinafter referred to as the “**Company Law**”), Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “**Listing Rules of the Hong Kong Stock Exchange**”) and other relevant provisions, and the Articles of Association of Shandong Fengxiang Co., Ltd.* (hereinafter referred to as the “**Articles of Association**”).

Article 2 The Board of Directors shall be accountable to the general meeting, be responsible for the operation and management of the Company’s assets, protect the interests of the Company and shareholders, and exercise the functions and powers conferred by laws and regulations, the Articles of Association and the rules of procedure.

The Board of Directors shall discuss matters at Board of Directors meetings. Attending Board of Directors meetings according to regulations is a basic way for a director to perform his/her duties.

Chapter 2 Formation and Committees of the Board of Directors

Article 3 The Company shall have a Board consisting of six to nine directors. The number of independent non-executive directors shall be at least three at any time, and not less than one third of the total number of directors. Independent non-executive directors may directly report to the general meeting, the securities regulatory authorities of the State Council and other relevant authorities.

A director may serve concurrently as general manager or other senior management member, but the directors serving concurrently as such and employee representative holding the office of director shall not be more than half of the directors of the Company.

The Board of Directors shall have one chairman. The chairman shall be elected or removed by more than half of all the directors, shall serve a term of three years, and is eligible for re-election.

~~At most two senior management members of the controlling shareholder may serve concurrently as chairman or executive directors of the Company.~~

~~Directors need not hold shares of the Company.~~

~~An independent non-executive director shall serve a term of three years and is eligible for re-election. If an independent director has served a term of but the term shall be no more than nine years, whether he/she will be reappointed shall be considered by the shareholders in the form of an independent resolution. The documents sent to shareholders together with the resolution shall specify the reasons why the Board considers the person to be independent and why he/she is re-elected. Where the listing rules or law and regulations of the place where the Company's shares are listed have special provisions, such provisions shall apply.~~

Article 4 The Board of Directors shall establish three special committees, namely, audit committee, nomination committee and remuneration committee, and may also establish other special committees if necessary.

Article 5 The special committees shall be accountable to the Board of Directors, and proposals of the special committees shall be submitted to the Board of Directors for examination and decision. The duties, formation and rules of procedure of the special committees shall be otherwise determined by the Board of Directors according to the Articles of Association and relevant rules of procedure.

Article 6 The special committees may appoint intermediaries to provide professional advice, with costs to be borne by the Company.

Article 7 The special committees shall not make any resolution in the name of the Board of Directors, but may exercise the right to make decisions on the authorised matters based on the special authorisation of the Board.

Article 8 The special committees of the Board of Directors shall work out working rules, which shall come into effect upon approval by the Board.

Article 9 The Board of Directors shall have a Board Office for handling the daily affairs of the Board of Directors. The secretary to the Board of Directors shall serve concurrently as the officer in charge of the Board Office and keep the seal of the Board.

Chapter 3 Functions and Powers of the Board of Directors and Chairman

Article 10 The Board of the Company shall consist of directors elected by the general meeting according to the Articles of Association.

A director may resign before his/her term of office expires. In resigning his/her duties, a director shall tender a resignation to the Board of Directors. The Board of Directors shall disclose relevant information as soon as possible. If the term of office of a director expires but re-election is not made responsively or if any director resigns during his/her term of office so that the membership of the Board of Directors falls short of the quorum, the said director shall continue fulfilling the duties as director pursuant to laws, regulations and the Articles of Association until a new director is elected.

Article 11 The Board of Directors shall diligently fulfill its duties under the relevant laws, regulations and the Articles of Association, ensure that the Company complies with the laws, regulations and the Articles of Association, treat all shareholders impartially, and pay attention to the interests of other interested parties.

Article 12 The Board of Directors shall exercise the following functions and powers according to laws:

- (I) to convene general meetings, make proposals or motions to the general meeting, propose to the general meeting for adoption of relevant matters and report on its work to the general meetings;
- (II) to implement the resolutions of the general meetings;
- (III) to decide on the Company's operational plans and investment proposals;
- (IV) to formulate proposals for the Company's annual financial budgets and final accounts;
- (V) to formulate the Company's profit distribution proposals and loss recovery proposals;
- (VI) to formulate proposals for the increase or reduction of the Company's registered capital, the issue of shares, corporate bonds or other securities, and the listing;
- (VII) to formulate proposals for acquisition and disposal of the Company's material assets, repurchase of shares of the Company, or merger, division, dissolution and change of corporate form;
- (VIII) to decide on the setup of the Company's internal management organs;
- (IX) to appoint or dismiss the Company's general manager or secretary to the Board of Directors and, based on the general manager's nomination, to appoint or dismiss the Company's deputy general manager, financial officer and other senior management members;
- (X) to decide on the remunerations of and rewards and punishments for the aforesaid senior management members;
- (XI) to formulate the Company's basic management system;
- (XII) to formulate proposals for any amendment to the Articles of Association and formulate the articles of association;
- (XIII) to consider matters including investment, acquisition or disposal of assets, financing, connected transactions which should be resolved on by the Board of Directors pursuant to the Listing Rules of the Hong Kong Stock Exchange;

(XIV) to propose to the general meeting to appoint or replace the accounting firm which audits the Company's accounts;

(XV) to listen to the work report of the general manager of the Company and examine on the general manager's work;

(XVI) to decide on the loan (both within the annual budget and extra-annual budget), external investment, sale of assets, acquisition, lease, mortgage, pledge or any other matters in relation to asset disposal and guarantee with an amount of more than 10% but less than 30% of the Company's audited total assets for the latest period;

(XVII) to resolve on the important issues of the Company other than those which should be resolved on at general meetings pursuant to the Company Law and the Articles of Association;

(XVIII) to exercise other functions and powers conferred by the laws and regulations, the Listing Rules of the Hong Kong Stock Exchange, the Articles of Association or the general meeting.

The Board of Directors shall also be responsible for the following issues:

(I) to formulate the Company's corporate governance system and review and improve its corporate governance;

(II) to review and supervise the training for and continuous professional development of the directors and senior management members;

(III) to review and supervise the systems formulated and observation thereof by the Company and make relevant disclosures as per the laws and relevant provisions of the securities regulatory authority of the place where the Company's shares are listed; and

(IV) to work out the Company's code of conduct and relevant compliance manual for its employees and directors, and review and supervise their behaviors.

The Board of Directors shall be responsible for the above corporate governance functions and may also assign its responsibilities to one or more special committees under it.

~~The Board may resolve on the issues specified in the preceding paragraph by approval of more than half of the directors, save for the issues specified in sub paragraphs (VI), (VII) and (XII) or other listing rules, in which approval of more than two thirds of the directors is required.~~

Resolutions made by the Board of Directors in relation to connected transactions shall not be valid unless signed by the independent non-executive directors.

Unless otherwise provided by laws, administrative regulations and the Articles of Association, the Board of Directors may grant part of its functions and powers to the chairman, one or more of other directors or the general manager. The contents of functions and powers granted by the Board of Directors shall be specific and detailed.

Article 13 The chairman shall exercise the following functions and powers:

- (I) preside over general meetings, and convene and preside over Board of Directors meetings;
- (II) supervise and examine the implementation of the resolutions of the Board of Directors;
- (III) sign the shares, bonds and other securities issued by the Company;
- (IV) sign important documents of the Board of Directors and other documents that should be signed by the legal representative of the Company, and exercise functions and powers of the legal representative;
- (V) in case of force majeure or major emergency in which a Board of Directors meeting cannot be held in time, exercise the special right of disposal in respect of the business of the Company in compliance with laws and in the interests of the Company, and report to the Board of Directors afterwards;
- (VI) organise formulation of regulations on the operation of the Board of Directors, and coordinate the operation of the Board of Directors;
- (VII) listen to regular or irregular work reports of the senior management members of the Company, and propose guiding opinions on implementation of the resolutions of the Board of Directors;
- (VIII) nominate candidates for the general manager of the Company and secretary to the Board of Directors;
- (IX) handle foreign affairs on behalf of the Company and sign economic contracts concerning investments, cooperative operations, joint ventures and loans;
- (X) exercise other functions and powers specified in relevant laws, regulations and the Articles of Association or granted by the Board of Directors.

Where the chairman cannot fulfill his functions and powers, more than half of the directors may jointly elect a director to preside over the meeting.

Where necessary, the Board of Directors may authorise the chairman to exercise part of the functions and powers of the Board of Directors while the Board of Directors is not in session.

Chapter 4 Proceedings of Board of Directors Meetings

Article 14 Regular meetings

Board of Directors meetings include regular meetings and provisional meetings. The Board of Directors shall hold at least four regular meetings every year. The regular Board of Directors meetings shall be held at such a time that ensures the Company's periodic reports can be submitted and reported to relevant regulatory authorities within the time stipulated by relevant laws, administrative regulations, departmental rules and the Articles of Association.

The chairman shall hold a meeting without executive directors with independent non-executive directors once every year.

Article 15 Proposal for regular meetings

Before sending the notice for holding a regular Board of Directors meeting, the Board Office shall adequately consult with the directors, and shall formulate a preliminary proposal for the meeting and submit the same to the chairman for decision. Before deciding a proposal, the chairman shall, where necessary, seek opinions of the general manager and other senior management members.

Article 16 Provisional meetings

In any of the following circumstances, the Board of Directors shall hold a provisional meeting:

(I) It is proposed by shareholders representing more than one tenth of the voting rights;

(II) It is jointly proposed by more than one third of the directors;

~~(III) It is proposed by the chairman;~~

~~(IV) It is proposed by more than two independent non executive directors;~~

~~(V)~~ (III) It is proposed by the Board of Supervisors;

~~(VI) It is proposed by the general manager; and~~

~~(VII)~~ (IV) If any other circumstance as specified in the Articles of Association or relevant laws and regulations occurs.

Article 17 Procedure for proposing provisional meetings

A proposal for convening a provisional Board of Directors meeting as specified in the preceding article shall be in written form and affixed with the signature (seal) of the proposer and submitted to the Board Office or directly to the chairman. A written proposal shall specify:

(I) name or title of the proposer;

(II) reasons for the proposal or causes on which the proposal is based;

(III) time or duration, venue and form of the meeting proposed;

(IV) well-defined and specific proposal; and

(V) means to contact the proposer, date of proposal, etc.

The contents of the proposal shall be within the functions and powers of the Board of Directors specified in the Articles of Association, and the documents relating to the proposal shall be submitted together with the proposal itself.

The Board Office shall transfer to the chairman the aforesaid written proposal and relevant documents on the day of receipt of the same. Where the chairman deems the proposal not explicit or specific or the relevant documents inadequate, the chairman may require the proposer to amend or supplement the proposal.

The chairman shall convene and preside over a Board of Directors meeting within 10 days after receipt of the proposal or requirement of the securities regulatory authorities.

Article 18 Convening and presiding of meetings

The chairman shall convene and preside over the Board of Directors meetings; where the chairman cannot or does not fulfill the duty thereof, more than half of the directors may elect a director to convene and preside over the Board of Directors meetings.

Article 19 Meeting notice

The Board Office shall send a meeting notice in the written form to all the directors, supervisors, managers and secretary to the Board by email, post, fax or direct delivery 14 days and 5 days before a regular Board of Directors meeting and a provisional Board of Directors meeting respectively. Where the notice is not served by direct delivery, telephone acknowledgment and relevant records shall be made.

Where a provisional Board of Directors meeting needs to be convened responsively in emergency, the meeting shall be held without being subject to the time in the meeting notice, and a reasonable notice shall be sent. Where the meeting notice is sent by telephone or by other verbal means, the convener shall make explanations at the meeting.

Article 20 Contents of the meeting notice

A meeting notice shall include at least the following details:

- (I) the date and venue of the meeting;
- (II) the form of convening the meeting;
- (III) the matters (meeting proposals) to be considered;
- (IV) the convener and the presider of the meeting, the proposer of the provisional meeting and his/her written proposal;
- (V) meeting documents needed for voting by directors;
- (VI) requirements for the directors to attend the meeting in person or by proxy;
- (VII) the contact person and means of contact;
- (VIII) date on which the notice is sent.

A verbal meeting notice shall at least include the contents under sub-paragraphs (I) and (II) above, and the description for convening a provisional Board of Directors meeting as soon as possible in case of urgent situation.

Adequate information shall be attached to the notice of a Board of Directors meeting, including background information relating to the topics for discussion at the meeting and information and data helping the directors learn about the business development of the Company. Where more than one-fourth of the directors or more than two independent non-executive directors consider the information as inadequate or the demonstration as unclear, they may jointly propose to the Board of Directors in writing to adjourn the Board of Directors meeting or postpone consideration of such matters, and the Board of Directors shall adopt such a proposal.

Article 21 Change of the meeting notice

If, after the written notice of a regular Board of Directors meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or cancel meeting proposals, a written notice of change shall be sent three days before the original designated date for convening the meeting to explain the circumstance and provide contents and documents relating to the new proposals. Where the notice of change is sent in less than three days in advance, the date of meeting shall be postponed accordingly, or the meeting may be convened as scheduled with the approval of all attending directors.

If, after the notice of a provisional Board of Directors meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or cancel meeting proposals, the prior consent of all the attending directors shall be sought and relevant records shall be made.

Article 22 Convening of meetings

A Board of Directors meeting shall be attended by more than one half of the directors. Where any relevant director refuses to attend or is negligent in attending the meeting so that the number of attendees falls short of the quorum required for convening the meeting, the chairman and the secretary to the Board of Directors shall promptly report to the regulatory authority.

Supervisors may attend Board of Directors meetings without voting rights; the general manager and the secretary to the Board of Directors who don't serve concurrently as director shall attend Board of Directors meetings without voting rights. The presider of the meeting may, where he/she deems necessary, notify other relevant persons to attend Board of Directors meetings without voting rights.

Article 23 Attendance in person or by proxy

In principle, the directors shall attend Board of Directors meetings in person. Where a director is unable to attend a meeting for any reason, he/she shall review the meeting documents in advance, form definite opinions, and appoint another director in writing to attend the meeting on his/her behalf.

The power of attorney shall specify:

- (I) the names of the principal and proxy;
- (II) reasons for the principal's failure to attend the meeting;
- (III) brief opinions of the principal on respective proposals;
- (IV) the principal's range of authorisation and instructions about voting intent in relation to respective proposals;
- (V) Signature of the principal, date, etc.

Where any director signs the written confirmation for the periodic reports by proxy, such director shall specify such authorisation in the power of attorney.

The proxy director shall present the written power of attorney to the presider of the meeting, explain the proxy attendance in the attendance book and exercise the rights as director within the range of authorisation.

If any director fails to attend a Board of Directors meeting in person or by proxy, such director shall be deemed as having waived his/her right to vote at the meeting.

Article 24 Restriction on proxy attendance

Proxy attendance at Board of Directors meetings shall follow the principles below:

- (I) where related party transactions are considered, a non-related director shall not appoint a related director to attend the meeting on his/her behalf, and a related director shall also not accept the appointment of a non-related director;
- (II) an independent non-executive director shall not appoint a non-independent non-executive director to attend the meeting on his/her behalf, and a non-independent non-executive director shall also not accept the appointment of an independent non-executive director;
- (III) a director shall not give any other director carte blanche to attend the meeting on his/her behalf without providing his/her own opinions and voting intent on the proposals, and the relevant director shall also not accept the carte blanche or any appointment not well defined;
- (IV) one director shall not accept appointment by more than two directors, and a director shall also not appoint any other director who has been appointed by two other directors to attend the meeting on his/her behalf;
- (V) if any director fails to attend Board of Directors meetings in person or by proxy for two consecutive times, such director shall be deemed incapable of performing his/her duties, and the Board of Directors shall suggest that the general meeting dismiss such director.

Article 25 Forms of convening the meetings

Board of Directors meetings shall generally be held on site. Whenever it is necessary, the Board of Directors meetings may be convened in the form of voting via video, telephone, fax or email after agreement of the convener (the presider) and proposer provided that the directors can fully give their opinions. The Board of Directors meetings may also be held on site and off site simultaneously.

Where a Board of Directors meeting is held off site, the number of the directors present at the meeting is calculated according to the number of the directors present in the video, the number of the directors expressing opinions in the teleconference, the number of valid votes including faxes or emails received within the specified period, or the written confirmations for attendance at the meeting submitted by the directors after the meeting.

Article 26 Consideration procedure of the meetings

The presider of the meeting shall ask the directors attending the Board of Directors meeting to provide definite opinions on respective proposals.

The presider of the meeting shall declare the commencement of the meeting at the appointed time. After the meeting commences, the presider of the meeting shall first declare the meeting agenda. The proposals shall be considered at the meeting one by one.

For any proposal requiring prior acknowledgements of independent non-executive directors as specified, the presider of the meeting shall, before discussing the relevant proposal, appoint one independent non-executive director to read out the written acknowledgements of independent non-executive directors.

The presider of the meeting shall promptly stop any director from hindering the normal progress of the meeting or affecting the speech of other directors.

A Board of Directors meeting shall not vote on any proposal not included in the meeting notice unless with the unanimous consent of all the attending directors. A director appointed by another director to attend the Board of Directors meeting on his/her behalf shall not vote on any proposal not included in the meeting notice for the appointing director.

Article 27 Expression of opinions

The directors shall carefully read documents relating to the meeting and shall express well-informed, independent and discreet opinions.

The directors may, before the meeting, inquire about information needed for decision making from relevant persons or institutions such as the Board Office, the convener of the meeting, the general manager and other senior management members, special committees, the accounting firm and the law firm, or may, while the meeting is underway, suggest to the presider that the aforesaid persons or institutions appear at the meeting to make relevant explanations.

Article 28 Voting at meetings

After adequate discussion of each proposal, the presider shall submit it to voting by the attending directors.

Each attendee shall cast one vote by a show of hands or by ballot or otherwise.

The voting intention of a director may be pro, con or abstention. Every attending director shall choose one of the aforesaid intentions. If any director does not make any choice or chooses two or more intentions at the same time, the presider of the meeting shall require the said director to make a choice again, if he/she refuses to do so, he/she shall be deemed as having abstained from voting; any director who has left the meeting midway without coming back and making any choice shall be deemed as having abstained from voting.

Provisional Board of Directors meetings may be held and pass resolutions by means of written communications, with the resolutions signed by the attending directors, provided that the attending directors fully express their opinions.

~~If the pros and cons are the same, the chairman shall be entitled to an additional vote.~~

Article 29 Development strategy and investment decision-making procedures

The Company's development strategy and investment decision-making procedures: the Strategy Committee of the Board of Directors shall take charge and organise the general manager and relevant departments of the Company to formulate the Company's medium- and long-term development plans, annual investment plans, and investment and merger and acquisition plans for major projects, which shall be submitted to the Board of Directors for consideration and be implemented upon approval by voting at the general meeting; according to the Articles of Association, regarding investment projects within the terms of reference of the Board of Directors, the Strategy Committee of the Board of Directors shall take charge and organise the general manager and relevant departments to draw up feasibility plans and submit the same to the Board of Directors for consideration, which shall be implemented after the resolution of the Board of Directors is made.

Article 30 Personnel appointment and removal decision-making procedures

The Company's personnel appointment and removal decision-making procedures: according to the Articles of Association and the rules of procedure, the Nomination Committee of the Board shall take charge and organise the general manager and the Company's personnel department to review the personnel appointments and removals within the terms of reference of the Board (excluding personnel appointments and removals decided by the general manager upon authorisation by the Board of Directors), make proposals to the Board of Directors in light of the opinions from the

party organisation and other relevant parties. After the Board of Directors of the Company makes resolutions upon discussion, the chairman shall issue the letters of appointment, assignment or recommendation or removal documents.

The Remuneration Committee of the Board of Directors shall take charge and organize the general manager and the Company's personnel department to review and assess the remunerations and evaluations relating to personnel appointment and removal within the terms of reference of the Board of Directors and make proposals to the Board of Directors in light of the opinions from the party organisation and other relevant parties.

Regarding personnel appointments and removals or remunerations and evaluations decided by the general manager upon authorisation of the Board of Directors, the general manager shall take charge and organise the Company's personnel department to review the relevant personnel, and make decisions after listening to opinions from relevant parties. Regarding appointments and removals of personnel from the enterprises the Company has invested in, the Board of Directors shall exercise the following functions and powers: based on the nomination of the general manager, it shall appoint and/or recommend directors, supervisors and/or senior management members to the invested enterprises in accordance with its Articles of Association.

Article 31 Financial budget and final account decision-making procedures

The Company's financial budget and final account decision-making procedures: the Audit Committee of the Board of Directors shall take charge and organise the general manager and the Company's financial department to formulate the Company's annual financial budgets and final accounts, surplus distribution and loss recovery plans, etc., and submit them to the Board for consideration and making resolutions, which shall be implemented by the general manager upon review and approval by the general meeting.

Article 32 Decision-making procedures for other important issues

The Company's decision-making procedures for other important issues: before reviewing and signing documents on important issues such as loans, asset disposal and guarantees decided by the general meeting, the Board of Directors or the chairman upon authorisation by the Board of Directors, the chairman shall conduct a feasibility study on relevant issues and, if necessary, listen to opinions from relevant parties; meanwhile, in signing any external guarantee document, if necessary, the chairman shall also organise the general manager and the Company's financial department to fully investigate and evaluate the application of the guaranteed party and provide opinions; in signing any loan document, if necessary, the chairman shall also organise the general manager and the Company's financial department to submit reports on loan amount, necessity, and repayment plan. After summarising the above opinions, the chairman shall make a decision within his/her authority, or submit relevant information to the Board of Directors in writing, or submit it to the general meeting through the Board of Directors, and shall sign and implement the above relevant documents upon approval by the Board or general meeting.

Article 33 Statistics of voting results

Each proposal shall be voted on separately at the Board of Directors meeting. For any proposal voted on by a show of hands at the Board of Directors meeting, after voting of the attending directors, the presider of the meeting shall make statistics on-site. For any proposal voted on by ballot at the Board of Directors meeting, after voting of the attending directors, the securities affairs representative and relevant staff of the Board Office shall promptly collect ballots cast by the directors, which shall be counted by the secretary to the Board of Directors under supervision of a supervisor or an independent non-executive director.

Where the meeting is held on-site, the presider of the meeting shall announce the statistics on-site; under other circumstances, the presider of the meeting shall require the secretary to the Board of Directors to inform the directors of the voting result prior to the next workday after the prescribed voting deadline.

The ballots cast by directors after the presider of the meeting announces the voting result or after the prescribed voting deadline shall not be counted.

Article 34 Forming of resolutions

~~Save as specified in Article 33 of the rules of procedure,~~ The proposals considered and passed and the relevant resolutions formed by the Board of Directors shall be subject to approval of more than half of all the directors of the Company. Where the relevant laws, administrative regulations and Articles of Association have any provisions on approval by more directors, such provisions shall apply.

If different resolutions conflict with each other in contents and meanings, the resolutions formed later in time shall prevail.

Voting at Board of Directors meetings may be conducted via meeting (including video conference) or correspondence (including circulation of written proposal). In the form of voting by correspondence, the matters to be voted on by such means and relevant background information shall be sent to all directors ~~at least 3 days before voting~~ in advance in accordance with the provisions of the rules of procedure, and the reasons shall be explained and the directors shall be able to fully express their opinions. If a Board of Directors meeting is held by means of voting via correspondence (including via circulation of written proposal), directors or other directors appointed thereby shall write down their opinions of pros, cons or abstentions on the proposal. Once the number of directors voting in favor of the proposal has reached the quorum necessary for resolving on the proposal as specified in the Articles of Association and the rules of procedure, such proposal shall be passed.

Article 35 Abstention from voting

Under any of the following circumstances, the directors shall abstain from voting on relevant proposals:

- (I) The directors themselves think they should abstain from voting;
- (II) The directors are connected with the enterprises involved in the proposals and shall therefore abstain from voting pursuant to the Articles of Association.

Where any director abstains from voting, the Board of Directors meeting may be held when more than half of the non-related directors attend the meeting. The resolution of the Board of Directors meeting shall be passed by more than half of the non-related directors. If the number of non-related attending directors is less than 3, the relevant proposal shall not be voted on but shall be submitted to the general meeting for deliberation.

Save as specified above, the specific procedures for abstention from voting of related directors are as follows:

- (I) related directors, other directors or supervisors submit an application or request for abstention from voting to the Board of Directors;
- (II) the chairman examines the application or request for abstention from voting submitted by related directors, other directors or supervisors according to law and make a decision; if a related director who is required to abstain from voting does not abstain from voting, the chairman may also make a decision by itself and require the said director to abstain from voting; where the said director or other directors or supervisors disagree with the chairman's decision, such decision shall be subject to a resolution adopted by a majority of all Board members.

Article 36 No acting beyond authority

The directors shall strictly act as authorised by the general meeting and the Articles of Association, and shall not make any resolution beyond authority.

If any director violates the laws, administrative regulations, department rules or the Articles of Association in fulfilling his duties to the Company, thereby incurring any loss to the Company, the said director shall be liable for compensation.

Where a director provides guarantee for others with the Company's property without approval by the Board of Directors or the general meeting, the Board of Directors shall advise the general meeting to replace the said director; and the director shall be liable for compensating for any loss incurred to the Company arising therefrom.

Article 37 Special provision on profit distribution

Where the issues relating to profit distribution of the Company need to be resolved on at the Board of Directors meeting, the profit distribution proposal to be submitted to the Board of Directors for deliberation may first be submitted to the certified public accountants, who shall be required to produce a draft audit report (all financial data except those involving profit distribution have been determined). After resolving on profit distribution, the Board of Directors shall require the certified public accountants to produce a formal audit report, according to which the Board of Directors shall resolve on other relevant issues in the regular report.

Article 38 Processing of proposals not passed

Where any proposal is not passed, any Board of Directors meeting shall not deliberate any proposal with the same contents within one month if relevant conditions and factors have not changed significantly.

Article 39 Suspension of voting

Where more than ~~half of the attending~~ one-fourth of the directors or more than two independent non-executive directors think they cannot make judgments on relevant issues because the relevant proposal is not clear or specific or the meeting documents are inadequate, etc., the presider shall require suspending voting on the said proposal at the meeting.

The director proposing suspension of voting shall provide definite requirements for the conditions to be met for resubmitting the said proposal for deliberation.

Article 40 Recordings of meetings

Board of Directors meetings held on site or via video or telephone may be wholly recorded where necessary.

Article 41 Meeting minutes

The secretary to the Board of Directors shall arrange a clerk of the Board of Directors Office to record the minutes of the Board of Directors meeting. The meeting minutes shall include the following information:

- (I) the date, venue and form of the meeting;
- (II) sending of the notice of meeting;
- (III) convener and presider of the meeting;
- (IV) the names of the attending directors and the directors (proxies) attending the meeting on behalf of others;
- (V) the agenda of the meeting;
- (VI) the proposals considered at the meeting, summaries of the speeches of directors, and chief comments and opinions of directors on relevant issues;

(VII) the voting method and result for each resolution (the voting result shall set out the numbers of pros, cons and abstentions);

(VIII) other issues that the attending directors think should be recorded.

Article 42 Signatures of directors

The attending directors shall sign the minutes of the meeting and records of the resolutions in person or on behalf of the directors appointing them to attend the meeting. Where the directors disagree over the minutes of the meeting or the records of the resolutions, they may attach written remarks when signing the said minutes or records. Where necessary, they shall promptly report to the regulatory authority or announce public statements.

Where any director neither signs as per the preceding paragraph nor provides his/her different opinions in writing, the said director shall be deemed as fully agreeing with the minutes of the meeting and the records of the resolutions.

Article 43 Execution of resolutions

The chairman of the Board of Directors shall urge relevant personnel to execute the resolutions of the Board of Directors, supervise such execution, and report at future Board of Directors meetings how the formed resolutions are executed. In case of any non-conformity with the resolutions found during the inspection, the chairman may require and urge relevant person to make correction. Where the said person does not adopt the chairman's idea, the chairman may propose to convene a provisional Board of Directors meeting to make a resolution requiring the person to make correction.

When the Board of Directors is not in session, the Company's economic operation and its implementation of investment projects and resolutions of the Board of Directors, as collected by the secretary to the Board of Directors and approved by the chairman of the Board of Directors, shall be reported in writing to the directors, so as to ensure that they have timely knowledge of the Company's operation and the implementation of resolutions of the general meeting and the Board of Directors. Directors may request relevant information to learn about and supervise the implementation of resolutions of the general meeting and the Board of Directors.

Article 44 Preservation of meeting archives

Archives of Board of Directors meetings include meeting notices, meeting documents, attendance book, powers of attorney for proxy directors, meeting recordings, votes, meeting minutes signed by the attending directors, meeting summaries, minutes of resolutions, etc., which shall be kept by the secretary to the Board of Directors.

Archives of Board of Directors meetings shall be kept for at least 10 years.

Chapter 5 Secretary to the Board of Directors

Article 45 The Board of Directors shall have a secretary, who shall be a senior management member of the Company and shall be accountable to the Board of Directors.

Article 46 Qualifications of secretary to the Board of Directors:

- (I) having college degree or above, with at least three years' experience in secretary work, management and equity related affairs;
- (II) adequately informed of accounting, taxation, law, finance and corporate governance, having upright character and work ethics, strictly observing relevant laws, regulations and rules, and capable of diligently fulfilling duties;
- (III) a director of the Company may concurrently serve as secretary to the Board of Directors, but a supervisor may not concurrently serve as secretary to the Board of Directors;
- (IV) a person under any of the circumstances as prescribed in Article 146 of the Company Law shall not serve as secretary to the Board of Directors;
- (V) the accountants of the accounting firm and the lawyers from the law firm engaged by the Company shall not serve concurrently as secretary to the Board of Directors;
- (VI) the circumstances disqualifying a person as director of the Company in the Articles of Association shall apply to the secretary to the Board of Directors.

Article 47 The secretary to the Board of Directors shall perform the following duties:

- (I) to ensure that the Company has complete organisation documents and records; maintain and manage the shareholder's information; assist directors in the daily work of the Board of Directors;
- (II) to organise the preparation of Board of Directors meetings and general meetings; prepare meeting materials, handle relevant meeting affairs; make minutes of the meetings and ensure their accuracy; prepare and keep meeting documents and minutes; take initiative to monitor the progress of the implementation of relevant resolutions. Report any important issues occurring during the implementation to the Board of Directors and give relevant advice to the Board of Directors;
- (III) to act as a liaison between the Company and the securities regulatory authorities, organise the preparation and timely submission of the reports and documents required by the regulatory authorities, and accept, organise and complete the relevant tasks assigned by the regulatory authorities;

- (IV) to coordinate and organise the Company's information disclosure; establish and improve the information disclosure system; participate in all relevant meetings of the Company involving information disclosure; and keep informed of the Company's major business decisions and related information in a timely manner;
- (V) to ensure the proper establishment of the Company's share register and the timely availability of relevant records and documents by those entitled to the Company's relevant records and documents;
- (VI) to handle the Company's information disclosure affairs, lead the formulation and execution of the information disclosure management system and the internal reporting system of important information, so as to make the Company and related parties perform the information disclosure obligations in accordance with the law;
- (VII) to handle and coordinate public relations between the Company and relevant regulatory agencies, intermediaries and the media;
- (VIII) to perform other functions and powers conferred by the Board of Directors as well as other functions and powers required by laws and regulations, and the stock exchange on which the Company's shares are listed.

Article 48 The secretary to the Board of Directors shall be nominated by the chairman of the Board of Directors and appointed or dismissed by the Board of Directors.

The secretary to the Board of Directors may be concurrently acted by the directors or other senior management members of the Company, except as otherwise provided by laws, regulations, the Articles of Association and other normative documents.

~~Where a director or other senior management member concurrently serves as secretary to the Board, if any act needs to be done by the director or other senior management member and the secretary to the Board separately, the person who concurrently serves as director or other senior management member and secretary to the Board shall not act in a dual capacity; the specific capacity shall be determined by the chairman of the Board according to the nature of the act.~~

Article 49 The secretary to the Board of Directors shall organise the relevant institutions and personnel of the Company to ensure that the directors exercise the following functions and powers:

- (I) to learn about the business operations and financial position of the Company;
- (II) to supervise the performance of duties by other directors and senior management members;
- (III) to take appropriate measures to ensure the director's right to know and to ensure the truthfulness and completeness of the information provided;
- (IV) to safeguard the right of directors to attend the Board of Directors meetings;

(V) to provide directors with the necessary working conditions for the performance of their duties.

When a director exercises his/her functions and powers, the relevant personnel of the Company shall provide active support to him/her, and shall not refuse, obstruct or conceal, nor interfere in the exercise of his/her functions and powers.

Article 50 The secretary to the Board of Directors shall have the obligation of good faith and diligence to the Company, assume the relevant legal responsibilities of the senior management members, shall abide by the Articles of Association, faithfully perform his/her duties and safeguard the interests of the Company, and shall not take advantage of his/her position and authority in the Company for personal gains.

Chapter 6 Supplementary Provisions

Article 51 Save otherwise specified, the terms used in the Rules of Procedure shall have the same meanings as those in the Articles of Association.

Article 52 In case of any matters not covered in the rules of procedure or any conflict with the provisions of the relevant laws and regulations or the Articles of Association promulgated from time to time, the provisions of the relevant laws and regulations or the Articles of Association shall prevail.

Article 53 The rules of procedure shall become effective in accordance with the resolution of the general meeting ~~on the date on which the publicly issued H shares of the Company are listed on The Stock Exchange of Hong Kong Limited~~ upon the adoption by a resolution of the general meeting, constituting an appendix to the Articles of Association.

Article 54 In respect of amendments to the rules of procedure, the Board of Directors shall propose an amendment draft and submit the same to the general meeting for deliberation and approval.

Article 55 The phrases “above” and “within” as referred to in the rules of procedure are inclusive while “exceed”, “less than” and “more than” are exclusive.

Article 56 The rules of procedure shall be subject to the interpretation of the Board of Directors.

* *For identification purposes only*

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

The proposed amendments to the Rules of Procedure for the Board of Supervisors are set out below:

Chapter 1 General Provisions

Article 1 In order to improve the supervision mechanism, clarify the powers and procedures of the Board of Supervisors, promote the supervisors and the Board of Supervisors to effectively perform their supervisory duties and protect the legitimate rights and interests of shareholders, the Rules of Procedure for the Board of Supervisors were formulated by Shandong Fengxiang Co., Ltd.* (hereinafter referred to as the “**Company**”) in accordance with the Company Law of the PRC (hereinafter referred to as “**Company Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Articles of Association of Shandong Fengxiang Co., Ltd.* (hereinafter referred to as the “**Articles of Association**”).

Article 2 The Board of Supervisors is the Company’s supervisory body and is accountable to all shareholders, with financial supervision as the core, and shall supervise the finance of the Company and the legality and compliance of the fulfillment of duties of the Company’s Directors, general manager and other senior management to protect the legitimate rights and interests of the Company and its shareholders in accordance with the Company Law and other relevant laws, regulations and regulatory documents and the Articles of Association.

Article 3 Supervisors shall abide by the relevant laws and regulations and the Articles of Association, and perform their obligations of integrity and diligence.

Article 4 Supervisors shall have professional knowledge or work experience in the fields of law and accounting. Members and structure of the Board of Supervisors shall ensure the Board of Supervisors being able to independently and effectively supervise and review Directors, general manager and other senior management as well as the Company’s finance.

Article 5 The Company shall take measures to safeguard the right to know of supervisors, and provide the supervisors with necessary information and data in a timely manner, to allow the Board of Supervisors to implement effective supervision, inspection and assessment on the financial position and operation management of the Company. The reasonable expenses required by supervisors to perform their duties shall be borne by the Company.

The general manager shall report to the Board of Supervisors the execution, implementation, application of funds and profits or losses of major contracts as required by the Board of Supervisors. The general manager shall ensure the truthfulness of the report.

Chapter 2 Composition and Secretary of the Board of Supervisors

Article 6 The Board of Supervisors shall have three supervisors, with one acting as the chairman of the Board of Supervisors. Supervisors have a term of three years and can be re-elected.

Article 7 The appointment and removal of the chairman of the Board of Supervisors shall be approved by a majority ~~more than two-thirds (inclusive) members~~ of the Board of Supervisors.

Article 8 The members of the Board of Supervisors are composed of two shareholder representatives and one employee representative. Among them, shareholder representatives are elected and dismissed by shareholders' general meetings, and the employee representative supervisor is elected by the Company's congress of workers, general membership meetings or other forms of democratic election.

Article 9 Supervisors may resign before the expiration of their terms of office. Supervisors who resign shall submit a written resignation report to the Board of Supervisors.

If the number of supervisors of the Board of Supervisors is lower than the statutory minimum number due to the resignation of the supervisors, the original supervisors shall still perform the duties of supervisors in accordance with the laws, administrative regulations, department regulations and the Articles of Association before the newly-elected supervisors take office.

Except for the circumstances listed in the preceding paragraph, the resignation of a supervisor shall take effect when the resignation report is served on the Board of Supervisors.

Article 10 If resignation of a supervisor takes effect or his/her term of office expires, all transfer procedures should be completed with the Board of Supervisors, and the fiduciary obligations owed by that supervisor to the Company and shareholders do not necessarily cease before the resignation report comes into effect or within the reasonable period after it has come into effect and after the termination of his/her office. The confidentiality obligation of the supervisor in respect of trade secrets of the Company remains even after the termination of his/her office, until those trade secrets have become public information. The duration of other obligations shall be determined in accordance with the principle of fairness, depending on the length of time between the occurrence of the event and resignation, and the circumstances and conditions under which the relationship with the Company ends.

Article 11 Directors, general manager and other senior management of the Company shall not concurrently serve as supervisors.

Article 12 The Board of Supervisors shall not set an office separately. All departments of the Company shall actively assist and cooperate with relevant work related to the performance of the functions of the Board of Supervisors. The Board of Supervisors has a part-time secretary who is responsible for keeping the minutes, documents and seals of the Board of Supervisors, and assisting the Chairman of the Board of Supervisors in daily affairs.

Chapter 3 Powers of the Board of Supervisors

Article 13 The Board of Supervisors shall be accountable to the shareholders' meeting and exercise the following duties in accordance with laws:

(I) to review and issue written review comments on the regular reports of the Company prepared by the Board of Directors;

~~(II)~~ to supervise the acts of the directors, general manager, and other senior management members ~~which are in violation of the laws, administrative regulations and the Articles of Association~~ when they perform their duties; to suggest the removal of directors or senior management members who have violated the laws, administrative regulations, the Articles of Association or the resolutions of the shareholders' meetings;

~~(III)~~ to request the directors and senior management members to make corrections when his/her action damages the interests of the Company;

~~(IV)~~ to check the finance of the Company;

~~(V)~~ to verify financial information such as financial reports, business reports, profit distribution plans, etc. that the Board of Directors proposes to submit to the shareholders' meeting and, if any doubt, to appoint, in the name of the Company, a certified public accountant or practicing auditor to assist in reviewing such information;

~~(VI)~~ to suggest the convening of Extraordinary shareholders' meetings, and, when the Board of Directors fails to perform its duties of convening and presiding over the shareholders' meetings in accordance with the Company Law, to convene and preside over the shareholders' meetings;

~~(VII)~~ to submit proposals to the shareholders' meetings;

~~(VIII)~~ to suggest the convening of extraordinary meetings of the Board of Directors;

~~(IX)~~ to file lawsuits against directors and senior management in accordance with the provisions of Article 151 of the Company Law;

~~(X)~~ other functions and powers stipulated by laws, administrative regulations and the Articles of Association.

Supervisors are present at ~~the~~ Board of Directors meetings and propose questions or make recommendations on matters resolved by the Board of Directors.

Article 14 The Board of Supervisors shall read the special report on the company's supervision over the past year at the annual general meeting, which includes:

(I) Company financial inspections;

- (II) implementation of relevant regulations, the Articles of Association and resolutions of shareholders' general meetings by the Company's directors, general manager and other senior management;
- (III) the Board of Supervisors' evaluation of the integrity, diligence and due diligence of the directors, general manager and other senior management of the Company in performing their duties;
- (IV) other major events that should be reported to the shareholders' meeting as deemed by the Board of Supervisors.

When the Board of Supervisors deems it necessary, it may also issue opinions on the proposals considered by the shareholders' meeting and submit the independent reports.

Article 15 When exercising its functions and powers, the Board of Supervisors may hire a professional firm such as a law firm or an accounting firm to provide assistance if necessary, and the Company shall bear the expenses incurred.

Chapter 4 Meeting System of the Board of Supervisors

Article 16 Meetings of the Board of Supervisors can be divided into regular meetings and provisional meetings.

Article 17 The Board of Supervisors shall hold regular meetings at least once every six months.

Article 18 Under any of the following circumstances, the Board of Supervisors shall convene an extraordinary meeting within ten days:

- (I) when any supervisor proposes to convene;
- (II) when the shareholders' general meeting and the Board of Directors meetings have passed resolutions in violation of laws, regulations, rules, various regulations and requirements of the regulatory authorities, the Articles of Association, resolutions of the company's general meeting of shareholders and other relevant provisions;
- (III) When the misconduct of directors and senior management may cause significant damage to the Company or cause adverse influence in the market;
- (IV) When shareholders file lawsuits against the Company, directors, supervisors, and senior management;
- (V) When the Company, directors, supervisors, and senior management are punished or publicly condemned by the securities regulatory authority, the securities competent authority and the exchange in the place of listing.

Article 19 The Board of Supervisors shall hold regular meetings and hold provisional meetings in a timely manner as required. If the Board of Supervisors meeting cannot be held as scheduled for any reason, the reason should be stated.

Article 20 Before the notice of the regular meeting of the Board of Supervisors is issued, the secretary of the Board of Supervisors shall solicit proposals from all supervisors for the meeting. The proposals of the Board of Supervisors focus on the supervision of the Company's standardised operations and the directors and senior managers' duties and behaviors rather than the Company's operation and management decisions.

Article 21 When a supervisor proposes to convene an extraordinary meeting of the Board of Supervisors, he shall submit a written proposal signed by the proposed supervisor to the chairman of the ~~supervisors~~ Board of Supervisors. The written proposal should state the following:

- (I) the name of the proposed supervisor;
- (II) the reasons for the proposal or the objective reasons on which the proposal is based;
- (III) the time or time limit, place and method of the proposed meeting;
- (IV) clear and specific proposals;
- (V) contact information of the proposed supervisor and proposed date.

Within three days after the chairman of the Board of Supervisors receives the written proposal from the supervisor, the Board of Supervisors shall issue a notice to convene an extraordinary meeting of the Board of Supervisors. If the Board of Supervisors fails to issue a notice of the meeting, the proposed supervisor shall report to the supervisory authority in a timely manner.

Article 22 Meetings of the Board of Supervisors shall be attended by more than half of the supervisors. If the relevant supervisors refuse to attend, or fail to attend the meeting, resulting in failure to meet the minimum number of people required to hold the meeting, other supervisors shall report to the supervisory authority in a timely manner. The secretary of the Board of Directors and the securities affairs representative may attend the meetings of the Board of Supervisors.

Article 23 Supervisors shall attend the meetings of the Board of Supervisors in person. Supervisors who cannot attend the Board of Supervisors meetings in person nor entrust other supervisors to attend the Board of Supervisors meetings twice continuously shall be deemed to be unable to perform their duties, and should be replaced by the shareholders' meeting or the workers congress (or other institutions that elect the employee representative supervisors).

Article 24 The Board of Supervisors may require the company's directors, general manager and other senior management, internal and external auditors to attend meetings of the Board of Supervisors and answer questions of concern.

Article 25 Meetings of the Board of Supervisors shall be held on-site.

In an emergency, meetings of the Board of Supervisors can adopt voting by communication. However, the convener (host of the meeting) of the Board of Supervisors should explain the specific emergency to the attended supervisors. The method of voting by communication is: with the consent of the convener, a written document containing the resolutions is sent to all the supervisors for review, and the supervisors sign the resolution document. Supervisors may also express their opinions in writing.

Chapter 5 Procedures of the Board of Supervisors

Article 26 The Board of Supervisors meeting shall be convened by the Chairman of the Board of Supervisors and a notice for convening the meeting shall be issued. The notice of the meeting includes the date, place and duration of the meeting, the agenda, the subject matter, the topics and related information, the date of the notice, etc.

Article 27 To convene a regular meeting of the Board of Supervisors, all supervisors should be notified in writing 10 days before the meeting is convened; to convene an extraordinary meeting, all supervisors should be notified in writing 5 days before the meeting is convened by e-mail, post, fax or personal service. If the notice is not delivered directly, it should be confirmed by telephone and recorded accordingly. If an extraordinary meeting of the Board of Directors needs to be convened as soon as possible in case of emergency, it shall not be subject to the aforesaid time limit for the notice of the meeting, but a reasonable notice should be issued and the convener should make a statement at the meeting.

Article 28 Before the notice of the regular meeting of the Board of Supervisors is issued, the secretary of the Board of Supervisors should solicit proposals from all supervisors for the meeting. The proposals of the Board of Supervisors focus on the supervision of the company's standardised operations and the directors and senior managers' duties and behaviors rather than the company's management decisions.

Article 29 The notice of the Board of Supervisors meeting includes the following:

- (I) the time, place and duration of the meeting;
- (II) matters to be considered (proposals of the meeting);
- (III) the convener and moderator of the meeting, the proposer of the provisional meeting, and his written proposal;
- (IV) meeting materials necessary for the supervisors to vote;
- (V) the requirement that the supervisors should attend the meeting in person;
- (VI) contact person and contact information.

The oral meeting notice shall include at least the contents of items (I) and (II) above, as well as a description of the emergency required to convene an extraordinary meeting of the Board of Supervisors as soon as possible.

If a supervisor has attended the meeting and did not raise an objection to failure to receive the notice before the meeting or at the beginning of the meeting, he shall be deemed to have been given the meeting notice in accordance with the aforementioned provisions.

Article 30 The Board of Supervisors meeting shall be convened and presided over by chairman of Board of Supervisors or a supervisor who is jointly recommended by more than half of the supervisors if chairman of Board of Supervisors is unable to or fails to perform his/her duties.

Article 31 The moderator of the meeting shall announce the start of the meeting at the scheduled time. After the meeting officially starts, the supervisors participating in the meeting shall first reach a consensus on the agenda. After the supervisors at the meeting reached a consensus on the agenda, proposals shall be reviewed at the meeting one by one.

Article 32 The meeting moderator shall ask the participating supervisors for their definite opinions on each proposal. When reviewing relevant proposals and reports, the Board of Supervisors meeting may require the company's directors, general manager and other senior management, internal and external auditors to attend the meeting without voting rights, make necessary explanations on relevant matters, and answer the concerned questions of the Board of Supervisors.

Article 33 The Board of Supervisors Resolution shall be passed by show of hands or voting by ballot on a one-person-one-vote basis. Voting intention of participating supervisors consists of the affirmative vote, negative vote and abstention. They shall choose one of them. If any participating supervisor fails to choose or chooses two or more options at the same time, the meeting moderator shall ask the supervisor to make the second round of choosing. The supervisors who refuse to choose or fail to return after leaving the meeting without making any choosing shall be deemed to have abstained from voting.

Article 34 The Chairman of the Board of Supervisors announces the resolutions and reports adoption based on the voting results.

Article 35 The resolutions of the Board of Supervisors shall be passed by more than half ~~two-thirds (inclusive)~~ of members of the Board of Supervisors.

Article 36 Except for the unanimous consent of all the supervisors present at the meeting, the meeting of the Board of Supervisors shall not vote on proposals not included in the notice of the meeting.

Article 37 If supervisors attending the Board of Supervisors meeting leave halfway, they should explain the reasons to the moderator and ask for leave. With regard to the remaining voting rights, the supervisors may entrust other supervisors in writing to exercise for them; otherwise, they shall be deemed to abstain.

Article 38 The meeting of the Board of Supervisors shall vote on each proposal. The staff of the meeting shall count the voting results in time.

Article 39 The Board of Supervisors shall make records of decisions on the matters discussed at the meeting. The meeting minutes of the Board of Supervisors shall include the following contents:

- (I) meeting session, date, venue and convening mode;
- (II) issuance of meeting notices;
- (III) meeting convener and moderator;
- (IV) roll call situation about attendees;
- (V) proposal deliberated at the meeting, main points and views of each supervisor on the relevant matters and their voting on the proposal;
- (VI) voting method and result of each proposal (note the specific numbers of affirmative votes, negative votes, and abstentions);
- (VII) other matters considered necessary to be recorded by the participating supervisors.

For the Board of Supervisors meeting held by means of communication, the Board of Supervisors Secretariat shall sort out the minutes in accordance with the above provisions.

Article 40 The supervisors present at the meeting shall sign the minutes of the meeting. Supervisors have the right to require some declarative statements of their speeches at meetings on the records. The supervisors participating in the meeting shall sign and confirm the minutes and resolutions of the meeting. If the supervisors have different opinions on the meeting minutes and resolutions, they may make written explanations when signing. When necessary, they should report to the supervisory authority in a timely manner, or issue a public statement.

Article 41 If any supervisor fails to sign for confirmation as provided in the foregoing stipulation and make a written explanation on his/her different views, or fails to report it to the regulatory authorities or make a public statement, he/she shall be deemed to have fully agreed with the contents of the meeting minutes and resolutions. The minutes of the Board of Supervisors are kept as company files for a period of no less than ten years. The Board of Supervisors meeting files, including meeting notices and meeting materials, meeting registration books, voting papers, meeting records and resolutions signed and confirmed by the supervisors attending the meeting, shall be kept by the secretary of the Board of Supervisors. But it can be backed up by the board secretary.

Chapter 6 Implementation and Feedback of Resolutions of the Board of Supervisors

Article 42 The Board of Supervisors may make resolutions and make recommendations to the Board of Directors and shareholders' meeting, and the Board of Directors shall organise relevant departments to implement them.

Article 43 In the event that a proposal of convening an extraordinary meeting of the Board of Directors or an extraordinary shareholders' meeting or proposing an extraordinary resolution to the annual shareholders' meeting is involved in the resolutions of the Board of Supervisors, the Board of Supervisors shall submit the agenda of the meeting and proposals with full contents in writing to the Board of Directors within the specified period, and shall ensure that the contents of the proposals comply with the provisions of relevant regulations and the Articles of Association.

Article 44 Supervisors shall urge relevant personnel to implement the resolutions of the Board of Supervisors. The chairman of the Board of Supervisors shall report the implementation of the adopted resolutions at the future meetings of the Board of Supervisors.

Chapter 7 Supplementary Provisions

Article 45 Unless otherwise specified, the terms used in these Rules of Procedure have the same meanings as those terms in the Articles of Association.

Article 46 In case of any matters uncovered herein or conflicts with the relevant regulations or the Articles of Association promulgated from time to time, the relevant regulations or the Articles of Association shall prevail.

Article 47 These rules of procedure come into effect in accordance with the resolution of the general meeting ~~on the day when the Company's publicly issued H shares are listed and traded on The Stock Exchange of Hong Kong Limited~~ after they have been approved by the shareholders' meeting, and constitute an annex to the Articles of Association.

Article 48 The amendments to these rules of procedure are proposed by the Board of Supervisors to the shareholders' meeting for approval.

Article 49 The terms "above" and "within" in these rules of procedure include the figure; "over", "below" and "more than" do not include the figure.

Article 50 These rules of procedure shall be interpreted by the Board of Supervisors.

* *For identification purposes only*