

Huaxin Cement Co., Ltd.

Articles of Association

(English translation of this document is for reference only, if there are discrepancies between the

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Chapter 1 General Provisions

Article 1 To safeguard the legitimate rights and interests of the Company, its shareholders and creditors and to regulate the organization and activities of the Company, the Company formulated this Articles of Association, in accordance with the *Company Law of the Republic of China* (hereinafter referred to as the *Company Law*), the *Securities Law of the Republic of China* (hereinafter referred to as the *Securities Law*), the State Council Special Regulations on the *Overseas Offering and Listing of Shares by Joint Stock Limited Companies* (hereinafter referred to as the *Overseas Listing Regulations*), the *Prerequisite Clauses of Articles of Association*

Article 4 The registered name of the Company in Chinese:
The English name of the Company: Huaxin Cement Co., Ltd.

Article 5 The address of the Company is No. 600, East Daqi Avenue, Huangshi, Hubei Province, s Republic of China
Zip Code: 435007
Telephone: 027-87773896
Fax: 027-87773992

Article 6 The registered capital of the Company is RMB2,078,995,649.

Article 7 The Company is a joint stock limited company that has perpetual existence.

Article 8 The manager is the legal representative of the Company.

Article 9 The Communist s organization within the Company shall conduct its activities in accordance with the constitutional documents of the Communist Party.

Article 10 The Trade Union of the Company is incorporated in accordance with the *Trade Union Law of the s Republic of China*. The Trade Union shall conduct its activities in accordance with the Trade Union Law and other applicable laws to protect the lawful rights and interests of the staff and workers of the Company. The Company shall provide necessary conditions for the activities of the Trade Union.

Article 11 There is no governing or subordinating relationship between the controlling shareholder and its functionin

Article 14 The Company may invest in other limited liability companies and joint stock limited companies and shall be liable to the investee companies to the extent of its investment in such companies.

Article 15 The term r executives in the Articles shall refer to the deputy manager, the board secretary and the head of finance of the Company.

Chapter 2 Objectives and Business Scope

Article 16 The business objective of the Company is to focus all its business activities on the purpose of increasing profits, to maximize the benefits to the Company and its shareholders. The Company shall comply with laws and regulations and shall conduct its business in a socially responsible manner.

Article 17 The business scope of the Company as approved by the registration authority is: production of cement, manufacturing of cement products, sale of cement products, manufacturing of non-metal mineral products, sale of non-metal mine and products, manufacturing of new building material (excluding hazardous chemical products), manufacturing of lightweight building material, sale of building material, research and development of new material, sale of coal and products, sale of packaging material and products, manufacturing of packaging equipment, sale of packaging equipment, technology service, technology development, technology consulting, technology exchange, technology transfer, technology promotion, design of construction engineering, construction of earthwork, construction activities, mechanic electrical equipment manufacturing, sale of mechanic electrical equipment, leasing of mechanic equipment, treatment of solid wastes, goods import and export, import and export of technology, agency of import and export, agency of domestic trade, agent of sales, foreign contracting, goods warehouse service (excluding projects of hazardous chemicals and other projects requiring approval), warehouse equipment leasing service, domestic agency of goods transportation, international freight forwarder, unloading and handling, exploitation of mineral resources (non-coal mining), manufacturing of bio-based material, sale of bio-based material, research and development bio-based material technology, sale of chemical products (excluding chemical products requiring approval), manufacturing of special chemical products (excluding hazardous chemicals); sale of special chemical products (excluding hazardous chemicals), software development, internet data service, supply chain management service, labor service (excluding labor dispatch).

Chapter 3 Shares

Section 1 Issuance of Shares

Article 18 The shares of the Company shall take the form of share certificates. The Company shall at all times have ordinary shares. The Company may, in accordance with its requirements and upon the approval of the company supervisory department authorized by the State Council, create other classes of shares.

Article 19 The issuance of shares of the Company shall apply the principles of fairness and equity, and shares of the same class shall rank pari passu with each other.

- III. by allotting bonus shares to its existing shareholders;
- IV. by capitalizing its capital reserve;
- V. by any other means which is permitted by laws, administrative regulations and authorized by the China Securities Regulatory Commission.

In the event that the Company issues convertible corporate bonds that are converted into shares and the registered capital of the Company increases therefrom, the conversion shall be handled in accordance with the provisions of national laws, administrative regulations, departmental rules, the prospectus on the issuance of convertible corporate bonds and other relevant documents.

Article 28 The Company may reduce its registered capital. The Company may reduce its registered capital in accordance with the Company Law and other relevant regulations and the procedures set out in the Articles.

Article 29 The Company, in accordance with the law, administrative regulations, departmental rules and the provisions of the Articles, may acquire the shares of the Company in the following circumstances:

- I. to reduce the s registered capital;
- II. to merge with another company which holds shares of the Company;
- III. to use the shares for Employee Stock Ownership Plan (ESOP) or stock incentive plan;
- IV. when the shareholder requests the Company to acquire his or her shares due to the s disagreement with the resolutions for merger or demerger of the Company as determined at the shareholders' general meeting;
- V. to convert the shares as convertible corporate bonds issued by the listed company;
- VI. where it is necessary for the listed company to maintain its corporate value and shareholders' rights.

The Company is not allowed to purchase or sell its shares other than prescribed in the above provisions.

Article 30 The Company may repurchase its shares by open centralized transaction method or other method approved by laws, regulations and the China Securities Regulatory Commission.

The s acquisition of its own shares under the circumstance as stipulated in (III), (V) or (VI) of the Article 29 shall be conducted by an open and centralized transaction method.

Article 31 The s acquisition of its own shares under the circumstance as stipulated in (I) or (II) of the Article 29 shall be approved by a resolution of the shareholders' general meeting.

The acquisition of its own shares under the circumstance as stipulated in (III), (V) or (VI) of the Article 29 shall be approved by a resolution at a board meeting attended by no less than two-thirds of the directors.

Shares acquired under the circumstances as stipulated in (I) of the Article 29 shall be cancelled within 10 days from the day of acquisition; shares acquired under the circumstance as stipulated in (II) or (IV) of the Article 29 shall be transferred or cancelled within 6 months from the day of acquisition; for the circumstances as stipulated in (III), (V) or (VI) of the Article 29, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company and the shares so acquired by the Company shall be transferred or cancelled within 3 years from the day of acquisition.

Unless otherwise stipulated in relevant laws, regulations or listing rules of the place where the shares of the Company are listed.

Article 32 The Company may, with the prior approval of a general meeting in accordance with the Articles, repurchase its own shares pursuant to an off-market agreement. Subject to the prior approval of a general meeting being given in the same manner, the Company may rescind or vary any contract so entered into by the Company or waive any of its rights thereunder.

The aforesaid agreement to repurchase shares includes (but is not limited to) an agreement to assume an obligation to repurchase shares or to acquire rights to repurchase shares of the Company.

The Company shall not assign an agreement for the repurchase of its shares or any of its rights under such agreement.

Article 33 Shares lawfully repurchased by the Company shall be cancelled within the time limit prescribed by laws, administrative regulations or listing rules of the place where the sharee

1. if the shares being repurchased were issued at their nominal value, payment shall be made out of the credit balance of distributable profits of the Company;
2. if the shares being repurchased were issued at a premium, payment shall be made out of the credit balance of the distributable profits of the Company and the proceeds of a new issue of shares made for that purpose, provided that the amount to be paid out of the proceeds of the new issue of shares shall not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased nor shall it exceed the credit balance of the share premium account (or the capital reserve fund) of the Company (including the premiums of the new shares issued) at the time of the repurchase;

III. payment by the Company for the following purposes shall be made out of the distributable profits:

1. the acquisition of rights to repurchase its own shares;
2. the variation of any agreement to repurchase its own shares;
3. the release of any of the obligations under any agreement to repurchase its shares.

IV. Following the reduction of the aggregate nominal value of th

Article 38 In the

Article 41 Financial assistance referred to in this Chapter includes (but is not limited to) financial assistance provided by way of:

- I. gift;
- II. guarantee (including the provision by the guarantor of an undertaking or property to secure the performance of obligations by the obligor), indemnity (other than an indemnity arising from the obligor's own negligence or default), and release or waiver of rights;
- III. the provision of a loan or entering into a contract under which the obligations of the Company are to be fulfilled before the obligations of the other party to that contract; or the change of any party to such loan or contract, or the assignment of rights under such loan or contract; and
- IV. any other method when the Company is unable to pay its debts or has no net assets or when its net assets may be reduced by a material extent.

For the purpose of this Chapter, references to an assumption of obligations include where the obligor assumes an obligation through the entering into of a contract or the making of an arrangement (whether or not such contract or arrangement is enforceable, and whether or not such obligations are assumed by him/her personally or together with any other person) or by any other means whereby his/her financial position is changed.

Article 42 The following shall not be deemed to be prohibited for the purpose of Article 40 of this Chapter:

- I. the provision of financial assistance by the Company in good faith in the interests of the Company, the principal purpose of which is no

Chapter 4 Share Certificates and Register of Shareholders

Article 43 The _____ s share certificates shall be in registered form.

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

The overseas listed shares issued by the Company may take the form of overseas depository receipts or other derivative forms of shares in accordance with the laws of the place where the _____ s shares are listed and the norms of _____ s

d

In the case of inconsistencies between any information recorded in the original register of holders of overseas listed foreign shares and that of the duplicate register, the original register shall prevail.

Article 47 The Company shall keep a complete register of shareholders.

The register of shareholders shall comprise the following parts:

- I. a part maintained at the _____ s domicile, which shall be the register of all shareholders other than such registered in accordance with paragraphs (2) and (3) of this Article;
- II. a register of holders of overseas listed foreign shares maintained at the place of listing; and
- III. such parts maintained in such other places as the board of directors may deem necessary for listing purposes.

Article 48 Different parts of the register of shareholders shall not overlap. No transfer of shares registered in one part of the register of shareholders shall, during the continuance of the registration of those shares, be registered in any other parts of the register of shareholders.

All fully paid-up H shares listed in Hong Kong are freely transferable in accordance with the Articles, but except where the following conditions are satisfied, the board of directors may refuse to recognize any instrument of transfer without providing any reason:

- I. the instrument of transfer relates only to overseas listed foreign shares listed in Hong Kong;
- II. stamp duty payable on the instrument of transfer is paid;
- III. the

Article 49 With respect to H shares, the Company shall at any time ensure all title documents of H shares include the statements stipulated below, and shall instruct and procure its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder submits to the share registrar a signed form with respect to such shares which bear statements to the following effect:

- I. The acquirer of the shares agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with the Company Law and other relevant laws, administrative regulations, the Special Regulations and the Articles of Association;
- II. The acquirer of the shares agrees with the Company, each shareholder, director, supervisor and senior executive of the Company, and the Company acting for itself and for each director, supervisor and senior executive agrees with each shareholder to refer all disputes and claims arising from the Articles of Association or any rights or obligations conferred or imposed by Company Law or other relevant laws or administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any referral to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. The resolution of arbitration shall be final and conclusive;
- III. The acquirer of shares agrees with the Company and each shareholder of the Company that shares in the Company are freely transferable by the holder thereof;
- IV. The acquirer of shares authorizes the Company to enter into a contract on his/her behalf with each director and senior executive whereby such directors and senior executives undertake to observe and comply with their obligations to shareholders stipulated in the Articles of Association.

Article 50 The stipulated provisions under Chinese laws and the SEHK Listing Rules on suspension of registration of share transfers before the record date of a shareholders' general meeting or the determination of dividend distribution shall be complied with.

Article 51 Any person who has any objection in relation to the register of shareholders and

A holder of overseas listed foreign shares who has lost his/her share certificate and applies for a replacement certificate to be issued may do so in accordance with the laws, the rules of the stock exchange and other relevant

VII. All expenses relating to the cancellation of an original certificate and the issue of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 53 After the Company has issued a replacement share certificate in accordance with the Articles, the name (or title) of a bona fide purchaser who obtains the new share certificate or a person (if a bona fide purchaser) whose name (or title) is subsequently entered in the register of shareholders as the owner of the relevant shares shall not be removed from the register of shareholders.

Article 54 The Company shall not be liable for any damages suffered by any person by reason of the cancellation of an original certificate or the issue of the replacement share certificate, unless the claimant proves that the Company has acted fraudulently.

The joint holders of any shares shall be liable severally and jointly for all amounts payable for the relevant shares; in the event that one of the joint shareholders is deceased, only the other surviving joint shareholders shall be deemed as the persons who have any title to any such shares, but the board of directors may require such evidence of death as it may deem fit for the purpose of making amendments to the particulars in the register of shareholders; and only the person whose name stands first in the register of shareholders as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share, to receive notices from the Company, to attend and exercise all the voting powers attached to such shares at general meetings of the Company, and any notice given to such person shall be deemed notice to all the joint holders.

Chapter 5 Shareholders and Shareholders' General Meeting

Section 1 Shareholders

Article 55 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

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

Article 56 When the Company convenes a general meeting, declare dividends, liquidate the Company or conduct such matters which require shareholders' identity to be ascertained, the board of directors or the convener of the meeting shall appoint a record date for such purpose, and shareholders whose names appear on the register of shareholders after the close of trading of the shares of the Company on such date shall be entitled to the rights and benefits in connection therewith.

Article 57 The shareholders of

- (7) the _____ s any special resolution;
- (8) a copy of the latest annual return submitted to State Administration for Industry and Commerce of PRC or other supervisory authority for record;
- (9) Minutes of the shareholders' general meeting (only for shareholders' review)

VI. in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company according to the number of shares held by them;

VII. for shareholders who dissent to a resolution for the merger or demerger of the Company, to demand the Company to acquire their shares;

VIII. other rights conferred by laws, administrative regulations, departmental rules and the Articles of Association.

Article 58 When a shareholder demands for inspection of information mentioned in the preceding article or demand for any information, it shall provide written proof of the class and number of shares held by him/her, and such information shall be provided upon his/her shareholder capacity being verified.

Article 59 If a resolution passed at the _____ s general meeting or board meeting violates the laws or administrative regulations, the shareholders shall have the right to petition to the _____ s Court to render the resolution invalid.

In the event of the procedures for convening, or the method of voting at a general meeting or board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall be entitled to petition to the _____ s Court to rescind such resolutions within sixty (60) days from the date on which such resolution is adopted.

Article 60 Where the Company incurs losses as a result of any directors' and senior executives' violation of the laws, administrative regulations or the Articles of Association in the course of performing their duties, shareholders individually or jointly holding 1% or more of the _____ s shares for no less than 180 consecutive days shall be entitled to request in writing the board of supervisors to initiate proceedings in the _____ s Court. Where the Company incurs losses as a result of the board of supervisors' violation of any provision of laws, administrative regulations or the Articles of Association in the course of performing its duties, the shareholders shall be entitled to make a request in writing to the board of directors to initiate proceedings in the _____ s Court.

In the event that the board of supervisors or the board of directors refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within 30 days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the _____ s interests, shareholders described in the preceding paragraph shall have the right to initiate proceedings in the _____ s Court directly in their own names in the interest of the Company.

Shareholders described in the first paragraph of this Article may also initiate proceedings in accordance with the abovementioned two paragraphs in the event that the Company incurs losses as a result of the lawful interests of the Company being infringed upon by any third parties.

Article 61 If any director or senior executive damages the _____'s interests by violating any law, administrative regulation, or the Articles of Association, the shareholders may lodge a lawsuit in the _____'s court.

Article 62 The shareholders of the Company shall have the following obligations:

- I. to abide by laws, administrative regulations and the Articles of Association;
- II. to pay subscription monies according to the number of shares subscribed and the method of subscription;
- III. not to surrender the shares unless required by the laws, regulations and the Articles of Association except as stipulated by laws and regulations, or the Articles of Association, no return of shares is allowed;
- IV. not to misappropriate the rights of shareholders to prejudice the interests of the Company or other shareholders; not to misappropriate the _____'s independent status as legal person and the limited liability of shareholders to prejudice the interests of the _____'s creditors;

Shareholders shall be liable for compensation pursuant to applicable laws for losses caused to the Company or other shareholders due to their misappropriation of _____'s rights.

Shareholders shall be jointly accountable for the _____'s liabilities where they misappropriate the _____'s independent status as legal person and limited liability as a shareholder to evade debts, or seriously prejudice the interests of the _____'s creditors.;

- V. other obligations imposed by laws, administrative regulations and the Articles of Association.

Except pursuant to the agreed subscription terms at the time of subscription of shares, a shareholder shall not be liable to subscribe for further share capital.

Article 63 Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his/her possession, he/she shall report to the Company in writing on the day on which he/she pledges his/her shares.

Article 64 Neither the controlling shareholder, nor the de facto controller of the Company may injure the interests of the Company by taking advantage of its connected relationship. Anyone who causes any loss to the Company due to violating the preceding paragraph shall be liable for the compensation.

The _____ s controlling shareholder and its de facto controller owe a responsibility of good faith to the Company and other shareholders. The controlling shareholder and its de facto controller shall not prejudice the legitimate rights of the Company and its shareholders by means of connected transactions, distribution of profits, capital restructuring, foreign investment, capital appropriation, loan guarantee or other means; and it shall not prejudice the interests of the Company and its shareholders by using its controlling status.

Article 65 Apart from obligations imposed by laws, or administrative regulations or the listing rules of the stock exchange(s) on which the shares of the Company are listed, a controlling shareholder when exercising his/her rights as a shareholder shall not, by virtue of the exercise of his/her voting rights, cause a decision to be made in a manner prejudicial to the interests of the shareholders generally or part of the shareholders in connection with the following matters:

- I. to relieve a director or supervisor of his/her duty to act honestly in the best interests of the Company;
- II. to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person) in any manner of the _____ s assets, including without limitation opportunities beneficial to the Company;
- III. to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person) of the personal rights of other shareholders, including without limitation rights to distributions and voting rights, but not including a proposal for the restructuring of the Company submitted to and approved by shareholders in general meeting in accordance with the Articles.

Section 2 General Provisions for Shareholders' General Meeting

Article 66 The shareholders' general meeting is the organ of authority of the Company and its functions and powers shall be exercised in accordance with law.

- I. to determine the business policies and investment plans of the Company;
- II. to elect and change the directors and supervisors assumed by non-representatives of the employees and determine the remuneration of the directors and supervisors;
- III. to examine and approve report submitted by the board of directors;
- IV. to examine and approve report submitted by the board of supervisors;
- V. to examine and approve the annual financial budget and final accounts of the Company;
- VI. to examine and approve the profit distribution plan and the plan for making up accrued losses of the Company;
- VII. to resolve on the increase or reduction in the registered capital of the Company;
- VIII. to approve the issue of bonds by the Company;

IX. to resolve on such matters as the merger, division, termination, liquidation and change of company form;

X. to amend the Articles of Association;

XI. to resolve on the appointment, dismissals of accounting firms that undertake the audit work;

XII. to examine and approve guarantees under the Article 67;

XIII. to examine any acquisition or disposal of any material asset whose asset value exceeds 30% of the latest audited total assets of the Company for the most recent year; TJETBT1 0 0 1 293.35

XIV. to examine and approve any change in the use of proceeds from funds raised;

XV. to examine any share incentive schemes and employee stock ownership plan;

XVI. to examine and approve the purchase of shares;

XVII. any other matters required by laws, administrative regulations, departmental rules or the Articles of Association to be dealt with in a general meeting.

Article 67 The provision of the following external guarantee by the Company is subject to the examination and approval of the shareholders' general meeting:

I. any guarantee provided to external entity by the Company and its subsidiaries whose principal amount covered, together with the total principal amounts covered by all subsisting guarantees, in aggregate exceed 50% or more of the net assets as shown in the latest audited financial statements;

II. any guarantee provided to external entity by the Company and its subsidiaries whose principal amount, in aggregate exceed

When the general meeting deliberates the proposal on providing guarantees for the shareholders, the de facto controller and its affiliated parties, the shareholders or shareholders controlled by the de facto controller shall abstain from voting. The proposal shall be passed by the holders of no less than one half

Section 3 Convening of Shareholders' General Meeting

Article 72 Independent directors are entitled to propose to the board of directors for convening an extraordinary general meeting. In response to such proposal of the independent directors to convene an extraordinary general meeting, the board of directors shall, within ten days after receiving such proposal, provide a response in writing to indicate whether or not the board agrees to convene such extraordinary general meeting pursuant to the laws, administrative regulations and the Articles of Association.

Where the board agrees to convene such extraordinary general meeting, a notice to convene such general meeting shall be issued within five days after the passing of the relevant resolution by the board. Where the board disagrees to convene such extraordinary general meeting, the board shall give reasons for such decision, which shall also be announced.

Article 73 The board of supervisors has the right to propose the board to convene extraordinary general meetings and such proposal shall be made by way of written request(s). The board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

Where the board agrees to convene such extraordinary general meeting, a notice to convene such general meeting shall be issued within five days after the passing of the relevant resolution by the board, provided that any changes to the original proposal shall be subject to the consent being obtained from the board of supervisors.

Where the board disagrees to convene such extraordinary general meeting, or where the board fails to provide any response within ten days after receiving such proposal, it shall be deemed that the board has not been able to perform or it does not perform its duty to convene such general meeting, and the board of supervisors may by itself convene and preside over such meeting.

Article 74 Shareholders separately or aggregately holding no less than 10% of the issued shares have the right to propose the board to convene an extraordinary general meeting by way of written request(s). The board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five days after the board resolved to do so. If the board makes alterations to the original proposal in the notice, consent has to be obtained from the related shareholders.

If the board of directors does not agree to convene the extraordinary general meeting or does not reply within ten days upon receiving the request, shareholders separately or aggregately holding no less than 10% of the issued shares have the right to propose the board of supervisors to convene an extraordinary general meeting by way of written request(s).

If the board of supervisors agrees to convene the extraordinary general meeting, notice convening the extraordinary general meeting shall be issued within five days upon receiving the request. Should there be alterations to the original requests in the notice, consent has to be obtained from the related shareholders.

If the board of supervisors does not issue notice of the extraordinary general meeting within the required period, it will be considered as not going to convene and preside over the extraordinary general meeting, and shareholders separately or aggregately holding no less than 10% of the shares of the Company for ninety or more consecutive days have the right to convene and preside over the meeting on their own.

Article 75 If the board of supervisors or shareholders decide to convene the extraordinary general meeting on their own initiative, they shall notify the board in writing and file the notice of meeting with the local office of the China Securities Regulatory Commission and the stock exchanges for records.

Prior to announcement of the extraordinary general meeting resolution, the shareholding proportion of the convening shareholders shall not be less than 10%.

The shareholders that convene the general meeting shall, upon issuance of the notice for extraordinary general meeting and announcement of the meeting resolution, submit relevant documentation to the local office of China Securities Regulatory Commission where the company is located and the stock exchange.

Article 76 With regard to the extraordinary general meeting convened by the board of supervisors or shareholders on their own initiative, the board of directors and the board secretary shall provide assistance. The board of directors shall provide the register of shareholders as at of the record date for the general meeting.

Article 77 The Company shall bear costs and expenses necessary for the extraordinary general meetings, which are convened by the board of supervisors or shareholders on their own initiative.

Section 4 Proposal and Notice at Shareholders' General Meeting

Article 78 The contents of the motion shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions, in further compliance with the laws, administrative regulations and provisions of the s Articles of Association.

Article 79 When the Company convenes the shareholders general meeting, the board of directors, the board of supervisors or shareholders, individually or in aggregate, holding no less than 3% of the total voting shares of the Company shall have the right to propose motions.

Shareholders separately or aggregately holding no less than 3% of the shares of the Company may propose extraordinary motions to the convener in writing ten days before the convening of such general meeting. The convener shall issue supplementary notice of the general meeting to announce the content of the extraordinary motions within two days after receiving the proposed motions.

Unless otherwise required by the preceding paragraph, the convener shall not amend the proposals listed in the aforesaid notice or add any new proposals subsequent to the dispatch of a notice of the general meeting.

The general meeting shall not vote and adopt a resolution on any proposal that is not listed in the notice of the shareholders' general meeting or that is inconsistent with Article 78 of the Articles of Association.

Article 80 The convener shall notify all shareholders in the form of announcement twenty days before the annual general meeting, fifteen days before the extraordinary general meeting.

Article 81 A notice of the general meeting shall meet the following requirements:

- I. It shall be given in writing;
- II. The date, place and period of the meeting;
- III. The matters and motions to be considered at the meeting;
- IV. Providing 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) where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital, or to reorganize the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal shall be properly explained;
- V. Disclosing the nature and extent of the material interest of any director, supervisor, manager and other senior executives in the matters to be considered. In a case that the impact of the matters to be considered on such director, supervisor, manager and other senior executives as a shareholder is different from that on other holders of the same class of shares, the difference shall be specified;
- VI. It shall contain the text of any special resolution to be proposed at the meeting;
- VII. Containing a prominent written statement that all shareholders are entitled to attend general meeting and a shareholder eligible for attending the meeting and voting is entitled to appoint in writing a proxy to attend and vote on his/her behalf and that such proxy need not be a shareholder;
- VIII. Specifying the delivery time and place of the authorization letter for proxy voting of the meeting;
- IX. Specifying the record date of registration of shareholders entitled to attend the general meeting;
- X. Specifying the name and phone number of the regular contact person for the meeting;

- XI. If the general meeting of shareholders needs to adopt online voting or communication for reaching a decision, it shall indicate in the notice about the time, procedure, and deliberation of online voting o

Section 5 Holding of Shareholders' General Meeting

Article 86 The board of directors and other convener shall take necessary measures to ensure the good order of the shareholders' general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the lawful rights and interests of any shareholder, and shall report in a timely manner such act to the relevant department for investigation and punishment.

Article 87 All the shareholders or their proxies recorded in the register of shareholders on the record date are entitled to attend the shareholders' general meeting, and shall exercise their voting rights pursuant to the laws, regulations and the Articles of Association.

Shareholders may attend the shareholders' general meeting in person or appoint a proxy to attend and vote at the shareholders' general meeting on their behalf. The proxy does not need to be a shareholder of the Company.

Article 88 Any shareholder who attends and votes at a general meeting shall be entitled to appoint one or more proxies (or not a shareholder) as his/her proxy to attend the general meeting instead of him/her, and exercise the following rights in accordance with the authorization of the shareholder:

- I. The same right to speak at a general meeting;
- II. The right to demand or join with others to demand a poll;
- III. The right to vote on a show of hands or on a poll, but proxies of a shareholder who has appointed more than one proxy may only vote on a poll.

Article 89 An individual shareholder who attends the shareholders' general meeting in person shall present his/her identification card or

The proxy form issued by shareholders to authorize other persons to attend the general meeting on their behalf shall clearly state the following:

- I. The name of the proxy;
- II. Whether the proxy has the right to vote;
- III. Instructions to vote for, against or abstain from voting respectively on each motion of consideration listed on the agenda of the shareholders general meeting, or a statement of intent in accordance with Article 91 of the Articles;
- IV. The signing date and the period of validity of the proxy form;
- V. Signature (or seal) by the appointer.

Where such shareholder is a Recognized Clearing House defined in the applicable provisions of Hong Kong laws (or its nominee), the shareholder may authorize a certain person or several persons as it thinks fit to act as its representative (or representatives) at any general meeting or any meeting of any class of shareholders or any creditors meeting, and the representative(s) or corporate representative(s) shall enjoy the same legitimate rights as other shareholders including the right to speak and vote; provided that if no less than one person is so authorized, the authorization letter or the proxy form signed by the Recognized Clearing House must specify the number and class of shares that each such person is so authorized. Such duly authorized persons may represent the Recognized Clearing House (or its nominee) to attend the meeting (without producing share certificates, notarized authorization and/or further evidence of duly authorization) to exercise the same powers as if he/she is an individual shareholder of the Company.

Article 91 Any form issued to shareholders by the board of directors to be used for appointing proxies shall entitle the shareholder, according to his/her intention, to instructing the proxy to separately vote in favor of or against each motion to be proposed at the meeting. Such proxy form shall contain a statement that in default of instructions, the proxy may vote as he/she thinks fit.

Article 92 Proxy forms shall be lodged at the domicile of the Company or other places specified in the notice of meeting 24 hours before the relevant meeting for voting according to the proxy form, or 24 hours before

Article 93 A vote given by a proxy in accordance with the proxy form shall be valid, notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy was appointed, or the transfer of the shares in respect of which the proxy is voting, provided that the Company did not receive any written notice in respect of that transfer of shares prior to the meeting.

Article 94 The Company shall compile the attendee register which shall include, among others, the name of each person attending the meeting.

Article 98 The Company shall formulate the procedural rules of the shareholders' general meeting which shall set out in detail the procedures of convention and voting in respect of the shareholders' general meeting (including notices, registration, consideration and approval for proposals, voting, vote counting, announcement on voting results, formation of the resolution of the meeting, meeting minutes and signing, announcements and other similar matters) and ~~the principles of authorization of the~~ Board of Directors at the shareholders' general meeting. The scope of authorization shall be specified in details. The procedural rules of the shareholders' general meeting shall be subject to the approval of the shareholders' general meeting.

Article 103 The convener shall ensure that the contents of the minutes of meetings are authentic, accurate and complete. Directors, supervisors, the board secretary, the convener or his/her representative and the chairperson of meeting present at the shareholders general meeting shall sign on the minutes of the meeting. Minutes of meetings shall be kept together with the attendance list for shareholders and authorization letters given for proxies, and any other valid information concerning online exercise of voting rights or otherwise. The period of maintaining such records shall be ten years.

Article 104 The convener shall ensure that a general meeting is conducted continuously until resolutions are formed. Where the general meeting is adjourned or the relevant resolutions are not formed for special reasons such as force majeure, all necessary measures shall be taken to re-convene the general meeting as soon as practicable or, alternatively, the meeting shall be terminated, and the related announcement shall be made on a timely basis. Concurrently, the convener shall deliver a report to the branch office of the China Securities Regulatory Commission at the place of the Company and the relevant stock exchange.

Section 6 Voting and Resolution at Shareholders' General Meeting

Article 105 Resolutions of general meetings are divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by the holders of half or more of the total number of votes held by the shareholders present in person (or by proxy) at a general meeting.

A special resolution shall be passed by the holders of no less than two thirds of the total number of votes held by the shareholders present in person (or by proxy) at a general meeting.

Article 106 The following matters shall be approved by an ordinary resolution of a general meeting:

- I. work reports of the board of directors and the board of supervisors;
- II. proposals formulated by the board of directors for distribution of profits and for making up accrued losses;
- III. appointment and removal of members of the board of directors and the board of supervisors, their remuneration and method of payment of their remuneration;
- IV. annual budget and final accounts, balance sheet, profit and loss account and other financial reports of the Company; and
- V. annual report of the Company;
- VI. the procedural rules of the shareholders general meeting, the procedural rules of the board of directors and the procedural rules of the board of supervisors;
- VII. all matters required to be approved by a general meeting other than those required to be approved by way of special resolution under any law, administrative regulations or the Articles.

Article 107 The followin

If a shareholder purchases the voting shares of the Company in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after the purchase and not included in the total number of shares with voting rights attending the general meeting of shareholders.

The board of directors, independent directors and shareholders with no less than one percent of voting shares or investor protection institutions established by laws, administrative regulations or provisions of the China Securities Regulatory Commission may solicit proxies from the s shareholders. In soliciting ~~their~~ rights of shareholders, information such as specific voting intention shall be sufficiently disclosed to the shareholders from whom voting rights are being solicited. Solicitation of voting rights at any consideration, whether in direct or indirect form, is prohibited. Unless ~~under~~ legal terms, the Company shall not propose any minimum shareholding restriction on the solicitation of voting rights.

Article 109 When the general ~~meeting~~ is considering matters regarding connected transactions, connected shareholders shall not participate in the voting, and the voting rights represented by their shares shall not ~~be~~ included in the total number of valid votes. Announcement of the ~~resolutions~~ of the shareholders shall fully disclose the ~~voting~~ of non-connected shareholders.

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Article 118 If the matter in respect of which a poll is demanded relates to the election of the chairperson of the meeting or the adjournment of the meeting, the poll shall be taken forthwith. A poll demanded on any other matter shall be taken at such time as the chairperson of the meeting decides, and the meeting may continue to proceed to discuss other matters. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Article 119 On a poll taken at a meeting, a shareholder (including his/her proxy) entitled to two or more votes need not cast all his/her votes in the same way.

Article 120 In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting shall be titled to an additional vote.

Article 121 Before the relevant motion is voted on at the general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the voting. Any shareholder who has conflict of interests in the matter under consideration and his/her proxy shall not take part in counting and scrutinizing the voting.

There shall be lawyers, representatives of shareholders and representatives of supervisors to count and scrutinize the voting jointly when motions are voted on a general meeting. The results shall be declared at the meeting and recorded in the minutes of the meeting.

Shareholders or their proxies,

If a count of votes is carried out at a general meeting, the results thereof shall be entered in the minutes of the meeting. The minutes of general meetings together with the attendance book signed by the shareholders present at the meeting and the proxy forms for the appointment of proxies present at the meeting shall kept at the domicile of the Company.

Article 125 A shareholder may inspect copies of minutes of meeting(s) free of charge during office hours of the Company. Upon the request of any shareholder for a copy of the relevant minutes of meeting, the Company shall send out the copy of the minutes within seven days after receipt of the reasonable payment therefor.

Article 126 The resolutions of the shareholders general meeting shall be announced promptly. Such announcement shall specify the number of shareholders present in person or by proxy at the meeting, the total number of voting shares held or represented by them, the percentage of such voting shares in relation to all the voting shares of the Company, the voting methods, the voting result of each motion, and details of each resolution that are passed at the meeting.

Article 127 Where a motion has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.

Article 128 If the motion on election of new directors and supervisors, is passed at the general meeting, new directors and supervisors shal

III. in the case of a restructuring proposal of the Company, an **disproportionately less** means a shareholder whose obligations will become disproportionately less than the obligation of other shareholders of the same class or a shareholder who has an interest different from the interests of the other shareholders of that class.

Article 134 Resolutions of a class meeting shall be passed by the holders of no less than two thirds of the total number of votes held by the shareholders of that class and who are permitted to vote at the class meeting under Article 133.

Article 135 When the Company convenes a class meeting, it shall give written notice to all shareholders registered in the register of shareholders in accordance with Article 80 of this Articles of Association, which notice shall set forth the matters proposed to be considered at the meeting and the date and place of that meeting.

Article 136 Notice of class meetings need only be served on shareholders entitled to vote thereat.

Class meetings shall be conducted in a manner as nearly as possible as that applicable to general meetings. The provisions of the Articles relating to the proceedings of general meetings shall apply to class meetings.

Article 137 In addition to holders of other classes of shares, holders of domestic shares and holders of overseas listed foreign shares are deemed to be different classes of shareholders.

The special voting procedures for class shareholders shall not apply to the following: (1

- III. a person who was a director or factory manager or manager of a company or enterprise which had become insolvent and liquidated because of unsound management and who incurred personal liability for the insolvency of that company or enterprise, and a period of 3 years has not elapsed since the date of completion of insolvent liquidation of that company or enterprise;
- IV. a person who was a legal representative of a company or enterprise, the business license of which was revoked on the grounds of contravention of law, and who incurred personal liability thereof, and a period of 3 years has not elapsed since the date of revocation of the business license of that company or enterprise;
- V. a person who has failed to repay his/her relatively large amount of debts when due;
- VI. a person who, because of suspected contravention of criminal law, is under investigation by judicial authorities and the case has not yet been settled;
- VII. a person who is not eligible for enterprise leadership under PRC law or administrative regulations;
- VIII. a person who has been convicted by the relevant regulatory authority of having contravened the provisions of relevant securities regulations and which involves fraudulent or dishonest acts on his/her part and a period of 5 years has not elapsed since the date of his/he

Subject to compliance with laws and

Article 141 Directors shall abide by laws and regulations and the Articles of Association and perform the following duties of diligence:

- I. to exercise the powers authorized by the Company in a prudent, careful and diligent way so as to ensure that the commercial activities of the Company are in compliance with PRC laws and regulations

Article 144 A director shall, upon resignation or expiration of his/her term of office, complete all handover formalities with the board of directors and his/her duty of loyalty and honesty owed to the Company and the

1 IV. to prepare the annual budget and final accounts of the Company;

VIII to prepare proposals for profit distribution and for making up accrued losses of the Company;

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VI. to prepare proposals for the increase or reduction of share capital, the issue of bonds or other securities and listing;

VIII. to draft proposals for major acquisitions, purchase, ~~of shares~~ (426 E 3) BT 0.11163942ET9 demerger, dissolution, ~~and change in the form of the Company~~ (4B 0.112.394.658.3 Tm [() TJ -46(g)Tc[(4B 0.1122.42 616.4

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For the purposes of this Article, a disposal of fixed assets includes the transfer of an interest in certain assets but does not include the provision of guarantees over fixed assets.

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

Article 152 The board of directors shall explain to the shareholders' general meeting the non-standard auditing opinions presented by certified accountants with respect to the financial reports.

Article 153 The board of directors shall formulate rules of procedures of the board of directors, to ensure the implementation of the resolutions made at shareholders' general meetings, improve the working efficiency of the and ensure scientific decisions-making process.

Article 154 A rigorous scrutiny and decision-making process shall be established by the board of directors in reviewing the investment with assets of the Company. Any investment amounting to 20% or more of the latest audited net assets of the parent company shall be submitted to the shareholders' general meeting for approval after being approved by the board of directors.

Article 155 The chairperson and the vice chairperson shall be elected or dismissed by no less than half of all the directors.

Article 159 The board meetings shall be convened by the chairperson. Under any of the following circumstances, the chairperson shall convene and preside over an extraordinary board meeting within 10 days upon occurrence of the respective circumstance:

- I. the chairperson deems the meeting necessary;
- II. shareholders representing no less than 1/10 of all voting rights propose;
- III. no less than 1/3 of all the directors propose;
- IV. the board of supervisors proposes; or
- V. the manager proposes.

Article 160 The notification for an extraordinary board meeting shall be delivered by email, by hand or by fax; the notice period is at least 7 days prior to the convening day of the meeting and shall start from the delivery day of the notice.

Article 161 The notification of a board meeting shall include following items:

- I. the date and venue of the meeting;
- II. the duration of the meeting;
- III. the meeting agenda, the respective resolution proposals and supportive documentation;
- IV. the date of delivery of the notification.

Article 162 Except for the share repurchase by the Company pursuant to the stipulated circumstances under items (3), (5) or (6) of Article 29, which shall be approved by the board meeting attended by no less than two thirds of directors, the board meeting shall not be held without presence of half or more of all the directors. The presence for the purpose of this Article means the presence at the commencement of the meeting coupled with the continuous presence during the meeting. One director present shall have one vote. The resolutions made at the board meetings shall be subject to approval of no less than half of all the directors, with the following exceptions:

- I. Unless otherwise prescribed as the exceptions in the SEHK Listing Rules, a director shall not have any material interest, or be involved in any connected contract or arrangement or vote on any resolution of the board of directors through himself/herself or any of his/her associates (as defined under the SEHK Listing Rules), nor shall he/she be counted in the quorum present at the meeting. The quorum for such board meeting shall only be half or more of the directors who do not have any connected relationship, and any resolution to be passed by the board of directors shall be subject to affirmative votes of half or more of the directors who do not have any connected relationship. In the event that the directors present falls short of the above requirement, the chairperson may convene a new meeting by means of new invitation and notice two days after the meeting is cancelled. Where the number of directors who are not so connected and present at

such board meeting is less than 3, such matter shall be submitted to the general meeting for consideration unless otherwise regulated by relevant laws, regulations or securities regulatory authority of the place where the shares of the Company are listed (including but not limited to spherical provisions of the Articles as approved by Hong Kong Stock Exchange).

- II. According to the stipulations in the Articles of Association, the board of directors shall decide on the resolution of guarantee matters within its authority. Apart from the approval by half or more of all directors, the resolution shall be approved by no less than two thirds of the directors

Article 166 The minutes of the board meeting shall include the following contents:

- I. the date, venue and _____ s name of the meeting;
- II. names of directors present at the meeting and directors (alternates) present at such meeting on behalf of other directors;
- III. agenda of the meeting;
- IV. summary of points raised by directors;
- V. manner and result of voting on each matter resolved (and the voting results shall set out the number of votes for, against or abstained a particular resolution).

Chapter 8 Manager and Other Senior Executives

Article 167 The Company shall have one manager, who shall be appointed or dismissed by the board of directors.

The manager, deputy managers, board secretary and head of finance shall serve as senior executives of the Company.

Article 168 The circumstances of disqualification for directors prescribed in Article 138 of the Articles of Association shall be applicable to senior executives.

Provisions regarding the duty of loyalty of directors under Article 140 and of diligence of directors under items (IV), (V) and (VI) of Article 140 hereof shall be applicable to the senior executives.

Article 169 Senior executives shall serve full-time in the Company and receive remuneration.

Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company shall not serve as a senior executive of the Company.

The senior executives may serve as directors or senior executives at subsidiaries of the Company.

The senior executives only receive remuneration in the Company, not paid by the controlling shareholders on their behalf.

Article 170 The term of office of the manager shall be three years, renewable upon re-appointment.

Article 171 The manager shall be accountable to the board of directors and shall exercise the following functions and powers:

- I. to be in charge of the _____ s operation and management, and to organize the implementation of the resolutions of the board of directors and report on works to the board of directors;

- II. to organize the implementation of the _____ s annual business plan and investment proposals;
- III. to draft plans for the establishment of the _____ s internal management structure;
- IV. to draft the _____ s basic management regulations;
- V. to formulate specific rules and regulations for the Company;
- VI. to propose the appointment or dismissal by the board of directors of the deputy managers and head of finance;
- VII. to appoint or dismiss management personnel other than those required to be appointed or

Article 176 The Company shall have a board secretary of the Company. The board secretary shall be a natural person who has the requisite professional knowledge and experience and shall be commissioned by the board of directors. The primary responsibilities of the board secretary are:

- I. to ensure that the documentation and records of the Company are complete;
- II. to ensure that the Company prepares and submits to competent authorities all necessary reports and documents required by law;
- III. to ensure that the _____ s register of shareholders is properly established and shareholder information is properly managed and that the Company furnishes to persons entitled thereto all relevant records and documents of the Company in a timely manner;
- IV. to organize and prepare board meetings and shareholders general meetings;
- V. to deal with information disclosure affairs, etc.;
- VI. other functions and powers conferred by laws, administrative regulations, departmental rules, listing rules of the stock exchange where the _____ s shares are listed, and the board of directors.

Article 177 A director or other senior executives of the Company may concurrently act as the board secretary. An accountant of an accounting firm retained by the Company shall not concurrently act as the board secretary.

Where a director also holds the post of board secretary and if an act is required to be done by a director and the board secretary separately, then that director holding the office of board secretary may not perform the act in his/her dual capacity.

The board secretary shall abide by the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Article 178 If any senior executive violates laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties in the Company, such senior executive shall indemnify the Company against losses incurred due to such violation.

Article 179 Senior executives of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all the shareholders. If the _____ s senior executives fail to faithfully perform

Chapter 9 Board of Supervisors

Section 1 Supervisors

Article 180 The circumstances of disqualification for directors prescribed in Article 138 of the Articles of Association shall be applicable to supervisors.

Article 181 The directors, manager and other senior executives of the Company shall not act concurrently as supervisors.

Article 182 The supervisors shall observe laws, administrative regulations and the Articles of Association. They shall shoulder the duties of loyalty and due diligence to the Company, and shall not accept any bribery or other illegal income by using his/her powers and position, or seize the assets of the Company in any manner.

Article 183 Each supervisor shall serve for a term of three years, which term is renewable upon reelection upon expiry.

Article 184 Where the tenure of supervisors expires and re-election has not yet been made, or where a supervisor resigns during his/her tenure resulting in the number of supervisors falls below the necessary quorum of meeting of the board of supervisors, the original supervisors shall (before the re-election of the new supervisors)

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The board of supervisors shall comprise supervisors who represent the shareholders and a proper proportion of supervisors who represent the employees, and the proportion accounted for by the later shall be 1/3 or more. The supervisors who represent the employees shall be democratically elected by employees of the Company via the workers' conference, etc.

Article 190 The board of supervisors shall exercise the following functions and powers:

- I. reviewing and expressing its review comments in writing on regular reports prepared by the board of directors;
- II. examining the financial status of the Company;
- III. monitoring the performance of duties of directors and senior executives, and proposing the dismissal of directors and senior executives who have violated the laws, administrative regulations and the Articles of Association or resolutions passed by the shareholders' general meeting;
- IV. demanding for remedies of any damage to the legal right of the Company caused by directors and senior executives;
- V. proposing the convening of extraordinary general meetings, and convening and chairing of general meetings in the event of the board of directors having failed to perform so pursuant to the Company Law;
- VI. examining financial information such as the financial report, business reports and profit distribution plans to be submitted by the board of directors to the shareholders' general meetings and, in case of doubt, to engage certified public accountants and practicing auditors in the name of the Company to assist in the re-audit;
- VII. proposing motions to the general meeting;
- VIII. instituting legal proceedings against directors and senior executives in accordance with Article 152 of the Company Law;
- IX. in case of any irregularity identified, making investigations and if necessary, engaging professional institutions (such as accounting or law firms) to assist in its work at the expense of the Company;
- X. such other functions and powers as provided by the Articles of association.

Article 191 Meetings of the board of supervisors shall be held at least once every six months. Any of the supervisors may propose to hold extraordinary meetings of the board of supervisors.

Resolutions of the board of supervisors shall be passed by the affirmative votes of two thirds or more of the supervisors.

Article 192 The board of supervisors shall formulate procedural rules of the board of supervisors, specify the method for conducting business and the voting procedures of the board of supervisors, so as to ensure the working efficiency and scientific decision making of the board of supervisors.

Article 193 The board of supervisors shall cause decisions made during the meeting to be reduced to minutes of meetings, and supervisors present shall sign on such minutes.

A Supervisor is entitled to request the points made by him/her as expressed in his/her discussion to be recorded as representations made in the meeting. Minutes of meetings of the board of supervisors shall be kept in the files of the Company for ten years.

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Article 198 Each director, supervisor, manager and other senior executives is under the duty, in the performance of his/her official functions, to observe his/her fiduciary duties and not to place himself/herself in a position where his/her own interests may be in conflict with any obligations assumed by him/her. This principle includes (but is not limited to) the discharge of the following obligations:

- I. to act honestly in the best interests of the Company;
- II. to exercise powers within the scope of his/her functions and powers and not to act beyond such scope;
- III. to exercise personally the discretion vested in him/her and not to allow himself/herself to act

XII. without the informed consent of the shareholders general meeting, not to disclose any confidential information related to the Company acquired by him/her during the term of his/her office; not to use such information other than for the purpose of furthering the interests of the Company; provided that he/she may disclose such information to a court or other governmental regulatory authorities in the following circumstances, tha

Article 201 Except in the circumstances set out in Article 65 of the Articles of Association, a director, supervisor, manager or other senior executive of the Company may be relieved of his/her liability for specific breaches of his/her duties by the informed consent of the shareholders general meeting.

Article 202 If a director, supervisor, manager or other senior executive of the Company has, directly or indirectly, a material interest in a contract, transaction or arrangement entered into or proposed to be entered into with the Company (other than a contract of service between the Company and the director, supervisor, manager or other senior executive), he/she shall declare the nature and extent of his/her interest to the board of directors as soon as possible, whether or not the relevant matter is normally subject to the approval of the board of directors.

Unless the interested director, supervisor, manager or othe

- II. the provision by the Company to its director, supervisor, manager or other senior executive under a contract of service approved by the shareholders in general meeting of a loan or a guarantee for a loan or other funds to meet expenditure incurred by him/her for the purposes of the Company or for the purposes of enabling him/her to perform his/her official duties;
- III. where the ordinary course of business of the Company includes the lending of money or the giving of guarantees, the Company may make a loan to or provide a guarantee for a loan to the relevant director, supervisor, manager or other senior executive or the connected persons of the same provided that the terms of the loan or guarantee for a loan are normal commercial terms.

Article 206 A loan made by the Company in breach of the preceding Article shall be repayable forthwith by the recipient

- IV. to recover any moneys received by that director, supervisor, manager or other senior executive which should have been received by the Company, including (without limitation) commissions; and
- V. to demand payment from that director, supervisor, manager or other senior executive of the interest earned or which may have been earned on moneys that should have been paid to the Company.

Article 210 The Company shall, with the prior approval of the shareholders general meeting, enter into a contract in writing with each director or supervisor of the Company in respect of his/her remuneration. The aforesaid remuneration shall include:

- I. remuneration in respect of his/her service as director, supervisor or senior executive of the Company;
- II. remuneration in respect of his/her service as director, supervisor or senior executive of any subsidiary of the Company;
- III. remuneration in respect of other services provided in connection with the management of the affairs of the Company and its subsidiaries;
- IV. moneys payable as severance pay or as consideration for retirement from office of that director or supervisor.

Except pursuant to a contract entered into in accordance with the foregoing provisions, a director or supervisor shall not institute proceedings against the Company for any benefit due to him/her in respect of the matters specified above.

Article 211 The contract entered into between the Company and its director or supervisor shall stipulate that when the Company is being taken over, that director and supervisor is entitled, subject to

Chapter 11 Financial Accounting Bylaws, Dividend Distribution and Audit

Section 1 Financial Accounting System

Article 212 The Company shall formulate its financial and accounting regulations in accordance with relevant requirements of PRC laws, administrative regulations and rules issued by competent authorities.

Article 213 The Company shall prepare a financial report at the end of every financial year and shall cause it to be audited in accordance with law.

The Company shall publish two financial reports every financial year. The interim report shall be published within 60 days after the end of the first six months of the financial year, and the annual report shall be published within 120 days after the end of the financial year.

The Company shall submit annual financial report to the CSRC and the stock exchange within 4 months after the end of each financial year, submit interim financial reports to the branch office of CSRC and the stock exchange within 2 months after the end of the first 6 month of each financial year, and submit the quarterly financial reports to the branch office of CSRC and stock exchange within one month after the end of the first 3 months and the end of the first 9 months of each financial year.

The aforesaid financial reports shall be prepared pursuant to provisions of relevant laws, administrative regulations and rules issued by competent authorities.

Article 214 The board of directors shall place before the shareholders at every annual general meeting a financial report prepared by the Company as required by relevant law, administrative regulations or normative documents promulgated by the regional government and regulatory authorities.

Article 215 The financial report of the Company shall be made available at the domicile of the Company 20 days prior to the holding of the annual general meeting of the Company for inspection by shareholders. Every shareholder of the Company shall have the right to obtain the financial report referred to in this Chapter.

Unless otherwise stipulated in the relevant laws, regulations, the listing rules of stock exchange on which the s shares are listed and this Articles of Association, a printed copy of the aforesaid financial report or the report of the board of directors together with a balance sheet and profit and loss statement of the Company shall, not less than 21 days before the date of the annual general meeting, be sent by prepaid post by the Company to every holder of overseas listed foreign shares. The address of the recipient shall be the registered address entered in the register of shareholders.

Article 216 The financial statements of the Company shall be prepared in accordance with PRC accounting standards, laws and regulations and, in addition thereto shall also be in accordance with either the International Accounting Standards or the accounting standards of the overseas territory where the Company is listed. Where there are material differences between the financial statements prepared in accordance with the two accounting standards as aforesaid, then such differences shall be specified in the notes to those financial statements. For the purposes of distributing the profits after tax of the Company in respect of the relevant financial year, the lower amount of the profits after tax stated in the two sets of financial statements as aforesaid shall be taken to be the amount of the profits after tax.

Article 217 Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC accounting standards, laws and regulations and also in accordance with either International Accounting Standards or the accounting standards of the overseas territory where the Company is listed.

Article 218 The Company shall not keep separate books of accounts apart from its statutory books of account. The asset of the Company shall not be deposited in any account opened in the name of any individual.

Article 219 Where the Company distributes its after-tax profits of the current year, it shall allocate 10 percent of the profits after tax as the _____'s statutory common reserve, provided that no allocation is required if the accumulated statutory common reserve represents no less than 50 percent of the registered capital of the Company.

Where the statutory common reserve fund of the Company is not sufficient to cover the _____'s loss from the previous year, the current year profits shall be used to cover such loss before allocation is made to the statutory common reserve fund pursuant to the previous paragraph.

After allocation to the statutory common reserve fund has been made from the after-tax profits of the Company, the discretionary surplus reserve of any amount fund shall be allocated from the after-tax profits upon approval by general meeting.

Any profit after taxation and after makin

The Company shall not participate in profit distribution in respect of shares held under its name.

Article 220 The _____ s common reserves shall be used for making up accrued losses, expanding the business operations or increasing the capital of the Company, but the capital common reserve shall not be used for making up the _____ s losses.

When the statutory common reserve is converted into capital, the balance of such reserve shall not be less than 25% of the registered capital prior to the conversion.

The capital common reserve shall comprise the following sums:

- I. The amount of share premium arising from the issue of shares at a premium;
- II. Other income required by the financial regulatory authority of the State Council to be appropriated to the capital common reserve.

Article 221 After the passing by the shareholders in any general meeting of a resolution on the proposal for profit distribution, the distribution of dividend (or shares) under such proposal shall be completed within two months after the date of the relevant general meeting.

Article 222 Profits Distribution

- I. In order to reward the shareholders initiatively, promote the sustainable and healthy development of the Company, the Company attaches great importance to reasonable investment return to shareholders and investors. The Company shall maintain the continuity and stability, as well as enhance the transparency of the dividend distribution policy to shape a stable return expectation for shareholders and investors.
- II. The Company adopts cash dividend distribution as its main profit distribution policy, a combination of cash dividend and share dividend can also be adopted. The Company in principle shall implement a cash dividend distribution once a year unless special circumstances arise.
- III. The Company shall follow the procedures specified in this _____ s of _____ take into consideration such factors as the profits of the year, assets/liabilities ratio, development stage and fund demand, combine with opinions from shareholders, especially small and medium-sized shareholders and independent directors when formulate the interim or annual dividend distribution plan. The plan shall be submitted to the shareholders generen

2. In particular cases, if a cash dividend distribution proposal is not so made by the Company, the reason and the use of the undistributed funds retained in the Company shall be disclosed in its regular reports, and the independent directors of the Company shall issue an independent opinion on this matter.
- IV. Independent directors may solicit the opinions from small and medium-sized shareholders and make a dividend distribution proposal to be submitted directly to the board of directors for reviewing.
 - V. Prior to the reviewing of the dividend distribution plan and/or the conversion of capital reserve into shares capital plan (if any) by the shareholders general meeting, the Company shall take the initiative to communicate and discuss with the shareholders, especially the small and medium-sized shareholders through multiple channels, including the convening of an explanation session, sufficiently listen to their suggestions and requests and respond in a timely manner to questions in

Section 2 Internal Auditing

Article 224 The Company shall implement an internal auditing system and appoint full time auditors to carry out internal auditing and supervision of the _____ s income and expenses and economic activities.

Article 225 The _____ s internal auditing system and the responsibilities of the auditing personnel shall be carried out after obtaining approval by the board of directors. The auditor-in-chief shall be accountable and report to the board of directors.

Section 3 Appointment of Accounting Firm

Article 226 The Company shall appoint an independent accounting firm which satisfy the relevant PRC state regulation, and possesses the qualification of engaging in securities related business to audit the annual financial report of the Company, verify other financial reports, the values of net assets, an

IV. An accounting firm leaving office shall be entitled to attend:

1. the general meeting at which its term of office would otherwise expire;
2. the general meeting at which it is proposed to fill the vacancy arising from its removal;
3. any general meeting convened as a result of its resignation.

An accounting firm leaving office shall be entitled to receive all notices of, and other information relating to, the meetings referred to above, and to speak at any such meeting on any matter which concerns it as the former accounting firm of the Company.

Article 234 If the Company removes or does not re-appoint an accounting firm, it shall notify the accounting firm sixty (60) days in advance. The accounting firm shall be allowed to state its opinion at the time when the shareholders' general meeting is voting for removal of the accounting firm.

An accounting firm tendering resignation shall inform the shareholders' general meeting as to whether there is any irregularity on the part of the Company.

An accounting firm may resign from its office by a notice in writing deposited at the domicile. Any such notice shall be effective on the date on which it is deposited at the domicile of the Company or on such later date as may be specified therein. Such notice shall contain either of the following statements:

1. A statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the attention of the shareholders of the Company; or
2. a statement of any circumstances of which an account ought properly to be given.

The Company shall within 14 days after its receipt of the notice referred to in the preceding paragraph above send a copy of the notice to its supervisory authority. If the notice contains a statement referred to in item (2) of the preceding paragraph, a copy of that statement shall be deposited at the Company for inspection by the shareholders. The Company shall also send a copy of such statement to every holder of overseas listed foreign shares by prepaid post to their addresses recorded in the register of shareholders. The aforesaid copy of the statement may also be posted on the website of Stock Exchange of Hong Kong in accordance with the SEHK Listing Rules and following the relevant procedures.

Where the notice of resignation of the accounting firm contains a statement of circumstances of which an account ought properly to be given, the accounting firm may require the board

Chapter 12 Notice and Announcement

Section 1 Notice

Article 235 Unless otherwise provided in this Articles of Association, the notice of the Company shall be issued in th

Article 239 Notice of the meeting of the board of supervisors of the Company shall be sent by personal delivery service, facsimile, or e-mail.

Article 240 If a notice of the Company is sent in the form of public announcement, the date of publication of the first public announcement shall be the date of service. If such notice is served by personal delivery service, the receipt of service shall be signed (or sealed) by the person on whom the notice is served, and the date of receipt signed by the person on whom the notice is served shall

Article 244 In the case of merger, the Company may take the form of merger by absorption or merger by new establishment.

In the case of mergers by absorption, a company absorbs other companies and the absorbed company is dissolved. In the case of mergers by new establishment, two or more companies combine together for the establishment of a new one, and the pre-merger companies are dissolved.

Article 245 To carry out a corporate merger, each party to the merger shall conclude an agreement with each other and formulate balance sheets and checklists of properties. The companies involved shall, within ten days after making the decision of merger, notify the creditors, and shall make a public announcement on a newspaper no less than 3 times within 30 days.

The creditors may, within 30 days after receiving the notice or within 45 days after the issuance of the public announcement if it fails to receive a notice, demand the Company to clear off its debts or to provide corresponding guaranties.

Article 246 To carry out a merger, the credits and debts of the companies involved shall be succeeded or assumed by the company that survives the merger or by the newly established company.

Article 247 To split the Company, the properties thereof shall be divided accordingly.

To split the Company, each party to the split-up shall conclude an agreement with each other and balance sheets and checklists of properties shall be worked out. The Company shall, within 10 days after the decision of split-up is made, inform the creditors and make a public announcement on a newspaper no less than 3 times within 30 days.

Article 248 The post-split companies shall bear several and joint liabilities for the debts of the Company before its split unless it is otherwise prescribed in a written agreement reached by the Company and the creditors before the split-up regarding the debt pay-off.

Article 249 Where the Company finds it necessary to reduce its registered capital, it must work out balance sheets and checklists of properties.

The Company shall, within ten days after the decision of reducing registered capital, notify the creditors and make a public announcement on a newspaper within 30 days. The creditors shall, within 30 days after receiving the notice or within 45 days after the issuance of the public announcement if it fails to receive the notice, be entitled to demand the Company to pay off the debts or to provide respective guaranties.

After reduction of the capital, the amount of the registered capital shall not be less than the statutory minimum.

Article 250 Where, in the process of merger or split-up of the Company, any of the registered items is changed, the Company shall go through modification registration with the company registration authority. Where the Company is dissolved, it shall be deregistered according to law. If a new company is established, it shall go through the procedures for company establishment abiding by law.

In the case of increasing or reducing its registered capital, the Company shall go through modification registration with the company registration authority abiding by law.

Section 2 Dissolution and Liquidation

Article 251 The Company may be dissolved

Article 254 Where the board of directors decides to carry out liquidation of the Company (except for the liquidation caused by the declaration of bankruptcy of the Company), it shall declare in the notice of the shareholders' general meeting convened for this purpose that the board of directors has made a comprehensive and thorough investigation of the situation and considers that the Company can repay all its debts within 12 months after the commencement of liquidation.

The functions and powers of the board of directors of the Company shall terminate immediately after the resolution of the shareholders' general meeting for liquidation is passed. 1 5

The liquidation shall be conducted in accordance with the instructions of the shareholders' general meeting, report to the

Article 257 The liquidation group shall, after liquidating the properties of the Company and preparing balance sheets and checklists of properties, make a plan of liquidation and submit the plan to the shareholders' general meeting or the court for confirmation.

After paying off the liquidation expenses, wages of employees, social insurance premiums and legal indemnities, the outstanding taxes and the debts of the Company, the remaining properties may be distributed according to the proportion of stocks held by the shareholders.

During the liquidation, the Company continues to exist but may not carry out any business operation that has nothing to do with liquidation. None of the properties of the Company may be distributed to any shareholder before they are used for debts payoff as described in the preceding paragraph.

Article 258 If the liquidation group finds that the properties of the Company is not sufficient for paying off the debts after liquidating the properties and preparing balance sheets and checklists of properties, it shall file an application to the court for bankruptcy.

Once the court makes a ruling declaring the Company bankrupt, the liquidation group shall hand over the liquidation matters to the court.

Article 259 After the liquidation of the Company is completed, the liquidation group shall make a liquidation report as well as income and expenditure statements and financial accounts during the liquidation with verification by the registered Chinese accountant and submit the report, statements and accounts to the shareholders' general meeting or the court for confirmation.

The liquidation group shall, within 30 days from the date of confirmation by the general meeting or the court, submit the documents described in the preceding paragraph to the company registration authority, apply for deregistration of the Company and make public announcement regarding the cease of the Company.

Article 260 The members of the liquidation group shall devote themselves to their duties and perform their obligations of liquidation according to law.

None of the members of the liquidation group may take advantage of his/her position to take any bribe or any other illegal proceeds, nor may he/she misappropriate any of the properties of the Company.

Where any of the members of the liquidation group causes any loss to the Company or any creditor by intention or due to gross negligence, he/she shall make respective compensations.

Article 261 Where the Company is declared bankrupt according to law, it shall carry out a bankruptcy liquidation according to the legal provisions concerning bankruptcy liquidation.

Chapter 14 Amendments to Articles

Article 262 The Company shall make amendments to the Articles under one of the following circumstances:

- I. due to the amendments of the Company Law or relevant laws and administrative regulations, the matters stipulated in the Articles of Association conflict with the provisions of the amended laws and related administrative regulations;
- II. where a change happens in the _____ s situation leads to inconsistency with the matters stated in the Articles;
- III. the shareholders' general meeting decides to amend the Articles of Association.

Article 263 Amendments to the matters of the Articles of Association adopted by a resolution of the shareholders' general meeting which are subject to approvals from relevant competent authority shall be submitted to the competent approval authority for approval; if there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with the law.

Article 264 The board of directors shall amend the Articles of Association in accordance with the resolution of the shareholders' general meeting and the comments of the relevant competent authority.

Article 265 Where amendments of the Articles of Association are required to be disclosed by laws and regulations, the Company shall make the public disclosure in accordance with the provisions.

Chapter 15 Dispute Resolution

Article 266 The Company shall comply with the following rules of dispute resolution:

- I. Whenever any dispute or claim arises from any rights or obligations provided in the Articles, the Company Law or other relevant laws or administrative regulations in connection with the affairs of the Company and is between a holder of overseas listed foreign shares and _____ s

Disputes relating to whether or not a person is a shareholder and disputes relating to the register of shareholders need not be resolved by arbitration.

- II. An applicant for arbitration may refer the matter to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules or, alternatively, to the Hong Kong International Arbitration Centre for arbitration in accordance with its securities arbitration rules. Once the applicant refers a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the applicant.

If the party applying for arbitration selects for arbitration by the Hong Kong International Arbitration Centre, then either party shall be entitled to request, in accordance with the requirements of the securities arbitration rules of the Hong Kong International Arbitration Centre, ~~that~~ the arb

Article 268 The board of directors may formulate detailed rules for the Articles of Association in accordance with the provisions hereof, but the detailed rules for the Articles of Association shall not conflict with the provisions hereof.

Article 269 The Articles of Association are written in Chinese. In case of any discrepancy between the Articles of Association in any other language or in different versions, the Chinese version of the Articles of Association after the latest filing and registration in Hubei Market Regulation Administration shall prevail.

Article 270 In the Articles of Association, the terms "no less than", "not less than", "not more than", and "not more" include the given figure; the terms "less than", "more than", and "more" do not include the given figure.

The terms "jointly and severally" and "each party" in the Articles shall have the same meanings as "jointly and severally" and "each person" in the SEHK Listing Rules respectively.

Article 271 The board of directors shall be responsible for the interpretation of the Articles of Association.

Article 272 The appendix to the Articles of Association includes the rules on procedure of shareholders' general meeting, the rules on procedure of the board of directors and the rules on procedure of the board of supervisors.

Article 273 The Articles of Association shall take effect from the date when the shares of the Company are listed and traded in the Hong Kong Stock Exchange.

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Huaxin Cement Co., Ltd.

20 July 2023